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# Standing Committee on International Trade

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Chair: The Honourable Judy A. Sgro





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• (1105)

[English]

**The Chair (Hon. Judy A. Sgro (Humber River—Black Creek, Lib.)):** I am calling the meeting to order.

This is meeting number 27 of the Standing Committee on International Trade.

Today's meeting is taking place in a hybrid format, pursuant to the House order of June 23, 2022; therefore, members are attending in person in the room and remotely by using the Zoom application.

I'd like to make a few comments for the benefit of the witnesses and members.

Please wait until I recognize you by name before speaking. When speaking, please speak slowly and clearly. For those participating by video conference, click on the microphone icon to activate your mike, and please mute yourself when you are not speaking.

With regard to interpretation, for those on Zoom, you have the choice at bottom of your screen of “Floor”, “English” or “French”. For those in the room, you can use the earpiece and select the desired channel.

I will remind you that all comments should be addressed through the chair. For members in the room, if you wish to speak, please raise your hand. For members on Zoom, please use the “raise hand” function. The clerk and I will manage the speaking order as best we can, and we appreciate your patience and understanding in this regard.

Should any technical difficulties arise, please advise me. Please note that we may need to suspend for a few minutes in order to ensure that all members are able to participate fully in the meeting.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Monday, June 6, the committee is beginning its study of potential impacts of the ArriveCAN application on certain Canadian sectors.

We have with us today, from the Customs and Immigration Union, Mark Weber, national president, by video conference. I believe he's having some technical difficulties, so I'm talking a little bit slowly so that he can get connected.

From the Frontier Duty Free Association, we have Barbara Barrett, executive director. From Osella Technologies, we have Douglas Lovegrove, president. From the Niagara Falls Bridge Commission, we have Kenneth Bieger, chief executive officer.

Welcome to all of you. Thank you so much for taking the time to come out. We know we didn't give you a lot of notice, so we very much appreciate your coming.

Okay, Mr. Weber is good to go.

All right, Mr. Weber, we're glad you're connected. I invite you make an opening statement, sir, of up to five minutes, please.

**Mr. Mark Weber (National President, Customs and Immigration Union):** Thank you very much, Madam Chair.

Madam Chair, members of the committee, thank you for the opportunity to appear before you today. My name is Mark Weber. I'm the national president of the Customs and Immigration Union, which represents personnel working for the Canada Border Services Agency, the CBSA.

I'll be brief.

Following the recent announcement that the use of the ArriveCAN application will no longer be mandatory, it is hard to convey the relief that border officers across the country must be feeling. While border officers take great pride in their duty to serve the Canadian public, I know with great certainty that none of them imagined that the best use of a trained law enforcement officer would be to provide IT support due to, really, an ill-designed app that failed to take into account the idiosyncrasies at our borders. I've said it before and I'll say it again: From the perspective of border operations, as far as border officers are concerned, the last months have shown that ArriveCAN fails to facilitate cross-border travel while doing very little to address the severe gaps in border security that are plaguing our country.

At the risk of repeating what has been highlighted time and time again, I will say that the implementation of ArriveCAN really follows the same pattern of overreliance on automated technologies that we've seen before with primary inspection kiosks and that we're now starting to see with eGates. It's a misguided approach that senselessly sets aside any security considerations.

What I urge the government and the agency to do now is to turn their attention to the severe deficit in personnel afflicting border services throughout the country. The reality is really bleak—the agency needs thousands more officers if it wishes to fulfill its mandate. This past summer alone, at some of its busiest land border crossings, the CBSA often had little choice but to choose between properly staffing commercial operations or traveller operations, and that's to say little of what it simply cannot do, which is adequately curb the smuggling of dangerous goods, despite the sustained efforts of its officers.

Ultimately, what the failure of ArriveCAN shows us is that our government must continue to invest in people to best serve people and must reconsider its pursuit of a one-size-fits-all technological panacea.

In conclusion, it's my hope that the union's input will assist the committee in this important work.

I thank you for the opportunity and I look forward to your questions.

• (1110)

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

Ms. Barrett, please go ahead.

**Ms. Barbara Barrett (Executive Director, Frontier Duty Free Association):** Thank you, Madam Chair. Thank you, members, for having me here today.

My name is Barbara Barrett. I'm the executive director of the Frontier Duty Free Association, representing land border duty-free stores across Canada.

Since the creation of the land border duty-free program in 1982, the federal government and small locally run family businesses have co-operated in building local border communities by driving export sales and repatriating Canadian dollars.

These small local retail businesses have made significant contributions to local employment, taxation and business growth. In addition, these independent stores have made strong contributions to the economies and social structures of some of the most remote rural communities in every province that shares a land border with the United States. Together, these independently owned duty-free stores have come to represent an important and integral part of the tourism industry by repatriating sales and acting as ambassadors to visitors to our country. The stores continue to promote unique Canadian-made products and ensure that visitors buy Canadian before leaving Canada.

Importantly, any items not bought at these stores are sales lost to the Canadian economy and tax system and are simply bought in U.S. stores a few hundred metres across the border.

From a federal government perspective, duty-free stores are an export industry success story, and the revenues generated through the small network of stores benefit the Canadian economy, create jobs and promote trade.

Prepandemic, land border duty-free stores repatriated over \$1.5 billion in sales over 10 years, which would otherwise have been lost to U.S. duty-free stores and U.S. retailers. Total direct and indi-

rect employment accounts for approximately 2,500 full-time employment Canadian jobs. These jobs represent approximately \$35 million per year in federal, provincial and local taxes, and our operators have invested a total of more than \$60 million in border communities.

Now let's talk about the pandemic.

The pandemic hit many sectors of the Canadian economy hard, but the closure of the Canadian-U.S. border for nearly two years literally shuttered Canada's land border duty-free sector. While many sectors of the tourism economy could run to domestic customers, or even to models like takeout or curbside pickup outdoors, our stores were forced into almost complete closure to keep Canadians safe from the raging COVID-19 cases in the United States.

Simply put, if Canadians and Americans could not cross the border, then our stores could not, by federal law, make sales. We were, without exaggeration, the hardest hit of the hardest hit.

I do want to point out that with the border closure starting in March 2020, we were enormously grateful for the rent and wage subsidy supports provided to our tourism businesses and others. With these, we were able to keep staff and are here to recover today. On behalf of my members, I wish to thank you for those supports.

I also want to be clear that as supports ended in spring 2022, the Canada-U.S. border was not truly open and in fact will not start to return to normal until the end of this week, on October 1.

This past summer, while the rest of Canada's economy was recovering, our border recovery stayed 45% to 50% down from prepandemic levels due to federal restrictions and the required use of the ArriveCAN app.

Hopes for a major end-of-season bounceback in sales during Labour Day weekend, like the other long weekends in the summer, were crushed for duty-free store operators, as surveys indicated an average of a 47% decrease in sales for Labour Day compared with the same period in 2019, all while federal supports have ended.

We would like to formally thank ministers for yesterday's exciting announcement to drop travel restrictions. Our federally regulated, independently owned small businesses have been devastated by the measures put in place at the border and have been left behind, despite doing their part to help keep Canadians safe. Therefore, as a matter of industry survival, we are asking for a short-term financial bridge to get our stores to the other side of winter in the form of a modest loan program.

We have proposed to Finance Canada a program that would earmark a total of \$20 million in loan supports so that our export business can continue to represent Canada at the border and continue as an important, integral part of Canada's tourism fabric.

Please ask yourselves this question: What business can be almost completely shut down for 20 months, and then be down by 50% for several more months, and still survive without support?

