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Chair

The Honourable Judy A. Sgro

Standing Committee on Transport, Infrastructure and Communities

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• (1600)

[English]

The Chair (Hon. Judy A. Sgro (Humber River—Black Creek, Lib.)): I call to order this meeting of the Standing Committee on Transport, Infrastructure and Communities, 42nd Parliament, 1st session, meeting number 13. We are here pursuant to the order of reference of Wednesday, April 20, 2016, Bill C-10, an act to amend the Air Canada Public Participation Act and to provide for certain other measures.

We are joined today by members of the department, Daniel Blasioli and Sara Wiebe, who are here to answer questions and offer any assistance to the committee as we proceed with the clause-by-clause.

Given the fact that we have many new members on the committee, I'm going to give you a bit of information so that everybody understands exactly the process we're going to go through this afternoon.

As the name indicates, this is an examination of all of the clauses in the order in which they appear in the bill. I will call each clause successively, and each clause is subject to debate and a vote.

If there is an amendment to the clause in question, I will recognize the member who has posed it, who may then explain it. The amendment will then be open for debate. When no further members wish to intervene, the amendment will be voted on. Amendments will be considered in the order in which they appear in the package that each member received from the clerk. If there are amendments that are consequential to each other, they will be voted on together.

In addition to having to be properly drafted in a legal sense, amendments must also be procedurally admissible. The chair may be called upon to rule amendments inadmissible if they go against the principle of the bill or beyond the scope of the bill, both of which were adopted by the House when it agreed to the bill at second reading. They may also be ruled inadmissible if they offend the financial prerogative of the crown.

If you wish to eliminate a clause of the bill altogether, the proper course of action is to vote against that clause when the time comes, not to propose an amendment to delete it.

Since this is the first exercise for many new members, I will go slowly to allow all members to follow the proceedings properly.

If during the process the committee decides not to vote on a clause, that clause can be put aside by the committee and revisited later on in the process.

As indicated earlier, the committee will go through the package of amendments in the order in which they appear and vote on them one at a time. Amendments have been given a number in the top right corner to indicate which party submitted them. There is no need for a seconder to move an amendment. Once it is moved, you will need unanimous consent, though, to withdraw it.

During debate on an amendment, members are permitted to move subamendments. These subamendments do not require the approval of the mover of the amendment. Only one subamendment may be considered at a time, and that subamendment cannot be amended. When a subamendment is moved to an amendment, it is voted on first. Then another subamendment may be moved, or the committee may consider the main amendment and vote on it.

Once every clause has been voted on, the committee will vote on the title, the bill itself, and order a reprint of the bill, if required, so that the House has a proper copy for use at report stage.

Finally, the committee will have to order the chair to report the bill to the House. That report contains only the text of any adopted amendments as well as an indication of any deleted clauses.

I hope everybody was able to grasp all of that as we begin this process. This has probably lasted longer than the meeting will if these two amendments are dealt with fairly quickly. I think everyone understands the process.

(On clause 1)

The Chair: The first amendment we will look at is the amendment by the NDP, by Ms. Duncan.

I turn the floor over to you, Mr. Boulerice, if you'd like to speak to the amendment.

• (1605)

[Translation]

Mr. Alexandre Boulerice (Rosemont—La Petite-Patrie, NDP): Thank you very much, Madam Chair.

You know the position of the New Democratic Party on Bill C-10 as a whole. To our eyes, it is quite appalling. It actually legislates the loss of 2,600 good jobs all across the country, but mainly in greater Montreal, in Mississauga and in Winnipeg.

The NDP's amendment would simply allow those 2,600 jobs to be saved and kept in the country while keeping Air Canada's legal obligation in terms of the maintenance and overhaul of those aircraft in the three cities I mentioned in my introduction.

It is important for us, because it is a sign of our trust in our aerospace sector, in the Air Canada and Aveos workers who have invested their lives, their time, their energy, their efforts, their qualities, their skills. They have done good work and their expertise is recognized as world-class.

Our aerospace sector is flourishing and we are very proud of it. However, it is not just about making aircraft, it is also about cutting-edge expertise in heavy maintenance. This means that we can be assured that the workers are safe, just as we can also be assured that passengers are safe.

The NDP does not understand how the Liberal Party, having on several occasions committed to solidarity with Air Canada and Aveos workers, should switch sides and change an act that is going to legalize the loss of jobs, something that, even yesterday, was illegal.

Let us not forget that the workers' families were successful in their lawsuits. They won in the Superior Court of Québec. That victory was upheld by the Court of Appeal of Québec and the case is now going to the Supreme Court.

Today, the new Liberal government is doing even worse than the previous Conservative government, which let the matter drag on for years. The Liberals loudly clamoured for the previous Conservative government to enforce the law in order to save the jobs.

Today, with incredible cynicism, I would go so far as to say with complete hypocrisy towards the electorate, not only is the act not being enforced, it is being retroactively changed to justify and legalize the loss of 2,600 jobs. Under the pretext of making Air Canada competitive, it is being given complete carte blanche, and 2,600 good jobs, which should be staying here in the country, are being abandoned.

If the Liberal job creation plan is to allow our jobs to be exported overseas, I wonder what the next step will be in terms of making other Canadian businesses competitive. Will there be deregulation and liberalization? Will they be permitted to outsource jobs. Is the new government's plan to legalize the loss of jobs in Canada in order to create jobs in the United States, Central America or Israel, for heaven's sake?

I find Bill C-10 to be illogical and inconsistent. Air Canada has maintained its aircraft in Canada for decades. As a result, good jobs in the industry were kept here. That helps us in aviation and in aerospace. I can hardly believe that, today, a government that declared itself in favour of the manufacturing sector and cutting-edge sectors like aerospace is able to abandon its promises with the stroke of a pen. Those jobs have disappeared; we will never see them again.

A kind of false competition is being set up between the manufacturing sector and the aviation maintenance sector. They can go hand in hand. Why are we giving Air Canada such a gift?

• (1610)

The NDP does not accept the excuse that Air Canada is going to buy C Series aircraft from Bombardier. If Air Canada is buying C Series aircraft from Bombardier, it is not out of the goodness of their hearts or out of Christian charity, nor is it to make up for the loss of the maintenance jobs. It is because the C Series are darned good

planes that Air Canada should be buying because it needs them. That is why it is buying them. However, that does not justify abandoning 1,800 families in and around Montreal and hundreds of families in Mississauga and Winnipeg.

We still have the video of the current Prime Minister, who, when he was leader of the opposition in 2012, was on Parliament Hill with the Aveos workers, chanting the word “solidarity” into his megaphone. Today, those workers must feel completely betrayed by the promises of the Liberal Party, which is switching sides today and doing something that a Conservative government would never have dared to do: throwing into the garbage the guarantees that had been negotiated with Air Canada in the Mulroney years to justify privatizing the carrier.

That is why the NDP is appealing to its Liberal colleagues to reverse their decision and change their party's position, to stand up for the people in and around Montreal, in Winnipeg, Manitoba, and in Mississauga. We have to do our job and to keep high-quality jobs at home, not pass a retroactive act that agrees to export our aerospace jobs.

Thank you, Madam Chair.

[English]

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

Is there any further discussion or debate?

Mr. Hardie.

Mr. Ken Hardie (Fleetwood—Port Kells, Lib.): I thank Alexandre for his comments, because for anybody who witnesses someone losing a job, it's not pleasant. It's not nice. The dislocation to families and to communities is substantial.

As we went through the witnesses who appeared before us to give us background on this, a couple of things came out of this.

There is the argument that Air Canada is in a highly competitive environment, and they are being required to do things that their competitors are not, while their competitors are getting work done here in Canada, including heavy maintenance.

No one was able to tell us how many of the 2,600 who had been employed at Aveos had found new employment, because at that time when Aveos went down, Air Canada was required to find somebody else to do that work. Some of that work did gravitate to other companies, but it was a concern to some of us that the existing Canadian companies didn't necessarily bid on that work very aggressively. That was also a concern.

We also see from information provided by the witnesses that schools are continuing to turn out graduates in all lines of maintenance, including heavy maintenance. We heard from industry representatives that in their businesses, let's face it, sometimes things are a little tight, but nonetheless they're hanging in there, and one even seemed to be extremely successful.

The reasons for guaranteeing jobs when the law was first passed have changed substantially. The company that was privatized way back when no longer exists. You could make an argument that the law we're being asked to uphold was broken as of the moment they sold their heavy maintenance division to somebody else. The fact that company failed to make it while other Canadian companies remained, and remained viable, suggests that it was more of a management issue, and that the opportunities and the jobs are still there.

