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Chair

Mr. Pat Martin

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•(1135)

[English]

The Chair (Mr. Pat Martin (Winnipeg Centre, NDP)): Good morning, ladies and gentlemen, or it could be afternoon by now—it's been that kind of day. Welcome to the Standing Committee on Government Operations and Estimates, our 42nd meeting.

Mr. Ravnat, would you like the floor?

Mr. Mathieu Ravnat (Pontiac, NDP): Thank you, Mr. Chair.

This meeting has significantly changed. We were supposed to have here the new commissioner, who is nominated for a six-month period. It is fundamental to our democracy that commissioners appear in front of committees when they're nominated. This last minute decision not to appear is a contempt for the importance of our parliamentary institutions.

I also noticed that the Privacy Commissioner has not been allowed to appear in front of the committee on Bill C-51. This is a habit that the Conservatives are getting into, of muzzling commissioners. It is fundamental to ensure, when we make nominations of this importance to Canada and to Canadians, that we have a chance as parliamentarians to question the competencies and the quality of the nominee. I think it's unconscionable, Mr. Chair, that the commissioner is not here today.

What happened? I need to know what happened, first of all. This meeting has been cut in half, and something fundamental to the health of our democracy has been tampered with. I expect some kind of justification. The commissioner just cannot decide, "I'm going to wake up this morning, and Parliament doesn't matter." He or she, depending on the commissioner, has a responsibility to come here when called upon and to be questioned.

I think this is a serious matter that we need to give full consideration to before we hear from our other invitees today.

Thank you, Mr. Chair.

The Chair: Thank you, Mr. Ravnat. I understand your point. We did have a meeting scheduled to hear from the newly nominated integrity commissioner today, and at the last minute he has notified our committee that he will not be attending.

I have a speakers list.

Mr. Byrne, you wanted the floor briefly.

I'm going to ask—when you're done, Mr. Byrne, and perhaps Mr. Warkentin as well—the clerk to explain exactly what he was told by the office of the integrity commissioner as to why he can't attend.

Hon. Gerry Byrne (Humber—St. Barbe—Baie Verte, Lib.):

Mr. Chair, with your consideration, I will surrender the floor temporarily to the clerk to hear the explanation. If I could respond to the clerk's summation of this conversation, I think that would be helpful.

•(1140)

The Chair: I know the parliamentary secretary is eager to have some explanation as well.

Let's hear from the clerk, and then you can finish your thoughts as to why we are not hearing from the newly nominated integrity commissioner.

First of all, we will hear from the clerk, please.

The Clerk of the Committee (Mr. Jean-François Lafleur): Thank you.

I had a conversation yesterday with the commissioner's office, and there seems to be some confusion around his appearance concerning what he was appearing under. He was notified that he was to appear as interim commissioner, and on the notice of meeting we always write where he is coming from. It said that it was from the office of the commissioner.

So the confusion could have come from there in the sense that his office was probably thinking that he was asked to appear as a commissioner. But underneath, there was the name of the commissioner, Mr. Friday, and it said "Interim Commissioner", so it was in that capacity that he was invited to appear.

It seems that at his office there was some confusion about that fact, and what I received as information is that he would probably be nominated later, and there was an absolute willingness from his office to appear later as the commissioner—a permanent commissioner, if you wish.

The Chair: Just as a point of clarification, then, did his office agree that he would attend today, and was it on that basis that you scheduled his appearance?

The Clerk: Yes.

The Chair: And at the last minute he has decided he is not going to appear.

The Clerk: Yes, Mr. Chair.

The Chair: Mr. Byrne, did you want to finish your thoughts? Then it will be Mr. Warkentin.

Hon. Gerry Byrne: Yes. This is getting murkier, Mr. Chair. If I understand it, the requirement under the Governor in Council is for an order in council to be issued for his nomination to be extended as the Public Sector Integrity Commissioner.

Work with me, Mr. Chair, if you can, because I think we need to get this clarified. As I understood it, the nomination of the Public Sector Integrity Commissioner was forwarded to this committee because we have an opportunity as a committee to oversee and to make a recommendation about this particular appointment. The referral was required because the commissioner's former appointment had expired and he is being renominated. Is that—?

The Chair: No. The former commissioner, Mario Dion, is no longer there, and in the interim Mr. Friday was nominated to a six-month term to be the interim integrity commissioner.

Hon. Gerry Byrne: —which still requires an order in council.

The Chair: Yes.

Hon. Gerry Byrne: Therefore, he is acting, so it's fairly clear that

Has he not yet obtained the order in council? Has the order in council been authorized?

The Chair: No, he is interim commissioner for six months and he's about three months into that six-month appointment. But still, this committee is allowed to and in fact is obliged to vet that appointment.

Hon. Gerry Byrne: This makes absolutely no sense. That's why I wanted to work this through, so that we're communicating to Canadians that there is a new commissioner who has never been vetted by a parliamentary committee. The commissioner has been invited, we understand, under very specific directions to appear concerning the nomination itself, and the interim commissioner is saying, "No, I don't think so."

