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Chair: The Honourable Judy A. Sgro





## Standing Committee on International Trade

Tuesday, April 9, 2024

• (1540)

[*English*]

**The Chair (Hon. Judy A. Sgro (Humber River—Black Creek, Lib.)):** Order.

I'll turn the floor over to Mr. Savard-Tremblay.

[*Translation*]

**Mr. Simon-Pierre Savard-Tremblay (Saint-Hyacinthe—Bagot, BQ):** Thank you, Madam Chair.

I want to move a motion, which will be distributed to you immediately. I would like us to discuss it now.

Here is the motion:

That the committee report to the House of Commons:

1. That it has not yet received the documents requested from the Canada Border Services Agency, which are necessary for this study;
2. that it considers that the concerns raised by witnesses regarding the new CB-SA assessment and revenue management system, or CARM system, particularly in the brief dated April 8, 2024, signed by 20 concerned organizations, are sufficient to call for caution;
3. that the effects to be anticipated in the event of a failure in the implementation of the CARM could not be identified with sufficient precision and certainty;
4. and that, consequently, the committee recommends that the House of Commons ask the government to suspend the implementation of the CARM system, scheduled for May 13, until the Standing Committee on International Trade can complete its study and table a final report containing its observations and recommendations.

[*English*]

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

Am I correct that you would like us to deal with the motion immediately?

Is there any debate?

Go ahead, Mr. Seeback.

**Mr. Kyle Seeback (Dufferin—Caledon, CPC):** I want to say two things.

One is that I support the motion.

I do want to briefly raise the letter that we received on April 8 from the group including the Canadian Association of Importers and Exporters, the U.S. Chamber of Commerce, the Canadian Produce Marketing Association.... I don't know how many of those there are—maybe 10 or 12 or 15 organizations.

The critical thing about what this letter says is that they watched the meetings that took place at the committee and they then re-

ceived information from the CBSA that contradicts the statements that the CBSA made before the committee. This is a damning indictment of the performance and the behaviour of the CBSA before this committee. When you look at this document, you can see that with all in-scope software tests completed, they are at 1% of transaction volume. This system is nowhere near ready to launch.

I found that the CBSA was evasive when they were here at the committee. It was like pulling teeth to get a simple answer to a simple question. I think it's because of exactly what's been pointed out in this report. This is an incredibly serious situation.

I support the motion 100%, but I would like to know if Mr. Savard-Tremblay is open to a friendly amendment. I would add a fifth clause that simply says "and this be reported to the House".

• (1545)

**The Chair:** Go ahead, Mr. Savard-Tremblay.

[*Translation*]

**Mr. Simon-Pierre Savard-Tremblay:** Yes. I agree with this proposal.

[*English*]

**The Chair:** Okay.

Mr. Sidhu is next.

**Mr. Maninder Sidhu (Brampton East, Lib.):** Madam Chair, this motion is brand new to a lot of us. Can we ask for a quick suspension so we can discuss it?

**The Chair:** I think that makes sense.

We will suspend for a few minutes.

• (1545)

(Pause)

• (1605)

**The Chair:** I call the meeting back to order.

We have a motion by Monsieur Savard-Tremblay. It is open for discussion at this point. Is there anyone who wants to discuss it further?

Mr. Sidhu or Ms. Fortier, which one of you will it be?

**Hon. Mona Fortier (Ottawa—Vanier, Lib.):** Let him start. I was slow to put my name on the list.

**The Chair:** Okay.

**Mr. Maninder Sidhu:** Thank you, Madam Chair.

This is a very important study that we're doing on CARM. We heard from a wide array of witnesses who spoke to the implementation of CARM and the way shipments are released and cleared through customs. The accounting side of it, at the end of the day, which is where CARM comes into force.

We heard about the “big bang” day coming up very soon, on May 13, and the importance of perhaps more testing and of working more with industry to see how we can do a phase-in implementation.

We were supposed to be discussing a report today. I know we're waiting on documents from the CBSA. There are hundreds of pages that need to be translated, and I know my colleague will get into that.

I hear you. I hear the industry. We know the concerns and we want to make sure we work with industry, because we don't want to impact trade. At the end of the day, we want to make sure that trade flows through our borders and that this doesn't impact our economy or jobs on the ground.

Speaking to that, we are doing that valuable work, and today we're supposed to discuss the interim report and come back to the House, but it's important to note that this is based on Auditor General reports for over a decade now. This is a CARM program that was put forward by governments before us and funded by governments before us. We know we need to come to it because it ensures that the treasury is protected and that duties and taxes are accounted for in the appropriate manner.

Madam Chair, I think we need to talk about this motion a little bit more in terms of the impact it could have to our study.