When you consider that putting one company at a competitive disadvantage may indeed jeopardize more jobs, and when you consider that the industry at stake here remains in not bad shape—it could be better, but it's not bad—then this is where the centres of excellence come in. With a highly specialized aircraft like the C series, we have an opportunity here to put the stake in the ground and this will be the place where airlines from across the world will bring their aircraft to have them maintained, including the heavy maintenance, and the airframes, and the line maintenance, although line maintenance can happen anywhere.

The reason for the Air Canada Public Participation Act in the first place has changed quite substantially, and the conditions have changed quite substantially. Based on what the witnesses told us, I think we remain convinced that times have changed enough that there are opportunities for those workers in the existing aerospace industry, as well as in the industry that will develop, especially as the C series gains even more success as it seems to be doing. That's one of the reasons why after all this time, as difficult as it may have been, it is probably time to move on.

•(1615)

The Chair: Mr. Sikand, do you have some comments? Is there any further discussion?

Mr. Gagan Sikand (Mississauga—Streetsville, Lib.): Just touching on what my colleague said, I want to take the discussion to a little bit of a macro level.

We know we have the fifth-largest aerospace industry in the world. It is not first; it is fifth. In order to fight for that position, we need to be competitive.

I have some stats here. The aerospace industry directly employs 76,000 people, 25,000 of those being from Air Canada. It also contributes \$13.1 billion to our GDP.

We really require this aerospace industry to be competitive. In fact, the Emerson report itself urged Canada to promote its aerospace industry abroad and to negotiate co-operation agreements with emerging industry players, such as China and India. Not only are we in a competitive aerospace industry, but we have others joining the competition.

Having said that, I really believe we should do as much as we can not to hinder our competitive advantage.

The Chair: Mr. Berthold, go ahead.

[*Translation*]

Mr. Luc Berthold (Mégantic—L'Érable, CPC): Thank you very much, Madam Chair.

I am pleased to speak to this proposed amendment because it allows me to recall some of the important considerations we heard when the committee studied Bill C-10.

First of all, we had the opportunity to hear from the minister. He told us about Bill C-10, but he was not able to explain the urgent need to act and to pass Bill C-10. Why is the government in such a hurry to pass Bill C-10? Even today, members asking the question have had no answer.

Why is it important to understand the urgency on the part of the government in acting on this matter? It is simple. A number of the groups who testified have told us that it was important for them for Bill C-10 not to be passed in haste, too quickly, without obtaining guarantees in some form. There must be a guarantee that workers' jobs in this industry will be preserved and that the centres currently located in each of the provinces be maintained. There must be a guarantee that workers' rights will be preserved, workers who, I remind you, have gone to court on several occasions and have won their case each time. There must be a guarantee that another group of former workers will have the time to present a plan to revive the heavy maintenance industry, even to maintain aircraft in Canada. There must be a guarantee that the quality of the work done here will be preserved, just like our knowledge and our skill in the aviation industry. There must be a guarantee that provinces will be allowed to reach real agreements with Air Canada.

From the outset, we have heard about Air Canada acquiring C Series aircraft from Bombardier but we have never been told the reasoning and the role that Bill C-10 is playing in the acquisition of those aircraft. There seems to be no agreement between the government and Air Canada. There seems to be no agreement with Bombardier either, for the acquisition of these aircraft. However, everyone who has testified here has made a very clear and precise link between those agreements that we have heard nothing about, that are not supposed to exist, but that apparently do exist. If you are following me, it is quite clear.

That is why it is our responsibility to ask questions. Are there legal reasons, administrative reasons? Are there reasons to justify these deadlines that we do not know about and that, as parliamentarians, we should have known about?

You said earlier that you would give us the time. I am new to Parliament and I am not used to all this procedure. Can I ask the witnesses questions about this now? Is this the time? Can I ask questions?

•(1620)

[*English*]

The Chair: Yes, please do.

[*Translation*]

Mr. Luc Berthold: Thank you.

Given the current legislation and the cases before the courts, is there an obligation that is forcing the government to pass Bill C-10 at this stage? Is there anything in legal or administrative terms that justifies passing a bill like this?

[English]

Ms. Sara Wiebe (Director General, Air Policy, Department of Transport): I am not aware of any legal administrative purpose that requires the bill to move forward immediately.

[Translation]

Mr. Luc Berthold: So there was no request from any administrative body to do this, for either legal or administrative reasons?

[English]

Ms. Sara Wiebe: I am not aware of any.

[Translation]

Mr. Luc Berthold: Thank you very much.

That is another reason that leads me to wonder why we have to act so quickly and why it was decided to impose closure so that Bill C-10 is passed more quickly.

In another comment, I will take the opportunity to talk about the involvement of the two governments. There has been a lot of talk that they need Bill C-10 to be passed, supposedly in order to finalize the understandings that have not been reached. Why is it so urgent to pass Bill C-10?

The amendment that my NDP colleague has introduced allowed me to reflect on this matter. Before we moved to pass this bill, I would like it to have gone back to the House so that committee members could get some answers to these questions. Unfortunately, the time allocation does not allow us to do that.

Thank you.

[English]

The Chair: Thank you, Mr. Berthold.

I am not seeing any further debate. Shall the NDP amendment moved by Mr. Boulerice carry?

[Translation]

Mr. Alexandre Boulerice: Madam Chair, I request a recorded vote.

(Amendment negatived; nays 8; yeas 1. —See *Minutes of Proceedings*)

[English]

The Chair: The amendment has been defeated.

It was good attempt, Mr. Boulerice.

We will now move on to amendment CPC-1, and I turn it over to Ms. Block to speak to it.

Mrs. Kelly Block (Carlton Trail—Eagle Creek, CPC): Thank you very much, Madam Chair.

I'm happy to present and speak to the amendment for Bill C-10, which is, of course, an act to amend the Air Canada Public Participation Act and other measures.

My amendment is quite short. Everyone has had a chance to read it, but I will read it into the record. I move that Bill C-10, in clause 1, be amended by adding after line 20 on page 1 the following:

(5) Subsection (4) does not come into force before August 1, 2016.

If I could boil down to a single point the reason for my amendment, it would be the following, and my colleague has already alluded to it. It would be the rush in getting this legislation through Parliament. Too many questions and concerns remain unanswered for my colleagues on this side of the table and me.

First, why is the government so intent on getting this bill passed before the summer break? We've heard from the witnesses that there are no legal or technical reasons for rushing this legislation forward. Why was time allocation used for the very first time in Parliament to send this legislation to committee after two days of debate? Why did the government side stop putting up speakers during second reading shortly after 3 p.m. on the second day of debate, after just a few Liberal members had given speeches and taken questions from opposition members? The day after Bill C-10 was introduced in Parliament, the Minister of Transport responded to a question by saying that, and I quote, "The member...should be delighted for Canada." It's difficult to see how Canadians could be delighted about this bill considering so few Liberal members could even get enthusiastic enough to defend their minister's legislation in Parliament, on the record, and take direct questions from members opposite.

Is Bill C-10 so important that there was only time to allow a few members to debate this legislation during second reading? Does Air Canada's competitiveness hinge on the prompt passage of this legislation in the House of Commons and the Senate?

In our opinion, the government has not made its case as to why this legislation must receive royal assent before Parliament rises for the summer. This legislation was introduced as a response to the litigation Air Canada was facing, and we heard that many times from the minister, because according to the Attorney General of Quebec and the Attorney General of Manitoba, the carrier wasn't fulfilling its obligations under the Air Canada Public Participation Act. The courts sided with the provinces on two occasions. The Minister of Transport confirmed this during the first question period after Bill C-10 was introduced, and I quote:

As a result of the decision by the Quebec government and Manitoba government not to litigate any further against Air Canada, we felt this was an appropriate time to clarify the law and modernize it so that Air Canada can compete with the rest of the world.

I think we've all heard testimony over the past three meetings and understand that there is no agreement between Air Canada or the Government of Quebec, nor between Air Canada and the Government of Manitoba. The minister is either poorly informed or just twisting the facts. The facts are clear. Case 36791 is presently on leave to appeal in front of the Supreme Court until July 15, 2016. Counsel for Air Canada is Norton Rose Fulbright Canada LLP; counsel for the Attorney General of Quebec is Noël and Associates; and counsel for the Attorney General of Manitoba is Woods LLP.