Mr. Chair, with all due respect to those who have made a decision in this matter—and those decision-makers are not in this committee, but outside of this committee—we have had a very serious breach of trust already occur with a former Public Sector Integrity Commissioner. That commissioner was never allowed to appear before this committee. That commissioner was never asked.... The report of the Auditor General was never allowed to be heard by the public accounts committee, which interfaces with the Office of the Auditor General.

Now we have an interim commissioner who holds a very important office—important not only to us as Canadians, but to our parliamentary system and to our system of governing the public sector in a fair and responsible way—and this person has just said he won't appear before us because he's a bit confused.

I am very confused, Mr. Chair. I would like to have the Public Sector Integrity Commissioner come before us so that we can meet him.

• (1145)

The Chair: Are you making it a motion that we summon the integrity commissioner? He has been invited, but I should say that the word is a polite term. He was in fact called before this committee and has decided, in his wisdom, that he doesn't need to attend.

The next step would in fact be for this committee to put forward a motion to compel his attendance at this committee.

Hon. Gerry Byrne: Thank you, Mr. Chair.

As an officer of Parliament, I'll give respect, courtesy and the benefit. We'll expect the interim Public Sector Integrity Commissioner to appear before us at the next meeting. How does that sound?

The Chair: I think that expresses it quite well.

Mr. Warkentin has been waiting patiently.

Mr. Chris Warkentin (Peace River, CPC): Thank you, Mr. Martin. I appreciate that.

It is clear to me, based on what the clerk said, that that there was some confusion about the invitation. We are very confident in the ability of Mr. Friday, and I'm certain that when he does come before this committee we will all be satisfied that he has conducted and will continue—

The Chair: With all due respect, we all said that about Madam Ouimet as well.

Mr. Chris Warkentin: Mr. Chair, do I have the floor?

The Chair: You have the floor.

Mr. Chris Warkentin: Thank you, Mr. Chair.

Mr. Chair, we have the utmost confidence in Mr. Friday and we look forward to hearing him. I am certain that every member of this committee will be satisfied with his appointment when he does come.

I think it's important that we move on to the matter at hand. We already have a reduced timeframe to deal with the witnesses we have. We know that they have come.... Some of them have schedules that will not allow them to stay through the entire meeting. I think it would be entirely disrespectful if we didn't move on to the meeting at hand.

The Chair: Thank you, Mr. Warkentin.

I have one more name on the.... Mr. Ravnat, do you have any closing thoughts before we move on?

Mr. Mathieu Ravnat: The commissioner can read a letter, can't he? Confusion? He actually confirmed that he was going to come. He confirmed that he was going to come; then something happened—probably in the PMO—that said they were not going to allow the commissioner to be in committee.

Why is it that he was on the roster and now he's not? Why is it that he confirmed that he was going to be here and now he's not?

This is fundamental. I respect Mr. Byrne's opinion, but I don't think that at this point the benefit of the doubt is going to do it, so I would like to move that we summon the integrity commissioner and that he show up and do his job in front of a parliamentary committee.

The Chair: We have a motion on the floor.

All those in favour of Mr. Ravnat's motion that the integrity commissioner be summoned to appear before the committee—I'm sorry, debate on the motion, absolutely. Is there any debate on the motion?

Mr. Kerr.

Mr. Greg Kerr (West Nova, CPC): Mr. Chair, I know a lot of us have been through a lot of committees and a lot of processes before, and certainly know how to detect the bit of posturing that's going on. That's part of what politics is about, but I understand that if you are prepared to give him the benefit of the doubt, because obviously a lot of comments are being made without knowing some of the background....

I think what Mr. Byrne was suggesting is to let him know that we'd really like him to appear and that we expect him to appear, and leave the door open for him to respond back that the committee would like to hear what he has to say. I think we all would like to hear what he would say, but to put motive in that sort of way, I think, is just absolutely irresponsible. I'd rather give this individual the chance to explain to us in detail what he sees his position is and what's expected. To condemn him blind, I think, is just absolutely irresponsible.

The Chair: Your option then, Mr. Kerr, would be to vote against Mr. Ravnignat's motion.

I have a legitimate motion. I have a motion on the floor, which is in order, and we'll debate it until there's no further debate, and then we'll put it to a vote.

Are there any further speakers on Mr. Ravnignat's motion?

Mr. Ravnignat, you may make your closing remarks.

Mr. Mathieu Ravnignat: Condemning him is not the issue here. The issue is that something went awry.

Why did he—and I haven't heard an explanation for this—confirm that he was going to come, knowing very well the content of the letter and that this was about him being appointed for an interim period? All I'm asking with the motion is that he come to committee to explain himself, and talk about his capacity as the commissioner during the six-month interim period. We have a responsibility to review nominations.

The motion is to ensure that the commissioner is at the next meeting and that we have the chance as parliamentarians to do our job and ask him the difficult questions that he needs to answer.