I would be pleased to outline the nature of the support plan to members further and take any questions you might have about other policy areas, such as the reinstatement of the visitor rebate program, that can help our sector move from being the hardest hit to thriving and being competitive worldwide.

Thank you.

• (1115)

**The Chair:** Mr. Lovegrove, please go ahead for five minutes.

**Mr. Douglas Lovegrove (President, Osella Technologies Inc.):** Madam Chair and committee, thank you very much for having me in attendance today. I'll make a brief opening statement.

I'm an owner of a company. We've not quite made it to a year yet. I and a few partners made the decision to take this great leap in October of last year. Up until maybe a week or so ago, when we started hearing about the removal of the mandate for ArriveCAN, it has felt like the government has had their foot on my throat.

Where we exist in Windsor, just outside of the town of Windsor, we are 80% reliant on a U.S. customer base for our industry. Trying to generate new business and grow a new enterprise with this restriction has been very challenging. I'm very thankful that the federal government has decided to end the mandatory use of ArriveCAN.

I'll end it there. I'll keep it brief. I look forward to answering some specific questions about our industry.

**The Chair:** Thank you very much. I'm happy to see you still standing and sitting there.

**Mr. Douglas Lovegrove:** Pardon me?

**The Chair:** I was just congratulating you on still standing and still sitting there, right? You've managed to do that.

**Mr. Douglas Lovegrove:** Yes. Thank you very much.

**The Chair:** While they're looking after technical issues, we're going to start the questioning from the members.

Mr. Baldinelli, you have six minutes, please.

**Mr. Tony Baldinelli (Niagara Falls, CPC):** Thank you, Madam Chair.

I'd like to thank all our witnesses for being with us today.

As you know, today is World Tourism Day, and I'd like to thank all stakeholders for their advocacy efforts. I thank not only our stakeholders, but all Canadians, the residents of my riding and colleagues who sit at this table with me for their actions and for working so that we could get these restrictions and the ArriveCAN application eliminated at our borders, beginning this weekend.

But again, it's this weekend. During COVID we lost two tourism years, and unfortunately we lost another tourism year this year. The two years we could blame on COVID, but this year, ladies and gentlemen, was self-inflicted. We have been advocating for months that this application and the restrictions at the border be removed, join-

ing the over 60 countries that are out there ending the restrictions at their borders.

Why did it take this government so long to take these actions? I have a community of 40,000 people who work in the tourism sector, and they deserve better. My understanding was that the Liberal caucus met in Niagara in August, yet they did not hear from local stakeholders on their efforts and their need to have this application removed.

With that, I'd like to begin asking some questions, if I could. I'll start with Mr. Weber.

It's interesting that one of the stakeholders I talked to this summer was Mr. Bieger, from the Niagara Falls Bridge Commission. He talked about the difficulties and the staffing shortages. He also told me about the fact that the Canada Border Services Agency training centre in Ottawa was closed for two years, and that was confirmed by Mr. Vinette from CBSA, who mentioned being short of a cohort of about 600 officers. I wonder if you could build on that and talk about the staffing needs that are required so that communities like Niagara can have proper CBSA staffing levels.

• (1120)

**Mr. Mark Weber:** Thank you very much for the question.

Our staffing shortages are severe. They exist across the country in every mode, at ports of entry and outside of ports of entry as well.

One of the bigger problems we have currently is that we only use the one training centre for our recruits, which means the maximum number of new recruits we can graduate every year is close to that 600 number that you used, which in reality barely covers attrition. We're simply not getting our numbers up.

There's an effort on the CBSA's part now to really get through as many as possible, but it's not nearly enough. One thing I think we really need to look at doing is to open a second or third training facility so we can get more recruits working at the front line.

I can give you an example of the shortages in your area. Rainbow Bridge is currently operating with 48 officers. They were just a short while ago at over 100. We're talking in some places of needing to double and triple the number of staff we have. That's not to mention the opening of the Gordie Howe bridge, which will, of course, increase the need for even more officers once that gets going.

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

To that point on the Rainbow Bridge, that's the Niagara Falls Bridge Commission and Mr. Bieger. I was wondering if he's online.

**The Chair:** Mr. Bieger, can we check your connection again, please?

**The Clerk of the Committee (Ms. Dancella Boyi):** Mr. Bieger, can you say one more sentence?

**Mr. Kenneth Bieger (Chief Executive Officer, Niagara Falls Bridge Commission):** Sure. Can you hear me right now?

**Mr. Tony Baldinelli:** I can. What about translation?

**The Clerk:** We're getting an okay from the interpreters. Let's give that a try, please. We can verify if the interpretation will proceed.

**Mr. Tony Baldinelli:** To clarify, Chair, I hope I haven't lost any time because of that.

Mr. Bieger, I just want to follow up with you and some of the comments from Mr. Weber.

The Niagara Falls Bridge Commission actually controls Rainbow Bridge. You supplied a submission in July that talked about wait times being up almost 50% even though traffic volumes were down 50%. Wait times were almost two hours.

The government was saying that ArriveCAN was intended to facilitate and improve processing times. Did you find that this in fact happened at the bridges under your control?

**Mr. Kenneth Bieger:** No, ArriveCAN definitely did not speed up traffic.

There's really a combination of three things: the CBSA staff shortage, the public health measures and reporting of vaccination requirements, and ArriveCAN. The problem we saw was that it was hard to distinguish between the two; ArriveCAN and the reporting requirement go together.

**Mr. Tony Baldinelli:** Mr. Bieger, can I just follow up on one question as well?

Again, perhaps I can return to the fact that my understanding is that the Ontario Liberal caucus met in Niagara Falls and had no opportunity to meet with stakeholders. At that same time, the public safety minister actually did an announcement at the Rainbow Bridge. It's an important issue to talk about the illegal flow of firearms into this country, but did he take that opportunity at all to mention ArriveCAN and ask your offices about it and the impact that it was having on the Niagara Falls Bridge Commission?

• (1125)

**Mr. Kenneth Bieger:** No. No one met with us to discuss that.

Again, what we're seeing is that ArriveCAN and the vaccination reporting requirement are the problem together. Even the few times when there were more lanes open than at prepandemic times, we saw there were more delays in the traffic than prepandemic.

**Mr. Tony Baldinelli:** Am I out of time?

**The Chair:** Yes.

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

**The Chair:** We have Mr. Maloney, please, for six minutes.

**Mr. James Maloney (Etobicoke—Lakeshore, Lib.):** Thanks, Madam Chair.

I just want to clarify something before I ask questions.

Mr. Baldinelli, not only was I at that meeting in Niagara Falls, I organized it. We met with many stakeholders.

I have a number of questions for the witnesses.

ArriveCAN has been subject to severe criticism. It's become a political football. The narrative around it is that it causes delay. It affects business in a negative way. In my experience—the people I'm hearing from—it's largely because they are personally inconvenienced because they are annoyed that they have to take five minutes and do something on their phone, which they didn't have to do before.

Madam, I'm going to start with something you said. You said the border won't return to normal until this weekend. Does that mean that you believe that with the lifting of the restrictions, specifically the removal of ArriveCAN, on Saturday life will go back to normal at the border?

**Ms. Barbara Barrett:** I would love that to be the case. I don't think that will be the case. I think habits have been changed now since the border has been closed for so long.

**Mr. James Maloney:** That's what you said. You said it won't return to normal until this weekend.

**Ms. Barbara Barrett:** All the sticky points have been removed now, so there is now the potential for it to return to normal.

Will it be a floodgate of folks going over the border and will traffic go back to normal—

**Mr. James Maloney:** I'm sorry to interrupt you. I have only limited time.

Here's where I take issue a bit with what you said. As I said to you offline, I use your store quite regularly and I'm using ArriveCAN coming back quite frequently too.