What is taking place right now is a negotiation between parties, and like all negotiations between parties during litigation, the intention is to settle by finding a mutually agreeable outcome. Parties do not negotiate unless they are willing to settle.

In the case of Quebec, the reasonable settlement appears to be the purchase of the C Series aircraft, and a commitment to undertake that C Series maintenance in Quebec and to create a centre of excellence in the province.

In the case of Manitoba, the reasonable settlement appears to be the transferring of approximately 150 jobs from other places in Canada to the provincial capital. We should be under no illusion that these negotiations are complete. Air Canada hasn't even converted its letter of intent for the C Series into a firm order yet.

• (1625)

There are no new centres of excellence in either Quebec or Manitoba. The Minister of Transport has not provided Parliament with any documentation on when these commitments will be met, or when this lawsuit will be dropped.

I would submit that it's clear from the testimony and from the briefs we have received that neither Quebec nor Manitoba have documentation supporting these settlement discussions. The minister for the economy of Quebec made it quite clear in the brief that she submitted to this committee that the lawsuit was still ongoing, and I'll read the relevant part of her brief into the record: "Pending the conclusion of final agreements, the Government of Quebec has agreed to drop its lawsuit in relation to Air Canada's obligations to have an overhaul and maintenance centre."

The Deputy Premier of Manitoba also made that quite clear in her testimony, saying that the federal government's approach to Bill C-10, simply put, is "jumping the gun". Bill C-10 is being rushed through the process before the necessary specific investments and binding commitments by the federal government and Air Canada have been secured.

I don't think this point has been made clear enough, so I'd like to get it on the record. The Government of Quebec, with the Government of Manitoba as an intervener, brought Air Canada to court to challenge the carrier's assertion that it was fulfilling its obligations under the Air Canada Public Participation Act. The Quebec Superior Court ruled in 2013 that Air Canada had not fulfilled its obligations under the Air Canada Public Participation Act. The Quebec Court of Appeals ruled on November 3, 2015, that Air Canada had not fulfilled its obligations under the Air Canada Public Participation Act.

Two months later, on January 5, 2016, Air Canada asked the Supreme Court, Canada's top court, to overturn the Quebec Court of Appeal's decision. If the clause pertaining to aircraft maintenance of the Air Canada Public Participation Act does not exist, the case of Attorney General of Quebec v. Air Canada would become moot in the eyes of the Supreme Court. If there is no law to which Air Canada can be held in terms of undertaking overhaul maintenance in Canada, the carrier cannot be challenged in court on this matter.

Air Canada likes the C Series airplane. They made that clear during their appearance last week, but as recently as January 5, Air Canada's plan was to appeal the Quebec Court of Appeal's decision to the Supreme Court.

Something changed, and Air Canada decided that it was better off settling these lawsuits than pursuing this matter in front of the Supreme Court. Whether the federal government was somehow

involved in this change of heart is unknown, beyond a statement by Air Canada's representative indicating that it is acting under the assumption that the section of the Air Canada Public Participation Act we are discussing right now would be repealed. If it wasn't repealed, Air Canada would have to consider its next steps.

The maintenance provision of the Air Canada Public Participation Act mentions three parties: the City of Winnipeg, the Montreal Urban Community, and the City of Mississauga. Air Canada is named in the title of the bill. Obviously, the Montreal Urban Community doesn't exist anymore, but the provincial governments of two of these three areas are presently engaged in a legal challenge on this very act. I think it is very odd that the government is in the process of changing a law in which three-quarters of the parties mentioned in the law are in litigation challenging each other on this very law. This amendment would give these parties more time to negotiate and come to a mutually agreeable compromise.

I want to move on.

On February 17, 2016, Air Canada announced that it had signed a letter of intent to purchase the Bombardier C Series aircraft and maintain these in Quebec. On the same day, the Minister of Transport announced that he would lessen Air Canada's obligations under the Air Canada Public Participation Act. Between the time that Air Canada announced it would challenge the Quebec Court of Appeal's ruling in the Supreme Court, and the Minister of Transport's announcement that he would lessen Air Canada's maintenance obligations under the act, the carrier's representatives met with the Minister of Transport and the Prime Minister's Office at least five times.

• (1630)

According to the Lobbying Commissioner's database, these meetings took place on January 8, January 22, January 27, February 3, and February 15, 2016. When the minister came to committee last week, I asked him about these meetings and for any briefing notes that were prepared for these meetings, but to date I have not received any. He seemed reasonably willing to provide these during committee, contingent upon receiving the dates that were in question. I have provided the dates, and followed up on this request during question period, but was then told by the minister that I was on a fishing trip.

First, we are told that recommendations from the minister's department made their way into the bill. Then we were told we could have these documents. Then I was told I was on a fishing trip when trying to get the very documents that the minister, himself, told me existed.

This bill is one clause. I cannot imagine that a mountain of paperwork would be sent to the committee on this request, so I am disappointed not to be able to see the original work product that informed Bill C-10.

I do have a number of access to information requests out to Transport Canada, but as you can imagine I haven't received any responses yet. Access to information requests take months to be responded to, and more often than not any advice to ministers is blacked out. Considering this legislation was first introduced on March 22, the government's rush to pass Bill C-10 ensures that any documents from Transport Canada that don't support the minister's decision, or any documents, for that matter, won't see the light of day before this bill receives royal assent.

These documents are important because there are just too many loose ends for anyone to believe that a clear policy development process was undertaken at Transport Canada, with options to make Air Canada more competitive presented to the minister and his team. There are dozens of policy options that the minister could have considered to make Air Canada and the entire aerospace sector more competitive, but without having seen these, we can't scrutinize the decision.

If my amendment is accepted, I'm hopeful the government will be willing to use the extra time before Bill C-10 becomes law to share with parliamentarians the recommendations of the transportation department that informed this bill. The need for this reform was not included in the Liberal campaign platform. Actually, Air Canada, or its competitiveness, was not even mentioned. The Minister of Transport cannot claim that he has a mandate from the Canadian electorate to get this bill passed so quickly. The government has not been asked by the Supreme Court to pass this legislation, as was the case with Bill C-7, an act to amend the Public Service Labour Relations Act or Bill C-14, an act to amend the Criminal Code and to make related amendments to other acts (medical assistance in dying). This bill has nothing to do with the budget. If Air Canada is negotiating in good faith with the Government of Quebec and the Government of Manitoba, then this bill doesn't need to pass so quickly because Air Canada won't face further legal challenges. If Air Canada is not negotiating in good faith with the Government of Quebec and the Government of Manitoba, then this bill shouldn't pass, because the Air Canada Public Participation Act, in its current form, remains the main tool of those provinces to get Air Canada to the table to negotiate.

If this legislation doesn't pass, there will be no legal vacuum. Employment levels in both provinces will remain the same. Effectively, the status quo will remain. If the legislation doesn't pass right now, but does so in a few months, the new government in Manitoba will be able to work with the Minister of Transport, the Minister of Natural Resources, and the Minister of Employment and Social Development to ensure that this legislation meets the province's expectations.

This amendment that I am proposing today goes some way to fulfill the very reasonable request from the Government of Manitoba and the Government of Quebec to wait until they settle their lawsuits before passing this bill, by stipulating that this bill not come into effect before August 1, 2016. My preference would have been to propose an amendment that would have stipulated that this legislation would come into effect only when the Attorney General of Quebec and the Attorney General of Manitoba have communicated with the Attorney General of Canada that they have

concluded their litigation against Air Canada, but I was informed that according to procedure, and I quote:

● (1635)

An amendment to alter the coming into force clause of a bill by making it conditional, is out of order. This type of amendment goes beyond the scope of the bill and is an attempt to introduce a new question into the bill.

Because the process of negotiating a settlement is always conditional on both parties compromising, no amendment on Air Canada meeting its settlement commitments can be admissible, and I am forced to settle on the language I am proposing. This amendment is not perfect, but it does give the Government of Quebec and the Government of Manitoba more time to negotiate and settle their litigation against Air Canada. It gives the Government of Quebec and the Government of Manitoba more time to see progress from Air Canada in terms of fulfilling the terms of their settlements. With Bill C-10 coming into force at a later date, Air Canada will have, at a minimum, turned its letter of intent to purchase the 45 C Series aircraft into a firm order.

Quite frankly, I really can't see why all members wouldn't support this proposed amendment. For a party that loves to repeat, at every opportunity, that it wants to work hand in hand with the provinces and municipalities, this unilateral action on the part of the federal government gives me the impression that Liberal campaign promises are not worth the paper they are written on.