• (1150)

The Chair: For everyone's interest just before we vote on this, the next available meeting would be March 24. Should this motion succeed, we would then set the wheels in motion to get him here for the 24th of March.

Gerry Byrne...and then we'll close it off unless there's any further debate.

Hon. Gerry Byrne: Mr. Chair, I'd like to offer an amendment to the motion, which of course will be voted upon, and it may or may not pass.

The amendment would be to replace before the word "summon"... The original motion I believe would have read "that the committee summon the private sector integrity czar." That would be replaced with, "Inform the interim public sector integrity commissioner that his presence is expected on March 24 at the next meeting of the committee."

The Chair: Is there any debate on the amendment?

Mr. Ravnignat.

Mr. Mathieu Ravnignat: Who answers to whom? Do we answer to the commissioner? The commissioner answers to this committee. The message that needs to be sent to this commissioner and to all commissioners is that they are responsible and accountable to parliamentarians. This is just a fundamental issue about how our Westminster Parliament functions.

I understand the spirit of Mr. Byrne's amendment, but I think that we need to be clear about the nature of the relationship between commissioners and Parliament in the motion.

The Chair: I think Mr. Byrne may have been pointing out as well that it's not quite as simple as saying this committee shall summon the witness. The process is such that I would have to report to the House that a witness was unwilling to attend, and the House—the Speaker in fact—would have to direct a vote in Parliament to compel that witness to attend. It's a multi-step process for the standing committee to exercise their extraordinary powers to compel the attendance of a witness who is otherwise unwilling to attend.

I believe Mr. Byrne's amendment may have been in that vein. It may be a more achievable outcome if we in fact rephrase it to inform him that his attendance is expected.

Mr. Ravnignat, and then we really must move on, I believe.

Mr. Mathieu Ravnignat: Well, it may be more achievable, but what the official opposition is concerned about is that this is becoming a pattern. This isn't the first committee that this has happened in. In fact, the Conservative government has instructed the Privacy Commissioner not to attend the discussion going on in committee on Bill C-51.

If this is going to become a pattern, then there needs to be some commitment on behalf of the committee, and maybe this is the place to do it, that all the commissioners be reminded that they have a responsibility to be in committee and to defend themselves and their position.

The Chair: I think Mr. Warkentin would like to add to that.

Mr. Chris Warkentin: Yes.

This is getting absolutely ridiculous, to impugn motive without having heard from the interim commissioner. It's absolutely unfortunate and certainly below the office to which the member opposite has been called.

We expect and look forward to hearing from the commissioner, but this has turned into a bit of an unfortunate circumstance. We'll be voting against it, but we look forward to hearing from the commissioner in due course.

The Chair: Okay.

Are we ready for the vote? The vote is on the amendment as put forward by Mr. Byrne. All those in favour of the amendment, please signify in the usual—

Hon. Gerry Byrne: I would like to ask the clerk to read the amendment.

The Chair: Mr. Clerk, can you read the amendment, or the motion as amended.

• (1155)

The Clerk: To make it clear, I'll read the motion from Mr. Ravnignat and then the amendment.

If I have it correctly, Mr. Ravnignat's motion was "that the committee summon Mr. Joe Friday, interim commissioner, to appear on March 24, 2015."

Mr. Byrne's amendment is that after "that the committee", Mr. Byrne would like to see "inform" instead of "summon", so it reads "inform Mr. Joe Friday, Interim Commissioner, that his presence is required on March 24, 2015 in front of the committee."

That would be the amendment to the main motion.

The Chair: You have heard the question. The vote is on the amendment. All those in favour of the amendment, please signify in the usual manner.

(Amendment negatived [See *Minutes of Proceedings*])

The Chair: The vote then is on the main motion. All those in favour of the motion, please signify.

(Motion negatived [See *Minutes of Proceedings*])

The Chair: We will carry on with the orders of the day.

You have a point of order, Mr. Warkentin.

Mr. Chris Warkentin: I think what we do have is a unanimous consent to invite the interim commissioner. If you would undertake as chair to inquire if the commissioner would be available to....

The Chair: Are we satisfied that we will instruct the clerk to go back to the office of the interim integrity commissioner and reinvite him for the meeting of March 24? We would need to reschedule the work we had scheduled for that date, which was the tour of West Block.

Mr. Byrne, go ahead.

Hon. Gerry Byrne: Mr. Chair, this is where we move into murky waters because those who would suggest that we should be careful about our relationships with officers of Parliament, and that we should understand that they are the masters of the House, not us, does no service to the work we do in this committee or as parliamentarians.

An alternative, a reasoned amendment, was offered to collapse the situation and provide some diplomatic resolution to this, which was refused by the government, clearly for a good reason, because while they may protest that this is inflammatory and unnecessary and that their motives should not be impugned here, it is clear to everyone listening to this and watching us and hearing our words that there's more to this than meets the eye.