When people talk about ArriveCAN, what they're really talking about is their displeasure with having to show proof of vaccination. As of Saturday, that will no longer be required to come back into Canada, but it will be required to go into the United States. Those same people who are upset about the vaccination proof in the United States still can't come in because they can't get back in. They're still going to have the same problems, and Canadians who aren't vaccinated will continue to have those same obstacles. With all due respect, I don't think things are going to get back to normal.

I'm going to ask this question of Mr. Bieger and you, Mr. Lovegrove. You said you felt like the government had its foot on your throat. Your colleague to your left acknowledged the business supports that were made available. I assume that when you say you felt like the government had its foot on your throat, you were also talking about ArriveCAN.

**Mr. Douglas Lovegrove:** Yes. Would you like me to elaborate?

**Mr. James Maloney:** No. Let me finish and I will.

When people talk about ArriveCAN, they're talking about a technological device that's going to help facilitate access through the border. For example, I've had extensive discussions with people at the Greater Toronto Airports Authority who are quite fond of ArriveCAN and want it to stay in place because it's an instrument that allows quicker movement through the airport. The problem is that it's been stigmatized because of this vaccination connection.

When you make statements like “the government had its foot on your throat”, I think that's a bit unfair because, as we heard from some of the other witnesses, you're talking about staffing shortages and COVID restrictions. The border was closed for almost two years. That had nothing to do with vaccination. It certainly had nothing to do with ArriveCAN. It had everything to do with the pandemic.

The problem, as I see it, is that everybody blends all of these together and ArriveCAN becomes the symbol for the problem, when really it's a solution to a lot of problems at the border.

Sir, now I'll let you finish answering the question.

**Mr. Douglas Lovegrove:** Thank you very much, James.

I'd like to break it down into thirds.

I'll repeat that about 80% of our customer base—and I think that's probably pretty factual for most of the automotive tooling industry in Windsor and Essex county—is from the U.S. For about a third of my customer base, it's no problem; you're absolutely right. They're fully vaccinated. They have no problem with the technology and no problem uploading apps on their phones and coming across. That wasn't an issue.

We have another third or so who are fully vaccinated U.S. citizens who fundamentally take issue with having a foreign government application on their work phone or on their personal phone.

I have another third who may not be vaccinated. Without getting into the politics of that and the situation there, it sounds like they're going to be able to travel now, but over the long term, up until just a week ago, it sounded like those folks were going to become lepers and there was going to be nowhere for them to go. I, unfortunately, was never going to be able to do business with them.

In starting a new business and in what we do, we need those people to come over, spend time with us, see our facilities and engage with our staff. We're talking million-dollar contracts on a regular basis. I need that interaction with those people at our facility.

• (1130)

**Mr. James Maloney:** Sir, you're still going to face the obstacle of unvaccinated people trying to cross the border because of the U.S. restrictions. Is that fair?

**Mr. Douglas Lovegrove:** Yes.

**Mr. James Maloney:** In Windsor in particular, where I lived for two years, I'm familiar with the auto sector and how important it is.

Again, I think, with all due respect, we're blurring a number of factors together. For example, witnesses talk about staffing shortages. If the staffing shortages exist now, they existed pre-pandemic. People were laid off, and if they're not brought back....

If you look at the airport example, which I referred to a second ago, once we saw the restrictions lifted earlier this year at airports, we didn't see things miraculously improve. The airlines, the airport authorities and a number of other organizations faced challenges.

To blame it all on the ArriveCAN app, I think, is unfair.

**Mr. Douglas Lovegrove:** I'd only want to speak specifically to a group of individuals who are interested in awarding contracts to Canadian businesses and have the option to go elsewhere. They don't have to come to us. Without easing all the steps along the way, like applications and interaction with border guards and making it as comfortable and as welcoming as possible, we run the risk of losing that business either to American companies or to foreign companies outside of North America.

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

Mr. Bieger, now that we think you have no technical issues, would you like to go forward and give us your opening statement?

**Mr. Kenneth Bieger:** I'll make a quick opening statement.

Basically, what we've seen from our side is the combination of three things. You have the staffing shortage with CBSA, and that is actually a real problem. We took a look at the Victoria Day holiday, Memorial Day and the Canada Day/Fourth of July weekends. On those three different holidays, it was clear that the CBSA staffing was much shorter than it was pre-pandemic.

What we're also seeing is that the vaccination requirement, along with ArriveCAN, has slowed times down. The problem, again, is differentiating between ArriveCAN and the reporting requirement.

From our side, the two really go hand in hand, and you need to take a look at both together. If you didn't have the vaccination requirement, you wouldn't need ArriveCAN.

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

We'll move on to Monsieur Savard-Tremblay for six minutes.

Go ahead, please.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay (Saint-Hyacinthe—Bagot, BQ):** Good morning.

I would like to welcome all the witnesses and thank them for their testimonies.

I'm surprised that the topic of my first question hasn't been addressed yet. It has been touched upon, but we're here to study an application that will become optional as of Saturday, as mentioned. I guess the best person to answer my question is Mr. Weber, from the Customs and Immigration Union.

Mr. Weber, what do you foresee? It will take a few months before we can fully measure the effects of this change of direction regarding the application. After the holidays, when travel picks up again, we'll have a clearer picture.

At the moment, do you have an idea of what will happen when the application is no longer mandatory?

• (1135)

[English]

**Mr. Mark Weber:** Thank you.

We actually don't. We've not been consulted. We were not consulted when ArriveCAN was first made a requirement. We were not consulted on how it should be laid out. We weren't really consulted on what's going to happen once it's made optional or how that's going to look. If no longer having the requirement for ArriveCAN increases travel, again, our staffing shortages are not going away. They exist, and they have gotten worse year after year for quite a few years. We're in a place now such that if travel does start to significantly increase, we're going to see significant delays at our borders.

I know there were comments about the Greater Toronto Airports Authority being very excited about the new uses for ArriveCAN and further technology. The big worry we have when we talk about technologies is that our officers are much faster than any machine that's been installed at an airport. If you really want to keep things flowing and have the border move, we simply need more people in place, not technology.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** Alright. That said, even if you weren't consulted, which is unfortunate, please feel free to contact the members of this committee if there are any new developments. We can then go back to the issue.

Ms. Barrett, earlier, one of my colleagues told you that there would not really be a return to normalcy since the vaccine mandate was still in effect in the United States. The effect is nil. You didn't really have a chance to respond to him, so I'd like to give you the opportunity.

[English]

**Ms. Barbara Barrett:** Thank you very much for that.

Yes, I think tying ArriveCAN to the vaccination status is not purely accurate. I have anecdotes from across Canada of our store owners and their staff being IT experts in trying to fill out the ArriveCAN for people who just didn't know how, and then also there were those who didn't even have smart phones to be able to do it.

A concrete example of how ArriveCAN was a deterrent for people even coming to the border comes from our store in Fort Erie. On the July long weekend, it would typically see 40 motor coaches of mostly elderly people who come across the border and stop in at the store. That's 40 motor coaches full of customers. This year they saw two motor coaches.

The staff at the motor coach companies say it was because the elderly folks did not know how to fill out ArriveCAN. They were scared of it, and they just chose not to come. I think that's an exam-

ple of how ArriveCAN was just a deterrent for people to even try to cross the border, vaccinated or not.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** So, basically, you're making a distinction between the vaccine mandate, which is another issue, and the application itself.

[English]

**Ms. Barbara Barrett:** Sorry; I'm not sure I understand the question.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** Given that the United States still requires proof of vaccination, as mentioned, one might be inclined to say that this ultimately does not change the situation.

What you're saying is that ending mandatory use of the ArriveCAN application is a different issue from the border vaccine mandate.