As my colleague, the member from Mégantic—L'Érable, has pointed out, and it bears repeating, it's very rare that provincial ministers intervene and comment on federal legislation. Yet in this case provincial ministers from two different parties have both made their concerns known, and have asked that Bill C-10, an act to amend the Air Canada Public Participation Act and other measures, come into force only upon their concluding their litigation against Air Canada.

The deputy premier of Manitoba, who also serves as Manitoba's attorney general, couldn't have been more clear. I think I already made this point, but I'll make it again, that the federal government's approach to Bill C-10 simply put is jumping the gun. Bill C-10 is being rushed through the process before the necessary specific investments and binding commitments by the federal government and Air Canada have been secured.

Every single member here was able to follow up with Minister Stefanson, and not a single member questioned her statement asserting that litigation had not yet been concluded, or that this bill wasn't being rushed. I expect the Liberal members will tell us that we should just trust the Minister of Transport and the assurances that he has given the committee.

I'll take the opportunity to quote the minister here, because his statement was telling: "My discussions lead me to think that they are very serious, and the commitment is firm." Without documents to support this statement, I find this statement very problematic.

Just two days after he made that statement, Air Canada came here, and they were also very clear. When asked about whether the purchase of the C Series aircraft and the creation of the centres of aircraft maintenance in Quebec were conditional on this federal legislation getting passed promptly, Air Canada's representative said, "we are operating on the assumption that the act will be amended pursuant to this process. If that doesn't happen, we will assess the decision at the time." I think it's worth repeating the last sentence: "If that doesn't happen, we will assess the decision at the time."

My friend from Niagara Centre asked the Attorney General of Manitoba whether she thought a centre of excellence would be beneficial to her province. This question seemed to imply that, should this legislation not get passed as quickly as the government wants, Manitoba would not benefit from Air Canada moving some of its operations to the province, and perhaps creating a smaller western Canadian centre of excellence in aircraft maintenance.

A centre of excellence is a concentration of aircraft maintenance operations, and more broadly, a concentration of aerospace companies. When a major company like Air Canada chooses to get a significant part of its maintenance work done in one specific location, a large number of firms do set up shop there in order to service the airline. That area consequently becomes a centre of excellence. Therefore, anywhere that Air Canada does significant amounts of maintenance can be considered a centre of excellence.

• (1640)

Manitoba has historically been a centre of excellence in aerospace in Canada with over 5,000 jobs in the sector and many companies that drive innovation. The fact is, Madame Chair, that Manitoba would have benefited because Manitoba won in the Quebec Superior Court and won again in the Quebec Court of Appeal.

While I don't want to speculate on how the Supreme Court would have ruled on this matter, precedent would indicate Manitoba had a strong case. Manitoba is not getting these jobs because of this legislation. They would be getting them because they won in court.

To bring this back to my amendment, all legislation should be carefully considered on the basis of its short-, medium-, and long-term impacts.

I think we as a committee have done a good job looking at this proposed legislation over the past three meetings and have heard from many good witnesses. The breadth of the commentary was of the opinion that they don't understand the rush to get this legislation passed, and they have asked explicitly for the passage of the bill to be delayed.

This amendment addresses those concerns.

Thank you.

• (1645)

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

We have 15 minutes left. I think we might, depending on the committee's wishes, suspend the meeting now, come back immediately after the vote, and then we can continue the debate at that particular time.

Everyone's in agreement with that?

I'll move suspension, and we'll go to the vote and come right back.

- _____ (Pause) _____
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- (1715)

The Chair: I'm calling the meeting back to order.

We are resuming debate and discussion on Ms. Block's motion.

Is there any further discussion on Ms. Block's motion?

Mr. Badawey or Mr. Iacono, would you like to make comment on Ms. Block's amendment?

Mr. Angelo Iacono (Alfred-Pellan, Lib.): First I want to say that I have great sympathy for the former Aveos workers. I think the way they lost their jobs was particularly brutal and abrupt, and I certainly understand their anger.

That being said, we did learn over the course of our meetings that following the Aveos bankruptcy several hundred jobs were created in other maintenance sites in Quebec, such as at Premier Aviation in Trois-Rivières and in Quebec City.

We also know that the agreement in principle between Air Canada and the Quebec government may create as many as a thousand new maintenance jobs, and also that a centre of excellence will be created.

If you combine those numbers, you can see that they go a good chunk of the way to making up for the close to 1,800 jobs that were lost in Quebec when Aveos went bankrupt. Very importantly, those jobs are created because it makes business sense for Air Canada to do so, rather than to have that done through legislative action. This is a more sustainable model.

I appreciate that my colleagues want to protect jobs. So do I; so do we, and so do Minister Garneau and our government.

[*Translation*]

Air Canada was privatized in 1989. Since that time, Air Canada has not always managed to be viable and able to prosper in a highly competitive global environment. We simply want to give Air Canada the opportunity to establish itself in a competitive position in a constantly evolving air industry where other carriers are not subject to similar requirements.

There is no specific urgency. It is just that the time is right because the governments of Quebec and Manitoba, as well as Air Canada, have decided to put an end to their legal proceedings. So the time has come to clarify and modernize the act so that this sector can become ever more competitive. All the witnesses we have heard from have clearly stated that they want a competitive aviation industry. With a competitive aviation industry, more jobs will surely be created.

As for the notes you requested from Minister Garneau, I just wanted to tell you that he appeared before the committee for an hour and you had the time to ask him all your questions.

Thank you.

•(1720)

[English]

The Chair: Thank you very much.

Is there any further discussion?

Mr. Boulerice.

[Translation]

Mr. Alexandre Boulerice: Thank you very much, Madam Chair.

Can I use my time to ask the witnesses a question?

[English]

The Chair: Yes, you may.

[Translation]

Mr. Alexandre Boulerice: Good afternoon.

In your opinion, under Bill C-10 in its present form, unfortunately without the amendments that the New Democrats proposed and perhaps with one amendment from the Conservatives, how many jobs maintaining Air Canada aircraft will remain in Canada?

Ms. Sara Wiebe: Can you repeat the question, please?

Mr. Alexandre Boulerice: How many jobs will remain in Canada after Bill C-10 has been passed?

[English]

Ms. Sara Wiebe: Thank you for the question.

I think it's difficult to answer that question, given the rapidly evolving nature of the air industry within which our air carriers operate. I think we can certainly look to the jobs that would be created as a result of the purchase of the Bombardier C Series and the jobs that would be created as a result of the creation of the centres of excellence in Quebec and Manitoba. I think those are jobs that the minister spoke about when he appeared before this committee, which would result from the agreement between Air Canada and the provinces. Those are jobs that I think we can count on.

[Translation]

Mr. Alexandre Boulerice: Does Bill C-10 establish a minimum number of jobs maintaining and overhauling Air Canada aircraft in the country?

[English]

Ms. Sara Wiebe: If you'll permit me, it's very difficult to answer a question in the hypothetical, and I think I would prefer to deal with the facts that are before us today rather than trying to answer on something that could happen in the future.

[Translation]

Mr. Alexandre Boulerice: Does the bill we are studying today guarantee any volume of work in the country?

[English]

Ms. Sara Wiebe: Again, I cannot answer the question in the hypothetical.

[Translation]

Mr. Alexandre Boulerice: I am going to continue my comments about the Conservative Party's amendment. To me, it seems quite

ironic that the Conservative Party today wants to allow the governments of Quebec and Manitoba the time to negotiate agreements with Air Canada when, for years, we have been asking, as loudly as we can, for the Air Canada Public Participation Act to be enforced.

First and foremost, it was the Conservatives who let this situation deteriorate after Aveos went bankrupt in 2012, by doing absolutely nothing about the issue. The party that has always claimed to be the party of law and order suddenly found that the need to enforce the law was no longer on its agenda.

The situation in which we find ourselves today demands actions and decisions that are much more robust than the amendment that the Conservative Party is putting before us. The amendment deals much more with the form and the timelines than with the substance.

My Conservative Party colleagues have just voted against the NDP's amendment that sought to obtain a guarantee of jobs in this country. From that, I conclude that the Conservative Party agrees with the principle of outsourcing and with the loss of those jobs in the name of the almighty competitiveness.

The Conservatives are trying to be sneaky: they seem to oppose the bill, while, all the time, they are in favour of its general approach, which is to legalize the job losses that happened a short time ago and that the Liberal Party committed to defend. The aerospace sector, the manufacturing sector is very important for a number of regions, including the greater Montreal region.