Mr. Chair, the government was offered a reasoned solution to a diplomatic problem that has now morphed into something clearly much larger because now the government wants us to invite. We are going to the lowest common denominator now because a meeting was offered and rejected, and now this committee is left to simply invite an officer of Parliament to appear before us, as opposed to expressing the expectation that they must appear before us.

This has become escalated at this point in time, and unnecessarily so. I'm not very comfortable about the notion of inviting an officer of Parliament to come before us so that we can examine the nomination and offer a report to the House of Commons as to whether or not we agree or disagree with the nomination. It is our fundamental responsibility as a committee to examine this nomination and to report to the House, not to invite, to expect an appearance by someone who would assume such an office.

I'm not very pleased right now. I thought we had a reasoned opportunity to de-escalate the situation, but now I think we are getting very clear instructions from the government as to who is in charge. Is it the executive or Parliament? The government is telling us it's the executive.

I will not support this.

The Chair: Thank you, Mr. Byrne.

Mr. Ravnignat.

Mr. Mathieu Ravnignat: I fully agree with my colleague, Mr. Byrne. This has become about clarity, and it's about clarity to the Canadian public with regard to who has the right to call an officer of Parliament. Is it the officer of Parliament who decides, just on a whim, whether or not he's going to show up and be accountable to the Canadian people whom we represent? Or does the committee have the power to make sure that this person is accountable? This is just a fundamental issue of our democratic institutions.

I'm sorry that my Conservative colleagues don't see this. They were elected to represent their constituents. That's the fundamental role we play. That means that you have responsibility like I do to ensure that officers of Parliament are accountable. The relationship between the executive, the officers of Parliament, and committee, is a fine balance. That relationship is essential to the health of our democracy, and that's not an exaggeration. That's just political science 101. You have to make sure that there is a check and balance between the power of committee, the power of the executive, and the officers of Parliament.

The reality is that they are accountable to us. Whatever the executive would like to do to interfere in the nomination process—and that's a whole other issue, the transparency and accountability for the nomination process—but at a minimum you would think that when a letter is sent to a commissioner, that letter is positively received.

It stinks. Something happened. I think Mr. Byrne is right. These are murky waters and we have no clarity as to why, unless the clerk has more information as to why the commissioner decided to come, and then suddenly.... What was it, the day of the meeting, Mr. Chair? No, the day before, it was yesterday, right?

• (1200)

The Chair: Late yesterday.

Mr. Mathieu Ravnignat: Yesterday he just suddenly decides on a whim that he's not going to come. That is completely unacceptable.

Thank you, Mr. Chair.

The Chair: Thank you, Mr. Ravnignat.

I'm aware of the time, and I'm aware we have a panel of witnesses who have done us the courtesy of being here to make a presentation.

Mr. Kerr.

Mr. Greg Kerr: Mr. Chair, because we have witnesses, we can get on with it. We could continue the hyperbole for a long time here.

What I suggest we do then, if you want, is to make a motion to reinvite the witness and give the witness a chance to come here and explain, as opposed to condemning him before he's even before us.

If it's in order, I will move a motion to reinvite the witness, and you set the date, as chair, as to when the witness appears.

The Chair: The motion is in order and it opens up debate on the motion.

Mr. Ravignat.

Mr. Mathieu Ravignat: Let me see if we can find an amendment that might bring us closer to some form of agreement.

I think it would be fine, if we were clear that we were unhappy—and we can choose the word that we would like—that we have concerns over the fact that our letter was not responded to positively by the commissioner, and that the commissioner be specifically asked to appear at the next meeting, not leaving it open-ended, but at the next meeting.

That would be my amendment.

The Chair: Did the clerk understand the amendment?

The Clerk: Could he be asked if it would be possible to—

The Chair: Mr. Ravignat, could you recapitulate that in a concise form?

Mr. Mathieu Ravignat: First, that a form of concern be expressed by the committee, in written form, that the commissioner negatively responded to a letter from the committee to appear, and second, that in our request for him to appear again, it be clear that it be at the next meeting.

The Chair: If you could leave the actual wording to us, Mr. Ravignat, we can express that tone—that the committee is not pleased that the commissioner couldn't attend. In a diplomatic way, we can express this and urge his attendance by invitation at the next meeting.

Is there any further debate on the amendment?

(Amendment negated [See *Minutes of Proceedings*])

The Chair: The amendment does not carry. The debate, then, is on the main motion, that the committee invite the integrity commissioner to the next available meeting.

Is that acceptable, Mr. Kerr?

• (1205)

Mr. Greg Kerr: It is “reinvite”, sir.

The Chair: To reinvite the integrity commissioner to the next available meeting.

Is there further debate?

Mr. Brahmi.

[*Translation*]

Mr. Tarik Brahmi (Saint-Jean, NDP): Thank you, Mr. Chair.