[English]

**Ms. Barbara Barrett:** It is, 100%. It's a completely different issue.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** OK, thank you.

I'm curious: How many of your duty-free stores are in areas or countries that still require proof of vaccination?

[English]

**Ms. Barbara Barrett:** All our stores are on the Canadian side.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** I'm not necessarily talking about Canada, but in the buffer zones, if I can put it that way. I'm thinking of airports when you're waiting for a flight, when you're about to leave for another destination.

You really took a hit in those areas, didn't you?

[English]

**Ms. Barbara Barrett:** All of our stores are on the land border, so when you go into the store, you have to exit it into the United States. You can't come back into Canada. We're export only. You have to cross the border once you enter our stores.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** So, you don't represent airport duty-free stores. Alright, I understand.



[English]

**Ms. Barbara Barrett:** That's correct.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** Thank you for the clarification.

I'd like to wrap up my time with some questions for Mr. Weber, from the Customs and Immigration Union.

Regarding the ArriveCAN application, do you think it makes a difference, given that there is still a vaccine mandate on the U.S. side?

Do you feel the same way?

• (1140)

[English]

**The Chair:** Give a brief answer, Mr. Weber.

**Mr. Mark Weber:** It's difficult for us to say. We only deal with travellers when they're returning to Canada, so what's going on the other way is really difficult for us to comment on.

Again, when the ArriveCAN app was in place, the greatest difficulty that we had was that people simply didn't know that they had to complete the app, or in some cases people were just refusing to fill it out, so we had to deal with a good 30% to 40% of travellers arriving without having completed it, which caused the four- or five-hour lineups that we saw.

It wasn't so much a matter of not being able to do it; it was simply not wanting to or not even knowing that it was a requirement that more often than not was the issue.

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

We go now to Mr. Masse for six minutes.

**Mr. Brian Masse (Windsor West, NDP):** Thank you, Madam Chair.

First, I want to acknowledge that I'd like to see if we can carve out some time to deal with a motion I've tabled with regard to container shippers. There have been talks with the parties, so I'd like to see about doing that motion today if possible, because there is urgency with that matter and also with planning for our schedule.

I'm going to quickly go to Mr. Weber.

One of the first times I realized there was such an incredible amount of ignorance on the Hill here with regard to our customs officers was when Derek Lee called them wimps in the House of Commons. I always remember that moment, because there was a lack of understanding of what they faced with the thousands of people they deal with on a daily basis, especially in a riding like mine. Even with this challenge that we face, I'm still advocating a safe-border task force to deal with this, because we have long-standing border issues that continue.

Mr. Weber, you finally have another collective agreement. It's going to run out again soon because it always comes in late. It's ridiculous that it happens like this.

I want to be careful with this language. Is it fair to say that your officers could have actually refused to do the extra work that they did in dealing with these apps and technology devices that were thrust upon them? Is it fair to say that it could have been a consideration that they didn't have to go that extra mile that they did?

**Mr. Mark Weber:** Well, the bad news is that our contract has actually expired now. Were we in a legal strike position at the time, obviously I don't know where that would have gone, but I can say that our officers have absolutely gone above and beyond to make things flow as quickly as possible against incredible odds.

We're dealing with four-, five-, six-hour lineups of travellers who obviously are arriving at our counter extremely irate at what they're having to go through to cross into Canada. I'm hearing from one of our officers in Niagara Falls that he's had travellers come through who had actually urinated and defecated on themselves, having been stuck in the car for so long. To give you an idea of how terrible and drastic the situation at our borders was and how terribly short-staffed we are, I think that says it all.

**Mr. Brian Masse:** I do appreciate your raising the issue over training, because we could actually have the Tilston Armoury in Windsor converted into a training facility. It was the first one for the Department of National Defence. It has a gun facility and range testing and all the operations there. I hope that something like that is looked at, because it could be close to turnkey for that, especially with the Gordie Howe bridge coming on board and everything else in the upcoming years.

I want to move to Ms. Barrett, but I want to finish by saying thank you to Mr. Weber and his members. By the way, just for the record, our frontline officers at the border did not have a vaccination program put in place. We had to fight for that, and it took over a year. They actually were spot-vaccinated despite being on the front lines during COVID from the very beginning. They weren't considered essential and had to deal with that. That was something that was wrong, and hopefully we can fix that for future challenges, because we've had SARS and now this.

Ms. Barrett, really quickly, when we did the western hemisphere travel initiative changes and the U.S. was requiring passports, we knew that 60% of U.S. citizens would get a passport and 40% would never get a passport. That was just the raw data. Is that what you're experiencing too now with Americans with regard to this foreign application?

Mr. Lovegrove noted that as well, and that's what I've heard a lot. There are some people for whom vaccination is an issue, but the thousands of complaints I received about ArriveCAN were not from unvaccinated people; they were from vaccinated people. Americans were particularly reluctant to sign on to a foreign government's app.

**Ms. Barbara Barrett:** I think the fact that the vaccination rate of the Americans is less than that of Canadians certainly has some effect, but yes, on a broad scale, the issues were coming from vaccinated folks who would have liked to come over but couldn't.

I'll give you another example of how it was difficult for them. The ArriveCAN app asks you to give the address where you would quarantine in Canada if you had to do that while you're here, which doesn't make sense if you're trying to cross the border to go shopping for the day and come back. You don't have an address of a place that you're going. It just didn't take into account how border communities work and how people come across and shop, and it really affected our stores that way. It was just a deterrent for people to come.

• (1145)

**Mr. Brian Masse:** Yes, and can you confirm that even before COVID, there were some border changes that affected duty-free shops? You have to really be part of a border community to understand duty-free a little more intimately. People think they're part of the border, but they're actually mom-and-pop shops, really.

**Ms. Barbara Barrett:** Yes.

**Mr. Brian Masse:** There was a change whereby we got rid of the GST refund before COVID—

**Ms. Barbara Barrett:** Yes.

**Mr. Brian Masse:** —and then on top of that, before COVID, they changed the amount you could actually bring back and forth without duty charges. Is that correct, and wasn't that a substantial hit on the industry to start with?

**Ms. Barbara Barrett:** Yes. Our industry had been seeing some challenges even before COVID, as you say, with the visitor rebate program being eliminated. That used to operate within our stores. People would go in, get the rebate, get the cash and then actually spend it back into the economy in Canada. That change did have a great effect on our business, but then once COVID hit, we were 95% down for 20 months across the board.

**Mr. Brian Masse:** Yes, and then, as Ken said, you have the package of requirements.

Really quickly, Mr. Lovegrove—

**The Chair:** Be very quick.

**Mr. Brian Masse:** —you mentioned doing business. You fall under a lot of the access to employment contracts you can get out of NAFTA, but Mexicans don't have something like ArriveCAN and never have had. The U.S. never had something like ArriveCAN.

How difficult was it to explain to your American and your Mexican business opportunities about this requirement, which they didn't have in their own countries? It's ironic, because with every other policy, we fight to get synced up to compete, but this one was really personal, I understand, from the people I spoke with.

**The Chair:** Could we have a brief answer, sir?

**Mr. Douglas Lovegrove:** Yes, there were a few times when we were on the phone helping people fill it out, working as the IT consultant for our U.S. customer base and trying to help them get across the border, and the fact that it wasn't synced up was definitely an issue.

I'll mention one more thing really quickly. Part of it, yes, is to separate the vaccination from ArriveCAN. The original language used in ArriveCAN and on the website was very threatening. There were quarantines. There were \$5,000 fines—very threatening lan-

guage—and that was a huge deterrent to people even taking the chance of coming over.

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

We have Mr. Lewis for five minutes.