I fail to understand the Conservative Party's position in presenting an amendment that does not seem to want to deal with the crux of the problem, which is to require Air Canada to keep aircraft maintenance and overhaul jobs in our country.

In my opinion, the argument made by my Liberal Party colleagues about the changing situation does not hold water. They are trying to have us believe that the situation changed between 1988 and 2016. In fact, the situation we are talking about changed between 2012 and 2016, but has not changed to any significant degree in the last four years. In the NDP's opinion, the commitments made by the Liberal Party yesterday should still be kept today.

I have a hard time seeing how the Conservative Party can spring to the defence of the former Aveos and Air Canada workers, given that it abandoned them four years ago. The Conservative Party has done nothing to improve that situation since.

•(1725)

[English]

The Chair: Thank you, Mr. Boulerice.

Mr. Maguire.

Mr. Larry Maguire (Brandon—Souris, CPC): Thank you very much, Madam Chair. I appreciate the opportunity to have a few moments to ask questions here as well.

I certainly want to say at the outset that I support my colleague's amendment that this not come into force before August 1, 2016.

My colleague from the NDP just inquired as why we would do this. I would say that we would do this because it would give a little bit of time for the government to come forward with more of the information and give time for the courts to move forward with their process even further. It may still not be settled in that time frame, but the governments in Manitoba and Quebec are very uncertain as to what the future might be in this present format under the Air Canada Public Participation Act.

I think it's a very reasonable amendment to bring forward at this time and I urge all colleagues in the transport committee to vote for this in order to, as I say, give us that bit of time to perhaps allow the courts to come through with further clarity and to provide an opportunity for more information to come forward as well. My experience both in the legislature in Manitoba and in Parliament is that it takes quite a bit of time to get freedom of information documents back.

This is important because there is no guarantee of the jobs being held in these areas. I'm not against the geographic changes they propose. I know the Manitoba deputy Premier indicated the other day before committee that perhaps they could look at expanding these geographic areas, as long as it was done within the provincial jurisdictions that are already named, and as well that it would help make sure there was a guarantee of 150 jobs coming into some of those areas.

Manitoba used to have some 400 jobs; now it's saying it will have 150. That doesn't look like a plus to me. Even though there would be 150 there, and I certainly would welcome them, I guess there's nothing to stop these airlines from moving maintenance projects to other areas that may be in more competitive jurisdictions, if we can put it that way. I'm wondering whether the government has taken that into consideration in bringing its amendment forward here.

I agree with Ms. Wiebe's comment that we should deal with facts and not hypothetical issues here, and I think this is a fact. What we have before us is a bill that provides certainty in those provinces for at least some time while the bill can be determined in court and finalized in those areas. I know that agreements were put forward, but there is no certainty in those agreements either.

I have a couple of quick questions for Transport. First, from your perspective, is it common for the government to amend legislation that is presently in front of the courts?

Ms. Sara Wiebe: I'll let my colleague from the Department of Justice answer that question.

Mr. Daniel Blasioli (Senior Counsel, Department of Transport): Thank you for the question.

Madam Chair, it's not uncommon; it's done. The bill was examined by the Department of Justice under its mandate and found to be fully defensible in respect of the rule of law. There are several examples in which it does happen that legislation is introduced to address matters under litigation.

Mr. Larry Maguire: Does Transport Canada, then, follow the Supreme Court case involving Air Canada on a regular basis, and what is the status of that case now?

● (1730)

Ms. Sara Wiebe: We continue to monitor the litigation associated with the case involving Air Canada. We understand that right now Air Canada is seeking leave to appeal to the Supreme Court. However, they've asked the Supreme Court to delay its decision with regard to that leave to appeal until the middle of July.

Mr. Larry Maguire: Can you, sir, from the Justice Department, give us an update on where this matter stands? Is it going to be put off until the end of July, or have they just asked for that?

Mr. Daniel Blasioli: That motion was filed before the end of December and it will stay proceedings until the end of that time period, July 15.

In short, nothing is happening. When July 15 comes around, the parties will be asked what they wish to do and whether they want to proceed with the Supreme Court decision on leave to appeal.

Mr. Larry Maguire: Okay, thank you.

The Chair: Mr. Badawey.

Mr. Vance Badawey (Niagara Centre, Lib.): Thank you, Madam Chair.

I have made a few observations throughout this process, which has been a lengthy one. We've had many witnesses and asked many questions and received many answers. But I do want to add some perspective to this bill. Bill C-10 is essentially an economic enabler, and I'll repeat that. It's an economic enabler. Frankly, it enables Air Canada to be more competitive.

I'm sure many of us around this table, including me, have been involved in business before, and I can never imagine having imposed upon me a rule that allows me to deal with only one supplier. Therefore, regardless of what that supplier may price their jobs out at, how competitive can we be if that's the only option we have?

This bill allows Air Canada to simply go out and get the best bang for their dollar—for our dollar, quite frankly, and the customer's dollar. Bill C-10 extends to Air Canada a method and ability to put in place a sustainable business model, to be competitive; to then, therefore, add fair ticket prices for the customer; to create future jobs through the centres of excellence that have been mentioned throughout this bill; to create a new niche market for Canada with respect to innovation, research and development, with not only Air Canada but others as well being a customer to these centres of excellence; to therefore add to the overall industry sustainability in terms of Air Canada being more competitive, and being a major player in the world's global market of aviation, but as well, sustainability in terms of jobs that have been a part of the Canadian history.

On training and retraining, we heard that 600-plus students are coming out of the schools per year. They need jobs. Our intent is to place those students in jobs here in Canada at these centres of excellence. The capacities, which right now are limited for the industry, are going to be expanded through competitiveness.

The larger issue with respect to the industry that we have to read into here with Bill C-10, and the responsibility of this government bringing forward Bill C-10, is sustainability for both the industry and jobs. The centres of excellence will in fact create critical mass. They will allow the industry to not only have the heavy maintenance and other jobs that have traditionally been within this industry but also create a cluster of complementary supply-chain businesses, and therefore, once again, more jobs.

We have to keep in mind not only the repair and the maintenance of the airplanes on an ongoing basis through the management of their assets, but also the replacement of those assets through the possible new contracts or, I believe, now beyond possible and therefore probable, contracts with Bombardier.

The ability to compete in the overall industry will also establish more returns on their investments, and more returns on the investments of the aviation industry.

Lastly, Madam Chair, I do want to state this. We listen not only to those from Air Canada but also to the briefs that were submitted to us by the different associations such as that from the association of the former workers of the Air Canada overhaul centres. I don't think we stop here. I don't think we stop simply with passing Bill C-10 to give Air Canada the economic enabler to move forward in a competitive industry. We also continue to work with the employees. I'm sure we all have a copy of the plans they dropped on our desks to also be a part of that supply chain. It behooves us to in fact work with them in the future, in order to enable them, in this economy, to be part of the supply chain, and to then create jobs, and supply to Air Canada and other carriers worldwide.

So this isn't over yet. Yes, we're going to pass the bill today that's going to be a benefit and an economic enabler for Air Canada to allow it to be more competitive and therefore add a better service, but also to move forward and ensure that we continue to work with those who want to make this industry that much better, especially as it relates to research and development and innovation.

Thank you, Madam Chair.

• (1735)

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

I will suggest to the committee that we have approximately 30 minutes until the next vote, so perhaps we can just keep that in mind.

I have Mr. Fraser and then Mr. Berthold.

Mr. Sean Fraser (Central Nova, Lib.): In light of the timeline, I will aim to keep my remarks very short.

At the outset, I'd like to thank my colleagues. A number of the members of this committee from different parties expressed sympathy to the workers who were affected by the Aveos bankruptcy. That is an emotion I think we all feel. In fact, I think the goal of every member of this committee may be similar or the same: to promote growth and protect jobs in Canada. The question on which we have a conceptual divide is perhaps the best method for doing that, or perhaps the best timeline in which to do it. On this side, I share the view of my colleagues, which Mr. Badawey put very eloquently: it's about creating winning conditions to grow the aerospace sector.

Specific to Ms. Block's amendment, which would have the effect of delaying the implementation of this bill until at least August, I believe the legislation is sound. If it will be a good idea in August then I believe it's a good idea today and we should proceed and take the opportunity that's before us to help drive innovation in this important and strategic industry for Canada and allow the private sector to create jobs, by passing enabling legislation, as Mr. Badawey explained.

In addition to expressing my views of the bill and the amendment, I want to give the department an opportunity to clarify.

Mr. Boulerice, I believe you made a comment earlier to the effect that Bill C-10 codifies an illegal action by Air Canada. I take a different view, but I respect your input.