I'm trying to understand this motion and look at it from a French perspective. I feel that the word “invite”, which I would translate as “inviter”, does not express the agent's obligation to appear before Parliament. It does not remind him of his obligation to appear before Parliament.

I know that the word “summon” was initially proposed, and that would probably be translated as “convoquer”. However, I would translate “convoquer” as “convener” or “call”. The word “summon” may be too strong. It may be lacking the diplomacy and the respect due to the position, but I think the word “inviter” absolutely doesn't render the idea of a legal obligation to report to Parliament. I don't think that term is appropriate. That is why I will vote against the motion.

Thank you, Mr. Chair.

[*English*]

The Chair: Thank you, Mr. Brahmi.

Just for information, we could not return to the word “summon” because it has already been voted down within the context of the same meaning. We can't vote again on the same issue twice.

Is there any further debate? Seeing none, the question is on the motion by Mr. Kerr.

(Motion agreed to [See *Minutes of Proceedings*])

The Chair: The motion is carried and I believe the issue is resolved for the purposes of this meeting.

We will move on then to the orders of the day.

I offer my great apologies to the representatives here today from Shared Services Canada. First they were made to wait until the vote had finished in the House of Commons, and now they've had to suffer through a prolonged debate about committee business.

One of the witnesses was forced to leave already. Elizabeth Tromp, the acting senior assistant deputy minister and chief financial officer for corporate services, unfortunately had to excuse herself. Perhaps someone else can read her presentation.

Mr. Radford, if you wouldn't mind, introduce the rest of your panel and proceed with Ms. Tromp's presentation.

Thank you.

Mr. Kevin Radford (Senior Assistant Deputy Minister, Operations, Shared Services Canada): Good morning.

My name is Kevin Radford. I'm the senior assistant deputy minister of operations, and I'm accompanied by Manon Fillion, director general of finance and deputy chief financial officer at Shared Services Canada.

We are pleased to be here today to discuss the funding that our department is seeking, as provided under supplementary estimates (C), tabled recently in Parliament.

[Translation]

I will start by updating you on the progress the department has made in delivering on its mandate to transform, consolidate and standardize how the government manages its IT infrastructure, particularly in the areas of email, data centres, telecommunications and improved security.

The email transformation initiative is a complex project that involves converting 63 separate email systems and 3 technology platforms of 43 organizations to a new system. Shared Services Canada has now begun to migrate to the new system. The plan is to migrate all departments over the course of the fiscal year.

The department's data centre consolidation is moving ahead. Shared Services Canada currently has three operational enterprise data centres in Gatineau, Borden—on the Canadian Forces base—and Barrie that provide the Government of Canada with the capacity needed to move data and applications out of old data centres and into the new. Shared Services Canada has closed a total of 49 legacy data centres over the past two years. At the end of this initiative, the government's data centre footprint will have shrunk from 485 to no more than 7.

• (1210)

[English]

Under the telecommunications transformation program, as of December 2014, almost 38,000 traditional land-lines have been migrated to the more cost-effective voice over Internet protocol, and just over 11,000 traditional land-lines have been migrated to cellular services. SSC is also upgrading and better connecting federal video conferencing and enhancing Wi-Fi services.

Shared Services Canada is also delivering on its mandate by consolidating and standardizing the procurement of workplace technology devices. These include operating system software and basic desktop applications such as word processing software. While the government spends about \$660 million a year in this area, Shared Services Canada is negotiating new contracts and now buys these essential tools in bulk, providing consolidated savings.

Shared Services Canada is developing a more integrated approach to improve security for the Government of Canada. Working closely with our security partners, we have created a security operations centre that provides 24-7 prevention and detection services, and a dedicated response and recovery team that directly supports our partner departments. These security services include a supply chain integrity process that is part of all Shared Services Canada's procurements.

I will now turn to the supplementary estimates overview. The supplementary estimates (C) for Shared Services Canada represent an increase of \$39.9 million in the department's reference levels.

The first component is \$34.3 million in new funding. The majority of this new funding, \$32.5 million, will be used to create a more secure IT environment for the National Research Council, following last year's cyber-attack. Shared Services Canada, in collaboration with the National Research Council and Communications Security Establishment Canada, is building a new and secure information technology infrastructure for the National Research Council on an

accelerated basis. A portion of the supplementary estimates' financing for the National Research Council is to acquire new network services to take advantage of our new data centre infrastructure and the associated security benefits of this new architecture.

[Translation]

The remainder of the new funding outlined in supplementary estimates (C)—\$1.8 million—will support the IT infrastructure that will allow two of our partner departments, Employment and Social Development Canada and Citizenship and Immigration Canada, to upgrade their IT applications to reflect the reforms implemented in 2014 in the temporary foreign worker program, as well as provide additional storage and database capacity and connectivity.

[English]

The second component of Shared Services Canada's supplementary estimates (C) is proposed net transfers from our partner organizations, some for adjustments related to Shared Services Canada's creation and others related to specific projects and initiatives.