**Mr. Chris Lewis (Essex, CPC):** Thank you, Chair, and thank you to all the witnesses here this morning. It has been great testimony.

Once again, I would just start out by saying that this is a study to study the impacts that ArriveCAN has had and would have had on Canada. I think all of these questions are really good.

I'm going to stick to the business side of things, Madam Chair. I have to tell you, am I ever looking forward to October 1 coming. I wish it had been October 1, 2021, because I would have had a few thousand fewer inquiries coming in to my office, but I am looking forward to October 1.

To Mr. Maloney's point in his line of questioning to Mr. Lovegrove, I think we've got to go back to.... When October 1 comes, is that going to magically fix everything? Well, let's talk about the privacy issues and the fines that ArriveCAN had. Let's talk about the glitches, the quarantines because of the glitches, and the access to self-service.

I say all that, Madam Chair, because the business and the contracts that have been lost will never, ever come back. We will never, ever see those again. When it's gone, it's gone forever. When the relationships that the likes of Mr. Lovegrove and so many other hundreds of businesses across Essex-Windsor.... When those contracts are gone, they are gone for good, so it's had major impacts on our region specifically.

Through you, Madam Chair, to Mr. Lovegrove, it's my understanding that in a business such as yours, Zoom is not an option. You're not going to sell a few million dollars' worth of goods to stamp out incredibly important auto parts without.... If I was your customer, I certainly wouldn't use Zoom or video to say, "Yes, that pretty much meets the spec." You have to taste it, feel it, see it. You have to be in the room with it, and usually that's only a one- or two-hour deal.

I know that you mentioned a lot of business was lost. Mr. Lovegrove, can you tell me, generally speaking, how much business or potential business you've lost in contracts and what the industry locally in Windsor-Essex has seen?

• (1150)

**Mr. Douglas Lovegrove:** I can certainly speak to my own situation. There were several million dollars' worth of contracts that we were not considered for, given the situation we found ourselves in. We were a new business and had the door open, and these customers wanted to come and see the facility, visit with the staff and see their capabilities. The fact that they couldn't come up or wouldn't come up because of the situation they found themselves in with ArriveCAN prevented that from ever happening.

Can I put a firm number on it? I'll never know. I just know that there were multiple opportunities that we've never realized. Hopefully, by working, we can get those relationships on the go again and get them up, but what's been lost is lost.

For the local area, I don't want to speak for other tool shops or automation shops within the area, but I can only imagine that it must be in the magnitude of hundreds of millions of dollars.

**Mr. Chris Lewis:** It takes a lot of guts, Mr. Lovegrove, to start a business in the middle of COVID. It takes a lot of guts to start a business in Canada, period, but specifically during COVID it's not a small endeavour. It's really important, though, for our region and for Canadians.

As I wrap up here, I have one minute left.

Here's a quick story, Madam Chair. I got a phone call about a month and a half or two months ago from a major player in the area. They had their private jet sitting on the apron at the Windsor airport with the four top executives. When I say a major business, I mean a very major business. They couldn't get off because one of the four had a glitch with their ArriveCAN app, so they decided to just leave.

All that being said, is my line of thinking correct, Mr. Lovegrove, that it's not just your business that was affected?

**Mr. Douglas Lovegrove:** Yes, absolutely. It's across multiple industries across multiple regions throughout Canada. It's anybody dealing with a U.S. customer base.

**Mr. Chris Lewis:** Thank you, Madam Chair.

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

We have Mr. Miao for five minutes, please.

**Mr. Wilson Miao (Richmond Centre, Lib.):** Thank you, Madam Chair.

Thank you to all of the witnesses attending today for looking at the impacts of the ArriveCAN app for us.

I want to ask how many people in this room or online have ever used the ArriveCAN app.

I see. That's good.

The main purpose of it is to allow us to check vaccination statuses to protect Canadians across the nation. In Richmond Centre, the YVR Vancouver airport is part of my riding. I've heard a lot from my constituents that it is troublesome to fill out the app, but after filling it out, they feel a lot more comfortable about travelling to Canada. They are experiencing the prepandemic feeling of enjoying what they're here to enjoy in Canada.

One question I want to ask is how ArriveCAN can be exclusively liable for the decrease of export levels. Can any of the witnesses answer that?

**Ms. Barbara Barrett:** I don't think I would say that it's exclusively responsible. I would say that anything that makes the border stickier than it should be.... It was most certainly a pain point, but there were others. Our numbers bear that out.

**Mr. Wilson Miao:** Thank you for that.

Mr. Lovegrove, do you have something to add to that?

**Mr. Douglas Lovegrove:** Could you clarify the question for me?

**Mr. Wilson Miao:** How can ArriveCAN be exclusively liable for the decrease of export levels?

**Mr. Douglas Lovegrove:** I would agree that it is not exclusively liable. However, in our situation, it presents the majority of the issues for business.

**Mr. Wilson Miao:** I understand there were definitely a lot of impacts during the pandemic to many businesses across our nation. However, now that we're in a recovery process, economies across the nation have been thriving and are doing even better than their prepandemic levels. One big shortfall is that we are experiencing a lot of staff shortages.

I personally look forward to the October 1 optional removal. Do any of the witnesses feel that after October 1, business will be back to normal, as Ms. Barrett mentioned in her statement? Do you feel there are other challenges that we might encounter?

• (1155)

**Ms. Barbara Barrett:** Perhaps I misspoke by saying "back to normal". I think what I meant was that the pain points have been removed. I think we have a long road before it's back to normal.

Travellers' and tourists' habits have changed. They need to be re-educated now that it's optional. I think we have a lot of work to do to re-educate people and get those habits back to what they were prepandemic.

**Mr. Wilson Miao:** I think you mentioned a very good word here: "re-educate".

From personal experience, after the restrictions were lifted, my family visited Switzerland. My mother, being 65 years old, had trouble filling out the ArriveCAN app. However, I spent about 10 to 15 minutes of my time teaching her how to go through the process.

Yes, this may delay the process of the lineup, and the shortages in the CBSA may not address the issue of needing help with technology that some people experience. However, if this is to protect Canadians, do you feel that the extra 15 minutes of individuals' time to use that app to make other Canadians feel safe is a necessary step to move forward?

**Ms. Barbara Barrett:** If I felt that it was keeping Canadians safe, I would certainly be on board. I don't see the evidence that it was keeping Canadians safe when we were in a community spread situation.

However, I think it's also presumptuous of us to assume that everyone has a smart phone. If my mother was trying to cross the border, she would be unable to, because she doesn't have a smart phone. We had motorcoaches full of seniors who did not even approach the border because that was the case for them as well.

**The Chair:** I'm sorry, Mr. Miao; your time is up.

We'll go to Mr. Savard-Tremblay for two and a half minutes, please.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** Thank you, Madam Chair.

Mr. Weber, you appeared before the committee last June. At that time, you told us that ArriveCAN did not facilitate cross-border travel, that there were serious operational efficiency problems and that, on the contrary, processing times had skyrocketed.

People travelled a lot during the summer; it couldn't have been easy. Moreover, many cases received media coverage, but not all of them are exclusively related to ArriveCAN, let's be clear.

In spite of everything, at the end of the summer, did you notice some improvement as people got used to it, little by little?

[English]

**Mr. Mark Weber:** No, we didn't. The number of people who were arriving at the border without having completed the application was fairly consistent.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** So, there's been no change in that regard.

If the health situation were to deteriorate and border measures were again necessary, what would you propose, in a concrete and constructive manner, to avoid repeating the mistakes of the past?