I would like to have the department provide clarity as to whether they view Bill C-10 as codifying an illegal action.

Ms. Sara Wiebe: No, the department would not be pursuing the bill, if we determined that it was an illegal action.

Mr. Sean Fraser: Thank you very much.

With that, Madam Chair, I'd be happy to put an end to my comments, if anyone else wanted to speak.

The Chair: Thank you Mr. Fraser.

Mr. Berthold.

[*Translation*]

Mr. Luc Berthold: Thank you very much, Madam Chair.

A lot of things have been said over the last few minutes, and I think it is worth going back over what was said.

I would like to first talk about the comments made by my NDP colleague. Sometimes, it seems that the NDP is forgetting that the Conservatives no longer form the government. The Liberals are now in power and they are the ones making the decisions. By constantly going back over the various stages, it seems that my NDP colleague wants to remember the good times—at any rate, they are good for us. I was not there, but I wish I had been. It seems that the New Democrats are a little nostalgic for those days. I'm not sure whether that is the case, but I just wanted to gently remind my NDP colleague that we are no longer in power.

I would also like to comment on what he said about our amendment and clarify that, from the outset, our party made it clear that it was opposed to Bill C-10 as a whole. The purpose of our amendment is to see whether the federal government is prepared to recognize the jurisdictions of the Quebec and Manitoba provincial governments. Basically, will the government simply meet the deadline of July 15, which was requested in court by those two parties, so that they express their views and come to an agreement with Air Canada on the much-discussed maintenance centres?

The amendment has substance and seeks to find out what the government's intentions are. Honestly, since the beginning, we haven't been told what the government's intentions are regarding Bill C-10. We don't know why it wants to move so quickly on this bill. In short, a lot of questions remain unanswered, and the purpose of this amendment is to find out the government's true intentions and to see if it is at all responsive to the two parties, the two provincial governments.

It seems that the government wants to establish great relationships with the provinces. It wants to get along and do everything hand in hand with the provinces.

One of those two governments took the time to write a brief for the committee. We have not seen that often. I don't think that, in your experience, you have often seen a brief like that being sent to a committee by a provincial government. The provincial government is asking the federal government not to rush and not to pass Bill C-10 right away, because that might harm its negotiations.

The deputy premier of the other province appeared before the committee, saying that the bill made no sense and that it made no sense to pass it so quickly. I did not expect to see something like that so early in my career as an MP in the House of Commons.

The purpose of our amendment is to find out the government's position in relation to the expectations of the two provincial governments that made their views clear.

I also wanted to talk about other comments that have been made.

The Liberal Party is the government now. Mr. Badawey, you gave a great speech on job creation, Air Canada's competitiveness and the benefit for Canada of having a competitive sector in our aerospace industry. We fully share those views, Mr. Badawey. We completely agree on that. The big problem is that it is all an illusion. Bill C-10 provides no guarantees on anything you have said. There has been no confirmation of an agreement or clear commitment on Air Canada's part to create centres of excellence. In all the presentations we have heard, not one described a clear commitment to maintaining the existing jobs.

Sure, hypothetically speaking, it is all well and good, but when we ask Mr. Garneau to send us, in a reasonable amount of time, the documents that might justify our support for Bill C-10, we are told that we are going on a fishing expedition. We are told that we are looking for problems where there are none. If there are no problems, why do we have to move so quickly on Bill C-10? If there is no problem, there is no need to move so quickly.

• (1740)

Bill C-10 is quite short.

The first part deals with the Air Canada Public Participation Act. First, subclause 1(1) of the bill seeks to replace paragraph 6(1)(d) of the act with the following:

(d) provisions requiring the Corporation to carry out or cause to be carried out aircraft maintenance activities, including maintenance of any type relating to airframes, engines, components, equipment or parts, in Ontario, Quebec and Manitoba; and

As a result, an important provision has been replaced with that.

Then, subclause 1(2) of the bill seeks to amend section 6 of the same act by adding the following after subsection (3):

Maintenance activities

(4) For the purpose of carrying out or causing to be carried out the aircraft maintenance activities referred to in paragraph (1)(d) in Ontario, Quebec and Manitoba, the Corporation may, while not eliminating those activities in any of those provinces, change the type or volume of any or all of those activities in each of those provinces, as well as the level of employment in any or all of those activities.

Where are the guarantees of jobs? I don't see them. There are none. I would ask our experts the question, but I won't, because they will say that there are none. It is pretty clear and obvious. There is no guarantee of jobs being created or maintained, because it is basically saying that they can basically do whatever they want with the maintenance activities.

A little further in the bill, there is a part on the amendment of articles and one on coordinating amendments. I don't want to take too much time, but I would like to say that this part includes another item that was mentioned by one of the witnesses, when we heard from the unions. I think it is worth repeating it for the members of the committee. I am talking about the maintenance activities. The bill says: "For the purpose of carrying out or causing to be carried out the aircraft maintenance activities referred to in paragraph (1)(d) in Ontario, Quebec and Manitoba, the Corporation may, while not eliminating those activities in any of those provinces, change the type or volume...".

You must remember the little semantics lesson that the folks from the unions gave us. Is it "may" or "does"? The bill says "may". The unions told us that this actually means that the corporation "will", because they are keeping this open in the collective bargaining process. I remember distinctly hearing that comment during our discussions with the various unions.

There are a number of points I want to make, Madam Chair. There are a lot of things to say about Bill C-10.

Let's quickly go over the history of Bill C-10. I will point out the important dates that have prompted the committee to discuss Bill C-10 today, and I will tell you why we decided to oppose it. We want to see whether the government has listened at all to Ms. Block's motion on the importance of paying attention to the arguments of the provincial governments of Quebec and Manitoba.

On November 3, 2015, the Quebec Court of Appeal, Quebec's highest court, confirmed an earlier ruling by the Quebec Superior Court that Air Canada had failed to fulfill its legal obligations under the Air Canada Public Participation Act concerning heavy maintenance of aircraft in Montreal, Winnipeg, and Mississauga.

On December 11, 2015, Bombardier requested financial support of \$1 billion U.S. from the Government of Canada. This was two months after the Government of Quebec had purchased a 49% stake in the C Series program for that same amount.

On February 16, 2016, Republic Airways, which to that point had placed a very large order for the C Series, filed for bankruptcy protection. It streamlined its operations and cancelled its order for the C Series aircraft. What happened the very next day? On February 17, Air Canada announced that it had begun negotiations with Bombardier to purchase 45 CS300 aircraft, with an option for 30 more. That's great. We are happy about it. We hope that Air Canada purchases the C Series aircraft.

On February 15, 2016, a meeting took place between the minister and the people from Air Canada. What happened at that meeting? Are there things that we should know about and that would enable us to support the government in its rush to pass Bill C-10? As I said before, a lot of questions have remained unanswered.

Let me say this again: we are thrilled about Air Canada's decision to purchase Bombardier's aircraft. That's good news. Not only will this decision have a huge impact on our aviation industry, but it also gives credibility to Bombardier's new aircraft. The proof is that Delta has purchased some aircraft not long after that. So, it is good news.

• (1745)

Thanks to Air Canada, therefore Bombardier has managed to become a credible company. We hope that other major international carriers, such as Delta, purchase more and more C Series aircraft.

Now, what is the relationship between the C Series aircraft and Bill C-10? There is none in Bill C-10. Those agreements are not mentioned. Is there a relationship? Does the government need the opposition for Bill C-10 to be passed, so that more jobs are created at Bombardier, so that more jobs are created in the maintenance centres in Quebec, Manitoba and Ontario? Does it need us? If so, provide us with the information. Provide us with everything we need to help us do our jobs as parliamentarians the way we see fit.

Let me remind you that the the member for Papineau, our Prime Minister, made a clear statement right here on Parliament Hill, before the Aveos workers in relation to the lawsuit against Air Canada:

It is such a shame that we have to demonstrate to ask the law and order government to obey [its own] law. It is ridiculous... They had made promises and said [that we should not worry]: "Don't worry about Aveos." And now they are doing just what we had feared and people are being shown the door. We are losing the types of jobs that we need in this country. It is not true that our best resources are in the ground somewhere. Our best resources are human resources. They are qualified workers like you, who are building this country every day with your hands, arms, intelligence, and creativity. It is not right that the government is refusing to invest in what has made this country strong, and that thousands of Canadians who travel every day are being put at risk with potentially lower-quality maintenance. We are with you. Thank you very much for being here.