• (1610)

**The Chair:** We will go to Ms. Fortier and then Mr. Seeback.

[*Translation*]

**Hon. Mona Fortier:** Thank you, Madam Chair.

When we move motions requesting the submission of documents, the clerk must always receive them in both official languages before distributing them. My concern is that 25,000 pages must be translated, which obviously can't be done in 14 days.

I'm not ready to receive documents in only one official language when I need to determine whether they're the right documents. When we make this type of request through a motion, everything must be in both official languages. However, it isn't possible to translate 25,000 pages in the number of days established by the motion. The clerk may have more information on the number of documents already received and the documents submitted in both official languages. The department says that there are 25,000 pages.

Personally, I'm quite concerned about this issue. It will be difficult for the committee to receive the documents in time to continue its analysis. My colleague, Mr. Sidhu, said that the department has taken steps, including interim measures. When we met with department officials, they explained that measures were in place to ensure the proper implementation of the program. It has now been 10 years since the government introduced this program.

I understand the industry's concerns. I think that they should be taken into account. There may be other ways to ensure that the committee has the tools needed to sound alarms. However, we shouldn't expect to receive all the documents quickly.

[*English*]

**The Chair:** Mr. Seeback is next.

**Mr. Kyle Seeback:** Thank you, Madam Chair.

It would appear that the speaking list is now exhausted, so I'd like us to call the question.

**Mr. Maninder Sidhu:** Madam Chair, yes, we can rush to this motion, but I think what's at stake here is the testimony we heard from witnesses. We really want to make sure that the report is given to the House because there could be good recommendations from the analysts on the testimony we heard in terms of what industry expects from this CARM implementation. We know it has to come one day, but when we look at the way things are done....

We heard about the testing environment from the CBSA, and I think they've reached out to many of our members on this committee to ask if we want to test out the system. I think that's something we should look at very carefully. If you guys want to test it out, we should go look at the systems that the import community would be using.

Coming back to the witness testimony, this is the right way to do it. I want to put it on the record that the motion at hand will take away from government legislation. We can do take-note debates and we can discuss it here in committee. The urgency is definitely there. People watching at home know that there's urgency. I have received many comments from the witnesses we heard from during the committee study. Those witnesses do appreciate coming to speak to this committee, but they want to see something come out of it, and a report would be something to speak to the time the witnesses have spent on this important CARM implementation. It shows that we appreciate the knowledge of industry and their testimony in this important study.

I think this motion may not be the correct way to do it. We have a study ahead of us. We were supposed to be discussing an interim report. That interim report would come out with recommendations from what we've heard in witnesses' testimony and what members here say, so I don't know if this is the right approach.

I don't agree with taking away government House business to do a side motion on this. We're already spending time here in this committee. We're showing that we're committed to working with industry to make sure that CARM is implemented in the most appropriate way, and we're showing a willingness from all sides. We're all singing from the same hymn book about some of our concerns, and we want to make sure we're there to support industry.

• (1615)

**The Chair:** Next is Monsieur Savard-Tremblay, and then I have Ms. Fortier, Mr. Miao and Mr. Sheehan.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** I completely agree with many of the arguments put forward by our friends across the way. We should wait, exercise caution, take our time and have the documents in front of us.

For this reason, I'm asking that we vote on this motion immediately.

Thank you.

[English]

**The Chair:** Thank you.

Ms. Fortier is next.

**Hon. Mona Fortier:** Can you repeat what we're voting on, please?

**The Chair:** It's that the committee—

**Hon. Mona Fortier:** I mean the member's motion.

**The Chair:** We would be voting on the motion from Monsieur Savard-Tremblay:

That the Committee report to the House of Commons—

**Hon. Mona Fortier:** Perfect, I just needed to know that it wasn't an amendment but a motion, just to make sure.

**The Chair:** Okay. All right.

Go ahead, Mr. Miao.

**Mr. Wilson Miao (Richmond Centre, Lib.):** Do we vote right now, or...?

**The Chair:** No, you're not voting. I had you on the speaking list. I thought you had your hand up to speak.

**Mr. Wilson Miao:** Well, I think it is definitely important for us to find a way to move forward, after understanding the concerns we see in the letter and from the witnesses who came for the study.

We should be reviewing the interim report right now. Let's get the actual software tested. Let's run it through to see where the flaw is, and then, eventually, we're going to move forward with this. The planning process has been going on for decades. I understand that we are coming to a very tight timeline right now, and that's why it's important for us to get this going and then have an implementation plan in case something does happen. Let's find a way to resolve it.