[English]

**Mr. Mark Weber:** If it's simply a matter of confirming that people are vaccinated, that can be done much more simply than having to complete a separate application. Surely there's a way whereby we can get the information that someone is or is not vaccinated when a passport is scanned, since we're all getting vaccinated through government programs. Either that, or simply have travellers show us their phones. Our vaccination status and certification shows up on our phone.

The real question is, what's the necessity of the app and all of those additional questions, like what address you're staying at and

what port of entry you're coming through. A lot of those things gave people trouble, especially when we got to a point where we were no longer doing any contact tracing. I think that's really where the questions have to be asked. That's where all of the extra time was being taken up, and I think that's the big reason that people were having trouble completing it.

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

We'll now go to Mr. Masse for two and a half minutes, please.

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

Mr. Weber, the officers you represent are trained for personal action to analyze individuals for other issues, such as smuggling of guns and drugs and so forth. In that interaction, how important is that in protecting Canadians, and for those officers to get a snapshot as an individual comes over the border? I worry about some of the automation. Obviously, a machine can't do that.

How much training do your officers receive for that? Is it also training that is constantly renewed?

• (1200)

**Mr. Mark Weber:** It is constantly renewed. We go through a lengthy program of training at Rigaud. We learn throughout our careers. We try different modes, we specialize, and we join different teams.

You're right that it's all about that interaction, that ability to read indicators, and to be able to do that interdiction that we need to do. That's our primary concern. The more automation that we add on, the less interaction we will have with travellers. No machine is going to tell you if someone is lying. Obviously, when you're relying on people's self-declarations, no one smuggling is going to self-declare that they are doing so.

**Mr. Brian Masse:** Ms. Barrett, how much of your members have been investing in their properties to get them ready and to continue to keep staff on board?

I don't know if things will return to the way they were. I understood what you meant: The structure is the same, but getting the culture back is going to be very difficult. In fact, even in Windsor, we couldn't even do the.... The only bus in the world that actually goes across international boundaries is in Windsor. It is finally going to return, hopefully.

How much investment are your members making?

**Ms. Barbara Barrett:** Right now our members are in survival mode. They've had to take out some loans just to survive at this point. There are a few who we're not sure are even going to survive. I don't know if you're looking for a dollar number, but because we're still down by 50%, we're very much in survival mode.

**Mr. Brian Masse:** You're just barely surviving and staying alive. I know the facilities are in tip-top shape, but they're still.... I know that a lot of them kept staff on during COVID.

**Ms. Barbara Barrett:** They did, yes.

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

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

We'll now go to Ms. Ferreri for five minutes, please.

**Ms. Michelle Ferreri (Peterborough—Kawartha, CPC):** Thank you, Madam Chair, and thank you to all of the witnesses here today.

Thank you for letting me sub in as shadow minister to tourism. I'm happy to be here on World Tourism Day.

I'm going to start with Ms. Barrett.

How many times did you meet with anyone from the Liberal government to communicate your serious concerns with ArriveCAN?

**Ms. Barbara Barrett:** I met with them a number of times. I think I became known as a squeaky wheel. I met with the Minister of Public Safety and with the transport minister's office a number of times. I don't have an exact number, but I will say several times.

**Ms. Michelle Ferreri:** I'm going to ask you another number question, and I promise this will be the last one.

**Ms. Barbara Barrett:** Okay.

**Ms. Michelle Ferreri:** How much money do you believe has been lost due to ArriveCAN by the businesses that you represent?

**Ms. Barbara Barrett:** Well, I would have to do some quick math, but overall, our industry is an average of 50% down compared to prepandemic levels.

**Ms. Michelle Ferreri:** Could you table that for the committee?

**Ms. Barbara Barrett:** Sure.

**Ms. Michelle Ferreri:** This next question I'm going to direct—through you, Madam Chair—to Mr. Weber.

I have my passport with me here today, and I'm going to read the front page. Please note that obviously this is not in accordance with the new king, but rather our late queen, Elizabeth II:

The Minister of Foreign Affairs of Canada requests, in the name of Her Majesty the Queen, all those whom it may concern to allow the bearer to pass freely, without delay or hindrance, and to afford the bearer such assistance and protection as may be necessary.

In your opinion, Mr. Weber, did ArriveCAN hinder Canadians' ability to cross the border?

**Mr. Mark Weber:** I would say it did, yes.

**Ms. Michelle Ferreri:** Thank you very much.

I guess I would go on to share a couple of stories.

Mr. Lovegrove, you hammered the nail on the head with your comments about threatening and intimidating language. I think that's really where this conversation needs to go in terms of what the government did in wrongly fining Canadians as well as harassment.

I have one constituent who was featured on Global National. She was sent a threatening and intimidating letter saying that she would be fined \$1 million and that she would never be allowed back into

her own country. For the Liberals and the government to say this ArriveCAN is merely an inconvenience for Canadians is insulting.

Mr. Lovegrove, as somebody who lost this money but still managed to survive, how do you expect to make up the money that was lost as a result of ArriveCAN?

• (1205)

**Mr. Douglas Lovegrove:** Thank you. I appreciate the question.

We're going to do it through hard work. We're going to heavily engage with our customer base in the U.S. We are going to have to do a little campaigning. Of course, I'd love to see the government step up to do some campaigning throughout our areas of business in the U.S. and promote business in Canada.

We are going to get through it through hard work, and by sharing the story of our business and why they should be coming up to see us.

**Ms. Michelle Ferreri:** Thank you.

I have one super-quick question left for Mr. Weber.

Where is the data, and was it shared with you? I know you weren't consulted, but is there any data that indicates it was safer to wait to drop the ArriveCAN now rather than in October of 2021, or even February 2021 or March 2021? Where is the data that says it is safer to drop it now?

**Mr. Mark Weber:** Thank you.

I've not seen that data. I think that would be a good question for the Public Health Agency.

**Ms. Michelle Ferreri:** Thank you, Madam Chair.

**The Chair:** Thank you.

We will go on to Mr. Maloney for five minutes, please.

**Mr. James Maloney:** Thanks, Madam Chair.

I want to get back to this issue of separating the ArriveCAN from the pandemic measures, because there appears to be a lot of confusion here.

Ms. Barrett, you said that your business was 95% down. That's because of the pandemic. Isn't that right?

**Ms. Barbara Barrett:** That's correct.

**Mr. James Maloney:** That includes the border measures that were in place and the fact that the border was closed for a long time.

**Ms. Barbara Barrett:** That's correct.

**Mr. James Maloney:** To make that statement in the context of this discussion is not quite fair, because it was not ArriveCAN; it was the pandemic, correct?

**Ms. Barbara Barrett:** Correct.

**Mr. James Maloney:** Okay, thank you.

Mr. Lovegrove, you talked about threatening language and that the questions were intimidating on the app. Those were in fact border measures that were introduced by the Canadian government—and by other governments, I might add—and they were on the ArriveCAN app to prevent the border agents from having to ask you and me those questions.

It's not the ArriveCAN app, then; it's the border measures, correct?

**Mr. Douglas Lovegrove:** I don't know the legality of who was making the—

**Mr. James Maloney:** But you'll agree with me that the ArriveCAN app is just the platform on which those questions are asked.

**Mr. Douglas Lovegrove:** Specifically, in my notes that I forwarded to the committee, I pulled off that threatening language from a Canadian government travel—

**Mr. James Maloney:** Correct. It's not the app. It's the rules imposed by the Canadian government.

**Mr. Douglas Lovegrove:** Sure.

**Mr. James Maloney:** Thank you.

Now, Mr. Lewis mentioned earlier the example of these three or four gentlemen sitting in their private jet at the airport. If I come to the border with you, Mr. Lovegrove, along with Ms. Barrett and Mr. Masse, and we all have NEXUS cards, but I forgot mine, is that a glitch in the NEXUS system or is that my inability to remember my card?