Let me share with you a couple of highlights of these transfers. Proposed for transfer from Public Works and Government Services Canada is \$1.8 million. The transfer is for the closure of three legacy data centres in Ottawa and one in Toronto. From National Defence, \$1.3 million is identified for transfer for services and equipment in support of the Mercury Global military wideband satellite project, as well as for support of IT-related renovations at the Royal Military College in Kingston, Ontario.

All these activities are helping Shared Services Canada to improve savings, security, and service. Moreover, by providing secure, robust, modern IT infrastructure, Shared Services Canada is helping our partner departments to achieve their priorities while they deliver services to Canadians.

My colleagues and I will be pleased to answer your questions. Thank you.

• (1215)

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

Are there any further presentations from the panel?

[Translation]

Mr. Alex Lakroni (Chief Financial Officer, Finance and Administration Branch, Department of Public Works and Government Services): Mr. Chair, committee members, I am pleased to be here today as the Chief Financial Officer of Public Works and Government Services Canada, or PWGSC, to discuss the department's 2014-2015 supplementary estimates (C).

With me are Brigitte Fortin, Assistant Deputy Minister of the Accounting, Banking and Compensation Branch, and Pierre-Marc Mongeau, Assistant Deputy Minister of the Real Property Branch.

PWGSC supports the consistent delivery of high-quality services to Canadians and measured value for the tax dollars with which it is entrusted. These ongoing achievements are the result of sound financial management and a steadfast focus on client service.

With responsibilities that range from preserving the Parliament buildings to issuing all Government of Canada payments, PWGSC provides a diversified portfolio of services that support the Canadian public, parliamentarians and public servants, and also help departments and federal agencies deliver on their mandate.

[English]

In these supplementary estimates (C), the department is seeking net funding of just over \$51 million, bringing PWGSC's 2014-15 net spending authorities from \$2,930 million to \$2,981 million. Within the requested funding is \$17 million to cover non-discretionary expenses associated with the Receiver General's acceptance of bank and credit cards, such as price and volume increases in banking fees and postage fees. The card acceptance initiative is helping the government fulfill its e-commerce commitment while reducing the administrative burden associated with cheque and cash payments. It also offers increased payment options and greater accessibility for Canadians. In this fiscal year there is over \$4 billion of bank and credit card payments made by Canadians through more than 10 million electronic card transactions.

These supplementary estimates are also seeking the authority to access just over \$16 million from the sale or transfer of 13 real property assets that occurred during this fiscal year. These proceeds of sale will be reinvested in the life-cycle management of PWGSC's multi-billion dollar asset base. More specifically, these funds will be used for material and direct labour costs, management fees, construction supervision, and the design of projects that are required to maintain the integrity of assets. Such projects include work on roofs, exterior claddings, as well as mechanical and electrical systems.

The department is also requesting the reimbursement of \$9 million related to the cost of office space occupied by employees who administer pension funds. Pursuant to the Public Sector Pension Investment Board Act, Bill C-78, the costs associated with the administration of the public service's major pension funds are to be charged to the respective funds and not borne by federal departments.

As a result of responsibilities transferred from the former Enterprise Cape Breton Corporation to PWGSC in June 2014, \$5 million is being requested for environmental and other obligations. The department's new responsibilities associated with the transfer of Cape Breton operations fall under three main areas. First is the management of lands impacted by local mining, including the remediation, long-term maintenance, and monitoring of former mine sites and water treatment facilities. Second is the management of former miners' benefits, such as early retirement incentive programs, medical benefits, and life insurance coverage. Third is the portfolio management of real property holdings encompassing over 800 properties covering some 12,500 acres.

● (1220)

PWGSC is also requesting \$2 million to cover occupancy costs at the National Library and Public Archives building, which serves as the substitute location for the current ceremonial events room for the House of Commons until the renovation of the Sir John A. Macdonald Building is complete.

[Translation]

Finally, PWGSC will receive a net amount of \$2 million from other government departments. This is mainly for the remediation of the south jetty at the Esquimalt graving dock in British Columbia, as part of the federal contaminated sites action plan. This is consistent with our effort to lower risks to human health and the environment, to benefit local communities and to reduce the burden of future environmental liability for all Canadians.

In keeping with the government's priorities of job creation, economic growth and long-term prosperity for Canadians, the department supports the consistent delivery of high-quality services to Canadians and a continued focus on value for money.

Thank you, Mr. Chair and committee members.

My colleagues and I would be pleased to answer your questions.

[English]

The Chair: Thank you, Mr. Lakroni and Mr. Radford, for your presentations.

Committee members, we have now heard the arguments in favour of supporting supplementary estimates (C) for 2014-15 for the Department of Public Works and Government Services and Shared Services Canada.

I believe we have time for one complete round of questioning, but I would like to put the question to the committee and vote on these supplementary estimates before the end of the day today. I ask you to please keep that in mind. We will need 10 minutes or so. We can either approve these estimates, we can defeat these estimates, or we can reduce these estimates. Those are our options when the time comes.