The member for Papineau made that fine statement on Parliament Hill before all the Aveos workers gathered to protest, urging the government of the day to do something. However, the government let the court decide. The Conservative government decided that it was up to the court to rule on that issue, because it was the provinces that had taken the issue to court. So, the government said that the courts would do their work.

What is the government doing with Bill C-10 now? It is telling the courts that it no longer wants them to be involved, because it supposedly has agreements with the governments of Quebec and Manitoba. So the matter will be settled once and for all. There will be no need to talk about it again and the provinces will have the tools

they need to reach their agreements with Air Canada and obtain their centres of excellence.

Madam Chair, this is not the case. We have heard the views of two important witnesses. Officials from the governments of Quebec and Manitoba were wondering what we were doing. According to them, it did not make sense. They said that the governments were negotiating, they were in court and had a strong case. Air Canada agreed to listen to them precisely because of the risk of them winning their case before the Supreme Court, since they had won everywhere else.

And now the government is in a hurry to pass Bill C-10, although we don't know why because we never received an answer. We believed in the good faith of the minister. We believed the minister when he told us that, since the provincial governments had reached agreements with Air Canada, the government can now move forward with this bill, which would allow them to drop the lawsuits, remove the threat looming over Air Canada and ensure that jobs are maintained. However, we have received no guarantee of that.

I hope you have read the brief from the Quebec government because it is excellent. All parliamentarians should have seen it. Unfortunately, Minister Anglade did not appear before the committee to share her comments with us. But allow me to briefly summarize Quebec's brief, because it contains some fairly important points.

Quebec is proud of its aerospace industry. It is important to say that, because we often get the feeling that people think we are working against Air Canada, against the aviation industry, simply because we are opposed to Bill C-10. It is quite the opposite. The Quebec government strongly believes in its aviation industry. This is in fact why it has helped Bombardier.

• (1750)

As for whether or not this was the right thing to do, the Quebec government should be the judge of that. The fact is that more Bombardier airplanes are now being sold. We should definitely not impede current or future transactions.

The aerospace industry is one of the drivers of Quebec's growth and prosperity. The numbers speak for themselves. In 2015, the aerospace industry employed 40,000 people in Quebec in qualified and well-paid positions. It featured some 190 companies, with sales of \$15.5 billion. That's what the aerospace industry in Quebec is. That is nothing to sneeze at. It is easy to understand why provincial governments are so concerned about their aerospace industry.

In 2014, 80% of the sector's output was exported, and that accounted for 13.6% of all of Quebec's manufacturing exports. I don't know what else we could say to make the federal government understand how important this industry is. When 13.6% of a province's manufacturing exports come from such a vital sector of its economy, I think it's worth looking into it. I believe that we should listen to the Government of Quebec and give it an opportunity to complete its negotiations with Air Canada. However, we should keep in mind that no agreement has yet been reached.

There are industry leaders in the aerospace sector of Canada and especially Quebec. Quebec's strength and the large number of industry jobs are due to the presence of four prime contractors. There is Bombardier, which we are familiar with and which manufactures commercial aircraft and business aircraft. There is Bell Helicopter. There is CAE, which specializes in aircraft simulators and flight training. For the benefit of my colleagues from other parts of the country, I want to point out that flight simulators used by pilots for their training are manufactured here, in Canada, but mostly in Quebec. It's quite interesting to see that we have such extensive expertise and skills. There is also Pratt & Whitney, which manufactures aircraft engines. Many of the airplanes we use to commute between Ottawa and our ridings are equipped with engines manufactured in Quebec's metropolises.

Madam Chair, I don't want to spend all my time praising only Quebec's aerospace sector. Manitoba also has a very strong aerospace industry. But I may have an opportunity to come back to this later on.

The reason the Government of Quebec decided to invest in the C Series program is precisely to protect those jobs. That was done specifically to ensure that Quebec can continue to be a leader in the Canadian aerospace industry and, more importantly, a leader in the global aerospace industry. The C Series aircraft are promising. Travellers from around the world will fly in airplanes that are 100% Canadian. So it is normal that the Government of Quebec wants to do its part and contribute to Bombardier's success. That is why it has undertaken discussions with Air Canada. It wants to ensure that the airline will purchase Bombardier's C Series aircraft.

Quebec had a lawsuit against Air Canada. The government has agreed to drop it and undertake discussions on Air Canada's purchase of C Series aircraft. The parties reached an agreement to postpone the decision on the application for leave to appeal until July 15. Unless I am mistaken, as of that date, they will be able to request more time or ask the Supreme Court to continue the proceedings. Is that right? Our experts are nodding to indicate that this is indeed the case.

The Government of Quebec says it has received assurances when it comes to centres of excellence. It now wants to obtain assurances in terms of jobs, and to do so, it must conclude good agreement with Air Canada.

• (1755)

Mr. Alexandre Boulerice: Madam Chair, I would like to raise a point of order.

The division bells are ringing. The next vote in the House will be held in less than 20 minutes. I want to see whether you plan to suspend our meeting while we go vote.

[English]

The Chair: What is your intention, Mr. Berthold? Would you like to talk the clock out? Should we order dinner in? What would you like?

[Translation]

Mr. Luc Berthold: I have not even gotten to the heart of my presentation, Madam Chair. I was just getting to it. I need another 10 minutes or so at the most.

[English]

The Chair: If it is the wish of the committee to give Mr. Berthold another 10 minutes, then we would suspend and go back and vote, and then return.

The clerk would like to know if he should order food in for tonight.

[Translation]

Mr. Luc Berthold: Madam Chair, I don't think we will need a meal.

[English]

The Chair: Okay, thank you.

Mr. Berthold, if you'd like to have your 10 minutes, we have permission to stay here until the clock reads 10 minutes to the hour.

[Translation]

Mr. Luc Berthold: However, if the colleagues in attendance tell me that they absolutely want to eat with me, it would be my pleasure.

[English]

The Chair: You're a very good speaker.

Mr. Vance Badawey: I'm impressed actually.

The Chair: Okay, let's not waste time.

Mr. Berthold, please resume.

[Translation]

Mr. Luc Berthold: Thank you very much.

Mr. Boulerice, you threw me off a bit. I need a moment to get back into my presentation. It's all in writing, but I have to figure out where exactly I left off. Would you rather I start over? It's not a problem. No, I won't do that to you.

Madam Chair, I want to come back to the essence of the Government of Quebec's brief.

Three paragraphs are especially important in that brief. They talk about heavy overhaul and maintenance operations performed on C Series aircraft in Quebec. I will read it word for word:

On February 17, 2016, Air Canada announced that, in addition to having signed a letter of intent with Bombardier Inc. to acquire up to 75 C Series 300 aircraft from the company, it also agreed to have heavy overhaul and maintenance work done on those aircraft in Quebec by a recognized maintenance service provider, for a period of at least 20 years starting from the first delivery in 2019.

I am interrupting my quote just to point out that this is a very important issue for the Government of Quebec. That's worth noting. What is being requested in the brief is not baseless. There is really something concrete on the table.

I will continue the quote:

Air Canada's commitment is expected to help establish a centre of excellence for the maintenance of CSeries aircraft in the province.

I will now read the important bit of the paragraph. If you have two minutes to hear me out, please do so. This is the best part of my presentation. Here it is:

Pending the conclusion of final agreements, the Government of Quebec has agreed to drop its lawsuit in relation to Air Canada's obligations to have an overhaul and maintenance centre.

It does say, "pending the conclusion of final agreements". What I understand from this is that, despite what was said here in committee and repeated in the House during oral question period, there is still no final agreement with the Government of Quebec. The Government of Quebec itself told us so. In fact, the Minister of the Economy, Science and Innovation took the time to write a brief to tell us that the agreements had not yet been concluded.

So as not to unduly drag things out, I will skip a paragraph. However, I will still read this passage:

In exchange for a final agreement both on aircraft purchase and the creation of the centre of excellence, the Government of Quebec has agreed to drop its lawsuit against Air Canada with regard to keeping maintenance centres in the Montreal Urban Community.

In this context, the Government of Quebec subscribes to the modernization objectives laid out in paragraph 6(1)(d) of the Air Canada Public Participation Act to provide Air Canada with greater flexibility in conducting its operating activities.

This goes back to Mr. Badawey's comments. Unless I am mistaken, that is what he said in the beginning.

However, the next part is different. I will read it to you:

Additionally, in order to provide for all the aspects of the agreements reached, the Government of Quebec is asking that, once Bill C-10 receives royal assent, the legislation come into force after the final agreements described above have been concluded.