That's a rhetorical question.

**Mr. Douglas Lovegrove:** Yes, obviously.

**Mr. James Maloney:** My point is that we have to distinguish between the border measures that were in place, the pandemic itself and the ArriveCAN app.

Let me ask you another question.

Do you believe that there's a scenario in which technology can be used to make it easier to get across the border?

**Mr. Douglas Lovegrove:** Yes.

**Mr. James Maloney:** Do you, Ms. Barrett?

**Ms. Barbara Barrett:** I do. I think the optional measure is a good start.

**Mr. James Maloney:** Thank you.

What about the other witnesses? Do you believe there's a scenario in which technology can be used to make it easier to get across the border?

**Mr. Mark Weber:** I could say yes.

**Mr. James Maloney:** Okay, thank you.

**The Chair:** I think Mr. Bieger wants to comment. He's raising his hand.

**Mr. Kenneth Bieger:** Technology would definitely benefit moving traffic more quickly across the bridge. It just has to be done the right way.

One thing we saw was that this decision with ArriveCAN was done unilaterally by CBSA and the Canadian government. There

should have been workshops and discussions with all the stakeholders involved to try to work through this before it was ever implemented.

**Mr. James Maloney:** Thank you, sir.

This leads me to my next question, which is to you.

If I'm not mistaken, you said earlier that if we didn't have one, we wouldn't need the other. I interpret that to mean that if we didn't have the pandemic measures, we wouldn't need ArriveCAN. Is that what you meant?

• (1210)

**Mr. Kenneth Bieger:** Yes, that's what I meant.

**Mr. James Maloney:** Thank you.

However, you agree with me that there is a scenario in which technology can be used to more easily facilitate getting across the border. We need to separate the two. Do you agree with that?

**Mr. Kenneth Bieger:** I definitely agree with that.

**Mr. James Maloney:** Thank you.

Now, Ms. Barrett, I'm going to go back to you.

You used the word “stickier”. We all agree that it would be nice to be less sticky getting through the border. I'm old enough to remember when I could cross the border with just my driver's licence. In fact, I'm old enough to remember when they might not have asked me for anything at all, when I lived in Windsor, where Mr. Lewis and Mr. Masse are from. I might have gone across the border the odd time to have dinner or do some other things. It was quite easy.

When people introduced the requirement that you had to use a passport, that made it more sticky. Is that correct?

**Ms. Barbara Barrett:** I guess so, yes.

**Mr. James Maloney:** A technology that can help us make it faster is in fact making it less sticky.

I put it to you again: Do you agree with me that it's unfair to lump the ArriveCAN app itself—the technology that's used to facilitate quick access across the border—with all of these other things like the pandemic, which caused you to lose business, or the measures that were put in place for that?

Ms. Barrett and Mr. Lovegrove, I want your businesses to succeed. We all do. We have to stop playing politics with these things and talk about the real issues here. It was the pandemic, not an app on our phone.

**Ms. Barbara Barrett:** May I respond?

**Mr. James Maloney:** You may respond.

**Ms. Barbara Barrett:** I think it's unfair to assume that everyone would be able to deal with this technology and to presume that everyone would have a smart phone to be able to manage it.

**Mr. James Maloney:** I couldn't agree with you more, which is why I agree with Mr. Lovegrove that making it optional is a good idea. Let's solve the glitches, rather than kill the program.

Thank you, Madam Chair.

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

We'll go on to Mr. Baldinelli for five minutes, please.

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

Following up on my colleague's comments about making it less sticky, that was the whole point. The government liked to talk about CBSA compliance at about 90% and how it was facilitating travel, but it wasn't doing that. An Order Paper question that was just responded to showed that from January to August 31 of this year, a total of 1.6 million travellers presented themselves at the border for entry into Canada without having submitted ArriveCAN, which just adds to Mr. Bieger's point on land borders. During long weekends, we were having lineups of over two hours, yet traffic was 50% less than 2019 figures. The government didn't even consult its CBSA officers prior to the implementation of this program.

If you're going to create a program, do it right. Consult with the stakeholders. Were the bridge commissions or our American customs officers brought into the conversations about this? Let's do it. Let's do it right.

To Ms. Barrett's point about after the pandemic programming and supports that ended in the spring, fair enough; that's a government decision. However, if you're going to do that, let's get out of the way. Let's remove the disincentives that still stand in the way to their being able to create the wealth they need to survive. These businesses were down 95%. I live in a community that has American visitation that represents over 50% of the revenues generated for my tourism sectors. In 2019 alone, \$2.4 billion in tourism receipts was generated. That was devastated. American visitation, although not the largest number, again represents 50% of the revenues that are generated. Why are we putting in place these disincentives to travel? That's what we have to get to.

ArriveCAN was part of the problem there, so when we say to the Frontier Duty Free Association or to our tourism businesses in Niagara that all the programming has ended and you're on your own, well, get out of the way, then. Let them do what it is they do best in my community, and that's welcome people from throughout the world.

That's my concern about the ArriveCAN app. That's why I've been arguing against it from the very day it was put in place.

Now, Mr. Bieger, because of COVID and because of the pandemic, you've seen traffic volumes down 50%. The financial impact on the Niagara Falls Bridge Commission has to be tremendous. What is that impact? I know there were government programs, but your commission is not owned and operated by the federal government, which can support the other four bridges in its jurisdictions in Ontario. Were any supports provided, other than what the government did for everyone else?

• (1215)

**Mr. Kenneth Bieger:** No. The only support we received was in the form of some of the workforce labour incentives and grants we received, but in reaching out to the Canadian government and the U.S. government for financial assistance, to be honest with you, we did not really get a good answer as to why we weren't included. We weren't involved in the closing of the bridges to unnecessary traffic.

It was our position that both the Canadian and the U.S. governments should have come to our aid when we needed it. We lost probably \$30 million in revenue in the first two years.

Traffic, again, is probably at about 55% right now, so we're still not back to where we were before. This is in combination with ArriveCAN and the vaccine requirement. Now that the vaccination requirement will go away as of October 1, we're going to see an improvement in Canadian-bound traffic, but we're still not going to be at 100%.

**Mr. Tony Baldinelli:** Would the biggest impact be on the Rainbow Bridge? You have your commercial facilities over at Queenston Lewiston. Did you notice the same drops in volume?

**Mr. Kenneth Bieger:** The drop in volume was a little greater on the Rainbow Bridge, but it was pretty significant on both, to be honest with you.

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

Thank you, Madam Chair.

**The Chair:** Madam Lapointe is next.

**Ms. Viviane Lapointe (Sudbury, Lib.):** Thank you, Madam Chair.

I'll be directing my questions to Ms. Barbara Barrett.

I'll share some data with you, and then I'll ask you for your thoughts on some of the data that I share.

Compared to exporting in other countries, Canadian goods exports performed relatively well in the first quarter of 2020. They declined by only 1.2% year over year. China's goods exports, by comparison, were hit hard in that first quarter, falling by 10%.

What factors do you think supported Canada in its ability to better maintain trade levels when compared to other countries, such as China?

**Ms. Barbara Barrett:** I can't answer about trade to China. What I know is that our export business is dependent upon the land border being open and people being able to travel by car over and across the U.S.-Canada border. They have not been able to do that for over two years now in an unencumbered way.

**Ms. Viviane Lapointe:** If you can't comment on other countries, what about Canada's performance on exports in that first quarter dropping by only 1.2%?

**Ms. Barbara Barrett:** Again, we are dependent upon people being able to go back and forth over the land border. They have not been able to do that in an unencumbered way.