Going directly to five minute rounds of questions, we have Mr. Mathieu Ravignat for the official opposition.

[Translation]

Mr. Mathieu Ravignat: Thank you, Mr. Chair.

I want to begin by thanking the witnesses for being with us today. I also want to thank them for their patience. Parliament is a strange place, so this is completely normal.

I have some questions about the funding allocated to PWGSC in the supplementary estimates, specifically regarding contaminated sites. What specific sites are associated with that transfer of funds?

Mr. Pierre-Marc Mongeau (Assistant Deputy Minister, Real Property Branch, Department of Public Works and Government Services): Thank you for your question.

Mr. Chair, that money will mainly be used for the remediation of the jetty at the Esquimalt graving dock. Some decontamination work has to be done around the jetty. The work began two years ago and will continue over the coming years. The money is earmarked mainly for that project.

Mr. Mathieu Ravignat: As you know, charges have been laid against SNC-Lavalin. Is there any basis to those charges? What's the value of federal contracts related to that amount? Could you give me some more details on that situation?

Mr. Alex Lakroni: We have a contract with SNC-Lavalin that is expiring. The contract has been renewed. My colleague Pierre-Marc Mongeau could tell you more about that.

Mr. Pierre-Marc Mongeau: Thank you for your question.

I don't have details about all the contracts we have with SNC-Lavalin. I didn't prepare for that question.

However, I can tell you that the primary real property management contract—for most of our buildings and some buildings that belong to other departments—is currently with SNC-Lavalin. It will expire in April of this year. We signed a new contract with another business, the real property management firm Brookfield Johnson Controls. That company will take over on April 1. We are currently transitioning between the two organizations. That transition can take months, since hundreds of buildings are involved. That's a huge process, and it is ongoing.

•(1225)

Mr. Mathieu Ravignat: Thank you.

How much time do I have left, Mr. Chair?

[English]

The Chair: You have two and a half minutes, Mr. Ravignat.

[Translation]

Mr. Mathieu Ravignat: Okay.

My questions will now be for the Shared Services Canada representatives.

When a system is centralized, concerns are raised in terms of security, information loss and a reduction in service quality. I mainly want to talk about security.

I know that Bell was awarded the private contract. What mechanisms are in place to ensure that Bell is working with the departments to ensure the security of Canadians?

Mr. Kevin Radford: Thank you for the question.

[English]

I'm assuming that we're talking about the email contract with Bell?

Mr. Mathieu Ravignat: That's correct.

Mr. Kevin Radford: With respect to the email contract and all of our contracts, we have implemented a supply chain integrity piece and all of our procurements are subject to a dual process that allows us to look at security from a procurement perspective. In this particular case, we've actually looked at over 2,100 different procurements and Bell was no exception in the contract associated with the email transformation initiative.

Mr. Mathieu Ravignat: In the call for proposals for that contract, was there clear criteria with regard to what level of security was expected from the company?

Mr. Kevin Radford: Absolutely.

As we involve these new sourcing contracts or as we build our new infrastructure, we are ensuring that we are working closely with the Communications Security Establishment around standards, with the RCMP around physical security standards, and of course, we are building security into our designs.

Mr. Mathieu Ravignat: Okay, I think that answers the question.

Back to PWGSC—

The Chair: You have 10 seconds.

Mr. Mathieu Ravignat: Okay.

There's a lot of asbestos being found in public buildings. How much money have you put aside to clean that up? It's about the security of our public servants but also others who rent these facilities.

[Translation]

Mr. Pierre-Marc Mongeau: Thank you for your question.

Every year, we prepare a review of all elements related to asbestos in all our buildings where we have identified the presence of that product. Asbestos is not present in some recently constructed buildings.

So we have a five-year program to identify all asbestos components, and we are reviewing that program. We also determine what work related to asbestos needs to be done in our buildings. So we are making those estimates on a building-by-building basis. When we carry out repairs, we can estimate the required amount of money. I can tell you that the amount is in the hundreds of thousands of dollars annually.

[English]

The Chair: Thank you very much, Mr. Ravignat. Thank you, sir. Your time has expired.

The next five minutes are for Mr. Warkentin.

Mr. Chris Warkentin: Thank you, Mr. Chair.

Mr. Radford, thanks so much for being here and bringing the submission on behalf of your colleague. Mr. Radford, the email transformation initiative is happening. My understanding is that it's quite a complex and significant project. In terms of that ongoing project I'm curious as to what the expected ongoing cost implications would be to this new system compared to the system that we had, the fragmented system that existed prior to that. Is there any indication as to what the ongoing resulting costs will be comparatively to what existed prior?

Mr. Kevin Radford: Yes, I'll give you a quick update on the status of the email transformation initiative, and then I'll turn it over to my colleague to give you more precise information around the costs.