**The Chair:** Mr. Sheehan is next.

**Mr. Terry Sheehan (Sault Ste. Marie, Lib.):** I'll add to the comments Maninder has made.

I think it's the order of things. We want to address the issues we heard in the testimony, but I think we need to roll up our sleeves and delve back into what we were going to do today as well, because it's kind of hard to do one without the other. I think we really should roll up our sleeves, get into that report and then address this motion after that, because that's what we came here to do, and it's 20 after four. I think we could get a lot of work done if we went after this report and then addressed the resolution.

**The Chair:** Go ahead, Mr. Seeback.

**Mr. Kyle Seeback:** I have nothing to say.

**The Chair:** Okay.

**Mr. Kyle Seeback:** Call the question.

**Mr. Terry Sheehan:** The speakers list is exhausted.

**The Chair:** Does everybody have the motion in front of them?

There's no further discussion.

We'll have a recorded vote.

**Mr. Kyle Seeback:** Is this the motion as amended by a friendly amendment? Is this the motion as amended?

**The Chair:** It already indicated that it was going to the House anyway, but you did move an amendment earlier that you wanted to stipulate that in there.

**Mr. Kyle Seeback:** I want to make sure it's as amended, because it was a friendly amendment that was accepted.

**The Chair:** Yes, it was.

**Mr. Terry Sheehan:** Can we do it again, then, please, for clarification? Can the clerk read it again?

• (1620)

**The Chair:** I'm going to read the whole thing:

That the Committee report to the House of Commons:

That it has not yet received the documents requested from the Canada Border Services Agency, which are necessary for this study;

that it considers that the concerns raised by witnesses regarding the CBSA Assessment and Revenue Management (CARM) system, particularly in the brief dated April 8, 2024, signed by 20 concerned organizations, are sufficient to call for caution;

that the effects to be anticipated in the event of a failure in the implementation of the CARM could not be identified with sufficient precision and certainty;

and that, consequently, the Committee recommends that the House of Commons ask the government to suspend the implementation of the CARM system, scheduled for May 13, until the Standing Committee on International Trade can complete its study and table a final report containing its observations and recommendations.

Also, there was an amendment moved by Mr. Seeback that this be reported back to the House.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** We already started the vote.

[English]

**The Chair:** We're going to do the vote right now.

(Motion as amended agreed to: yeas 10; nays 0 [See Minutes of Proceedings])

[Translation]

**Hon. Mona Fortier:** Madam Chair, I have a question.

I didn't ask this earlier, since the vote had already started. I was wondering whether the House could be informed that the documents requested amount to 25,000 pages that require translation.

This information isn't included in the motion. However, I think that people should be informed.

[English]

**The Chair:** If you wanted to stipulate that the committee is waiting for 25,000 pages to be translated and the date that was set down at the previous meeting was not achievable to begin with, you could say that in a motion and put it on the table and we can vote on it, or you can do a dissenting or supplementary opinion.

Do you want to just move that in a motion? I don't think anyone is going to vote against it, because the reality is that there were 25,000 pages.

**Hon. Mona Fortier:** I would really like to put it as a motion. I just don't have it written down, but I think it's important to inform Canadians that there were—

**Mr. Kyle Seeback:** I thought you wanted to get to the report—

**Hon. Mona Fortier:** I just—

**Some hon. members:** [Inaudible—Editor]

**The Chair:** Okay. Hold on.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** Madam Chair, there isn't any more interpretation, and the discussion is becoming two-sided.

Can you assign turns to speak? I would like to speak too, but I'll wait until Ms. Fortier has finished.

[English]

**Mr. Kyle Seeback:** [Inaudible—Editor] want to get the report done, but they want to debate some other motion.

**The Chair:** The reality is that when the committee passed the motion to have all of those documents done, we all would have known that there was no way it was all going to get done, prepared and translated and then that the committee would have time to read it and be expected to do this work today. I mean, it was impractical to begin with.

Regardless, the motion passed, so that's where we are right now. Now, where do we go from here?

Go ahead, Mr. Sidhu.

**Mr. Maninder Sidhu:** Are we going to go back to the interim report?

What we're trying to do here is figure out what's best for the industry. We've got through this motion, but what's next? Are we going to go back to the interim report so that the analysts can speak to it and hear what the recommendations are and move forward, because....

Unless we have something else to discuss, other motions on the table....

**The Chair:** This is what we're supposed to do today.

**Mr. Kyle Seeback:** Then let's get to it.

**The Chair:** All right.

We have to go back in camera.

I will move that we suspend and go back in camera and deal with the draft report that we got ahead—

● (1625)

**Mr. Kyle Seeback:** Most of the hour has been running around talking to people, but okay.

**The Chair:** Well, when you present motions, everybody has to have a chance to absorb them and consider them and the implications of them.

We're going to suspend until we get back in camera.

[Proceedings continue in camera]







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