**Ms. Viviane Lapointe:** The United States saw a change in export levels greater than 3%. Japan saw a decline of 5.5%. Given that the United States did not have an ArriveCAN program in place, why do you believe countries like the United States and Japan saw significantly more dramatic drops in export levels?

**Ms. Barbara Barrett:** Again, I can't answer for Japan or other... We are solely dependent on the U.S.-Canada border. Our stores are not 50% down because they made bad business decisions or because they have a bad business model; they are in the position of being 50% down because of measures at the border.

**Ms. Viviane Lapointe:** Do you believe any other contributing factors, excluding ArriveCAN, contributed to the decline in export levels that Canada experienced during the pandemic?

**Ms. Barbara Barrett:** I think tourism habits and traveller habits changed over the period of the pandemic. I think people just weren't used to not going over the border in the way they were before, and the vaccination requirements and the ArriveCAN.

**Ms. Viviane Lapointe:** How would exports have been impacted if instead of implementing the ArriveCAN app, the government had implemented stricter border restrictions to prevent the spread of COVID?

**Ms. Barbara Barrett:** I'm sorry. Can you ask your question again?

**Ms. Viviane Lapointe:** How do you believe exports would have been impacted if instead of implementing ArriveCAN, the government had decided to implement stricter border restrictions?

**Ms. Barbara Barrett:** Do you mean stricter border restrictions but no ArriveCAN?

**Ms. Viviane Lapointe:** Correct.

**Ms. Barbara Barrett:** I'm not sure what stricter border restrictions there would have been.

**Ms. Viviane Lapointe:** To prevent the spread of COVID, the government could have taken other measures. What are your thoughts on one of those measures being stricter border restrictions and on what impact that would have had on exports?

• (1220)

**Ms. Barbara Barrett:** Anything that encumbers the border and people being able to pass over in their car affects our businesses. We were already 95% down when only essential workers were allowed to cross over. Other than 100%, I'm not sure how much worse it could get. When the border did open to more than essential workers, we were at 50% down.

**Ms. Viviane Lapointe:** But we've already established that the 95% was not because of ArriveCAN.

**Ms. Barbara Barrett:** No. That was because the border was closed.

**Ms. Viviane Lapointe:** Correct.

**The Chair:** You have 25 seconds remaining.

**Ms. Viviane Lapointe:** Okay.

Just quickly, Mr. Lovegrove, can you answer that last question as well?

**Mr. Douglas Lovegrove:** I have to apologize. Can you repeat the question and clarify?

**Ms. Viviane Lapointe:** How would exports have been impacted if instead of implementing ArriveCAN, we had implemented stricter border restrictions?

**Mr. Douglas Lovegrove:** I can only imagine that we would have seen a further reduction in exports through any more aggressive restrictions.

**Ms. Viviane Lapointe:** Thank you.

**The Chair:** Monsieur Savard-Tremblay, you have two and a half minutes.

[*Translation*]

**Mr. Simon-Pierre Savard-Tremblay:** Since I feel that we've covered all of our questions in this study, I'll ask you this open-ended question.

What more can we do for you?

[*English*]

**Mr. Douglas Lovegrove:** For myself personally, I'd like to see the federal government step up with some campaign in the U.S. for tourism, for travel, and specifically for businesses like ours.

[*Translation*]

**Mr. Simon-Pierre Savard-Tremblay:** Ms. Barrett, I'm listening.

[*English*]

**Ms. Barbara Barrett:** Thank you for asking.

We've clearly been the hardest hit of the hardest hit. We have not started to recover fully yet. We hoping to, as of October 1. However, the winter is long. We've missed three high seasons. We would love to see a loan program that would allow us to get through to the other side of the winter and allow us to survive.

[*Translation*]

**Mr. Simon-Pierre Savard-Tremblay:** Thank you.

Gentlemen, what do you think?

[*English*]

**Mr. Kenneth Bieger:** I'll go first and say that from our perspective, it would be nice if the communication between the U.S. government and the Canadian government was improved with respect to the CBP and the CBSA at the border. We went through this whole pandemic, and it just seemed like there was a lack of communication. The timing of some of the openings was different. If we had to go through this again, it would be nice if the coordination and the timing of some of this could be rolled out together.

It seemed like it was a problem from the beginning. We're still seeing it now. Obviously, October 1.... We haven't heard if the U.S. government is going to eliminate the vaccination requirement. Right now, we don't think so. We haven't heard anything. These types of things probably should be communicated and worked through a little bit better from both sides.



The other thing that we would like to take a look at—and I think it may be public information, but I'm not sure—is the testing. Going into Canada throughout this pandemic, there was a lot of testing done. I'm not sure, but some of the information that I've heard is that the rate of those testing positive wasn't any higher than what it was in Canada in general.

I kind of question.... I know this is more of a health department-type issue, but this question was brought up earlier: What really changed this week or in the last couple of weeks versus six months ago or a year ago?

At the point that the U.S. was at, let's say, 70% vaccinated and Canada a few points higher than that, we all strove for the same thing. I just don't know if there was enough of a reason to keep the U.S.-Canada border closed for the reason of vaccinations for as long as they did. I understand the closure at the very beginning, but when we get to a point where the vaccination rate was as high as it was, it just seems that this could have been done a lot earlier and the border communities would have felt the improvement earlier.

I think that could be tested by looking at the test results of the travellers who came through the CBSA and seeing what the rates were.

• (1225)

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

Mr. Masse, you have two and a half minutes, please.

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

I'm a little bit taken aback by some of the questioning that's taken place here this afternoon.

I'll give a quick example with regard to duty-free stores. These are small businesses. Even during the pandemic, they came forward with solutions for what was taking place. In fact, they actually asked to donate their perishable goods to charities, but the government wouldn't provide a change to allow them to do that, so those goods rotted.

They didn't come here to say that ArriveCAN destroyed or had implications on their businesses. They came here by invitation to show that it's another barrier that was still in the repertoire of problems that they face on the border and that it needs to be adjusted.

Yes, now that it's actually optional, people can use it if they want. They may not want to. I get the point that you're making, Mr. Love-

grove, with regard to when they go to the app. I've heard this from the Americans I deal with on a regular basis. Mr. Maloney is correct that it is on the website, but it's pretty shocking when you're on your personal phone and you read about the fines and the penalties and all those different things. They haven't necessarily gone through those things, so sometimes it's the tone of things that's out there.

What didn't happen with regard to this is that there weren't any education programs. When the western hemisphere travel initiative came in, you remember, Madam Chair, all the times we went to the United States to push. Then there was actually advertising that went out to the United States and so forth.

I'll conclude by saying that I want to thank the witnesses and all my colleagues here. Perhaps if we can get in front of some of these things a little bit better, it would be much more helpful. That's where I think I want to go with this study. It's to see how we can ameliorate the damage that's taken place and go forward from there.

I will conclude by saying that with regard to duty-free stores, again, I never heard any complaints. The border was shut down. These organizations are not generally run by big businesses. The Ambassador Bridge runs one of them, and the Taqtaq family, a local family, runs the other one. Almost all the other ones are family businesses. It's not a big multinational conglomerate that owns them all. They have been suffering more than any other businesses because their customers were shut off. They couldn't actually get there. This is one of the things we need to ameliorate, because if we're going to have recovery, we need them back in the game.

Thank you, Madam Chair.

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

I believe that has completed the questions for our witnesses today.

On behalf of all of the committee, I want to say a sincere thank you to all of you for participating today. We know it's been tough. Come October 1, things, we hope, are going to get that much better. However, there is still a lot ahead of us to recover completely.

Thank you very much for this information.

We will suspend for a few minutes while we go into committee business.

*[Proceedings continue in camera]*





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