Do you want me to repeat that? No, I think you have understood. It does indeed say, "after the final agreements described above have been concluded."

I want to point out, for the benefit of my honourable NDP colleague, that this is the source of the Conservative Party's willingness to request an extension. It's a matter of allowing the provinces to conclude agreements and to see whether or not the government will eventually listen carefully to the requests of the Manitoba and Quebec governments.

I will not get into the issue of expected investment. In fact, when a government comes here, to Ottawa, it obviously does so to ask for money. That said, there was also a way to do that. We are wondering why the government is dragging its feet in responding to Bombardier's other requests. For example, why is it being stubborn about not wanting to allow Porter's airplanes to land in Toronto? That would make it possible help Bombardier, while avoiding the investment of taxpayers' money in a private company without knowing what that money will be used for. However, that is a whole other debate. We could overlook that.

● (1800)

I don't know how much time I have left out my 10 minutes.

[English]

The Chair: We need to go upstairs at 10 minutes to.

Mr. Luc Berthold: Okay. Do we have to leave now?

The Chair: We have two minutes and 47 seconds left. Please, continue.

While I have the floor, can I ask if anyone has questions for our departmental staff? If no one has questions, I think the polite thing would be to allow them to leave so that they don't have to wait.

Do we need the departmental staff to remain?

● (1805)

[Translation]

Mr. Luc Berthold: I may have a question to ask.

[English]

The Chair: Whatever you want—it is your two minutes.

[Translation]

Mr. Luc Berthold: I have a quick question.

What will be the true effects of the implementation of Bill C-10 on all of Air Canada's activities? Could you quickly tell me what the immediate impact will be on the lawsuits and the entire process once the bill has been passed and receives royal assent?

[English]

Ms. Sara Wiebe: Thank you for the question.

Certainly, we can't speak to how Air Canada would choose to operationalize the new legislation that would come into force, how it would choose to pursue it.

This legislation would come into force only upon royal assent, and then it would be up to Air Canada to determine how it would choose to take advantage of the additional flexibility offered by the legislation.

[Translation]

Mr. Luc Berthold: Will the bill come into force immediately after it receives royal assent?

[English]

Ms. Sara Wiebe: That is correct. It comes into force upon royal assent.

[Translation]

Mr. Luc Berthold: It's immediate. So the bill does not provide for a later coming into force date.

[English]

Ms. Sara Wiebe: According to the legislation as it is currently drafted, it comes into force upon royal assent.

[Translation]

Mr. Luc Berthold: It would be legal to include in the bill a coming into force date, as stipulated in the amendment we are proposing, correct? That way, the bill could come into force only on the date proposed in the amendment?

[English]

Ms. Sara Wiebe: At this point in time I am guided by the drafting instructions that were issued by cabinet with regard to the creation of the bill. The addition of a date goes beyond those drafting instructions. I don't have the policy authority to agree to the addition of a date.

[Translation]

Mr. Luc Berthold: No, that was not the point of my question.

Legally speaking, could a government set for a bill a coming into force date that would be later than the date on which the bill received royal assent?

Mr. Daniel Blasioli: Yes, absolutely.

Mr. Luc Berthold: So the amendment we are proposing would be in order, from a legal standpoint.

Mr. Daniel Blasioli: Yes.

Mr. Luc Berthold: Great.

We can go vote.

[English]

The Chair: All right, thank you very much.

We can allow the witnesses to leave since we won't require them afterwards.

I will suspend the meeting. Please return immediately following the vote so that we can continue.

- _____ (Pause) _____
-
- (1835)

The Chair: We are reconvening. I call the meeting back to order.

We are still dealing with Bill C-10. Is there any further debate or discussion on Bill C-10?

Mr. Luc Berthold: The vote just gave me some new ideas to speak about.

I am just joking, Madam Chair.

The Chair: Thank you, Mr. Berthold.

[Translation]

Mr. Luc Berthold: I know that everyone here wants to listen to me for a long time. It's a nice experience. Above all, I have had a chance to present my arguments on Bill C-10. Thank you for listening to me for such a long time.

I have much more to say. In fact, I did not even have time to cover the Government of Manitoba's presentation. I could have probably used the same arguments I used earlier, when talking about the Quebec government.

I can tell by the way she is looking at me that Madam Chair is afraid that I will launch into a long speech. I don't have much more to say.

In closing, on behalf of those who have come to testify before us, especially the representatives of unions and provinces, I ask the government representatives one last time to reconsider a hasty

passing of Bill C-10. Yes, I talked for a long time, but there was much to be said. I wanted to put it out there. The time allocation motion has unfortunately limited us during the debates on Bill C-10. So in a short period of time, I have summarized all that we had wanted to say in the House concerning Bill C-10.

With that, Madam Chair, we will not have to order food. I brought a sandwich, not because I was expecting to speak for a long time, but simply to have a little something once my colleague begins her presentation.

Thank you.

[English]

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

If we want the meeting to go on until 10, 11, 12 o'clock, I think we can deal with that.

Go right ahead.

Mrs. Kelly Block: I have one final intervention on the amendment.

The Chair: Go right ahead, Ms. Block.

Mrs. Kelly Block: Thank you very much, Madam Chair.

In response to what I've heard and to refocus us on the amendment, because I've yet to hear very much from members opposite with regard to the amendment and whether or not they support the amendment, first, I would respond to the comment of my colleague Mr. Boulterice about the amendment and his question regarding the substance of it. Air Canada wasn't meeting its obligations under the current legislation; that was clear. So for us to vote for the status quo, which is what the NDP motion called for, was not acceptable. We had members across the way indicate to us what this bill will do. However, officials said they couldn't speak to how Air Canada would choose to operationalize this legislation. I think they're probably reaching too far to believe that they can do the same.

That being said, the amendment I put forward is about when the bill comes into force. I have not heard any compelling arguments from any of my colleagues as to why this would not be something they would consider.

I would ask any of the lawyers across the table if their negotiating position would change if the government changed a law that they were defending in mid-trial.

- (1840)

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

I'm not seeing any further debate. We will call a vote on Conservative amendment number one.

All those in favour of—

[Translation]

Mr. Alexandre Boulterice: Madam Chair, I request a recorded vote.

[English]

The Chair: All right.

(Amendment negatived: nays 6; yeas 3 [See *Minutes of Proceedings*])

(Clause 1 agreed to on division)

(Clauses 2 and 3 agreed to)

The Chair: Shall the title carry?

Some hon. members: Agreed.

The Chair: Shall the bill carry?

[*Translation*]

Mr. Alexandre Boulerice: I would like to request a recorded vote.

[*English*]

The Chair: We will have a recorded vote.

(Bill C-10 agreed to: yeas 5, nays 4)

The Chair: Shall I report the bill to the House?

Some hon. members: Agreed.

The Chair: That's it.

The bill has been carried. Thank you all very much for your patience and your help getting through a bill on which I know all of us wanted to make sure we did the very best job that we could. I think everyone put their points of view in and did a very good job on it.

Mr. Berthold.

[*Translation*]

Mr. Luc Berthold: Madam Chair, we have informally discussed the Lac-Mégantic visit. I would like to obtain the committee members' consent, so that our clerk can organize the visit, planned for June 2 and 3.

The Chair: Thank you, Mr. Berthold. It's my understanding that all our members are making arrangements to go as well, other than Mr. Fraser, who may not be able to go.

There is one other thing. Ms. Duncan has asked about the supplementary estimates that we're going to attempt to do on the 18th; she has asked to ensure that we have the appropriate officials here to discuss the estimates.

Mr. Clerk, if you can, please ensure that we have the appropriate officials, who would be able to answer a variety of questions on the supplementary estimates for both infrastructure and transportation.

We've done our Lac-Mégantic, and—

• (1845)

Mr. Angelo Iacono: I have a question on Lac-Mégantic. Is it possible that I could get a return to Montreal?

The Clerk of the Committee (Mr. Andrew Bartholomew Chaplin): I don't see why not. The bus is going through there anyway.

Mr. Angelo Iacono: I could get dropped off.

The Chair: Let us finish off.

The suggestion is that on May 16 we would resume our railway study, and on May 18 we would attempt to do the supplementary estimates and have the appropriate officials here for the first hour. For the balance of that meeting we could talk about the future business of the committee, from May 18 up until approximately June 18, so that we can get an agenda together. Our staff, of course, will be talking to each other about getting an appropriate proposal to the committee.

Thank you all very much.

The meeting is adjourned.

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