With respect to the email transformation, we already said that it's a Bell CGI contract. It is a project that we are currently using with wave zero in our own organization. We've migrated 4,100-plus users. We are ensuring that service is of a sufficient standard from a client satisfaction, a user satisfaction, server perspective for ourselves before we launch with our partner departments.

With respect to savings, we have booked \$50 million in savings by the end of this fiscal year in accordance with the consolidation of the 63 email systems, which were referred to in our opening remarks, with the launch of this particular program.

I'll turn it over to Manon.

•(1230)

Ms. Manon Fillion (Director General, Finance, and Deputy Chief Financial Officer, Shared Services Canada): This initiative will generate \$50 million in savings. We are monitoring closely the financial benefit regarding this project.

Mr. Chris Warkentin: These are ongoing savings every year, this \$50 million of savings?

Ms. Manon Fillion: Yes, and they're going to start as of April 1.

Mr. Chris Warkentin: Wonderful, that's great.

In terms of the move from land-lines to other types of phones, either cellular or VoIP, what is the expected savings with that transformation? Second of all, are there any concerns in terms of the security and the integrity of those protocols? Is there any concern about the security of those conversations that are being taken with cellular phones versus a land-line?

Mr. Kevin Radford: Mr. Chair, thank you for the question.

I'll respond to the security piece first and then turn it over to my colleague for the specific savings associated with the telephony modernization projects. As we move forward with respect to security we have established a security operation centre. This is a 24-7 capability that looks at all of our intergovernmental networks. It looks at all of our infrastructure and it does continuous monitoring and vulnerability assessments. We also have put in place an incident recovery team and an incident response team that's available to all of our partners should some type of security event occur.

With respect to the security of the telephony service itself, we work closely with our Communications Security Establishment. They recently launched a standard for land-lines and for traditional land-line architecture, but also for the voice over IP implementa-

tions. They made recommendations up to protected B conversations, and they asked for our partner clients to mask those conversations because telephony security is only as good as the point-to-point interface. I don't want to get too technical, but what it means is that if I'm on a land-line and I'm calling you on a cellular phone the security is really only as good as the cellular phone. That is what we've done with respect to security and with respect to savings.

I will turn that over to the Madam Fillion.

Ms. Manon Fillion: For VoIP cellular and unused lines, because we had lines that were not used, we have targeted \$28.8 million in ongoing savings from those two major initiatives. It is going to be completed this year, so we will return \$28.8 million to the fiscal framework for these initiatives.

The Chair: You have one minute.

Mr. Chris Warkentin: With one minute, I will move on to our colleague. I was going to go into some Public Works questions, but it is going to take more than a minute.

The Chair: That's fair enough.

There will be one more round for the Conservative Party.

Mr. Brahmi, you have five minutes, please.

[Translation]

Mr. Tarik Brahmi: Thank you, Mr. Chair.

I want to thank the officials for explaining these various expenditures to us.

To help people understand, I would like to point out that supplementary estimates (C) is the third request you are making in addition to an initial budget that was established for fiscal year 2015-2016 and that mainly covers the early-2015 period. The idea is to explain the figures a bit, so that Canadians can understand what you are asking them in terms of budget increases.

I see that the department is requesting an additional \$17 million to cover expenses associated with the acceptance of bank cards. I'd like to understand what that is about. Why was that additional \$17 million not set out in either the main estimates or the two other supplementary estimates? What part of that increase covers additional fees for new banking software that would make it possible to accept a new payment technology? People may be wondering. What portion is intended for new equipment to allow presumably more transactions to be processed?

Could you explain to us a bit more why you are asking for new investments that were not planned until now? More particularly, I'd like you to reassure Canadians that the additional money will not be going into the pockets of the banks to make them even richer. The Canadians we meet daily tell us that they are paying too much in bank fees and that interest rates on their credit cards are too high. How can we assure them that this money is well invested and is not being used to generate profits mainly for banks?

•(1235)

Mr. Alex Lakroni: Thank you for the question.

There are several parts to your question. I will try to respond to each of them.

Can we predict certain increases? We can plan, but it's difficult to be exact because it's not easy to predict what department will increase its expenditures, how many Canadians will use the technology or even the Internet, or pay in a different way. We have models, but the projections they generate are only right to a certain point.

I have an example for you. Electronic transactions have increased by about 75% in two years and will continue to increase. That has a number of benefits. From 2012-2013 to 2014-2015, revenue across the federal government went from \$2.7 billion to \$4.7 billion.

Mr. Tarik Brahmī: I apologize for interrupting you, Mr. Lakroni.

The figures are interesting, but can you explain to us why that increase in volume leads to an increase in unplanned expenditures? If there is a server in a room that can process a certain number of transactions, why does an increase in those transactions lead to higher costs? Do other servers and software have to be bought? Are additional software licenses required? Do bank fees change and become proportional to the number of transactions? Please explain how that works.

Mr. Alex Lakroni: There are two components to that \$17.5 million. The first is the increase in bank fees for card use, and it comes to \$16.2 million. The second is the increase in postage, which represents \$1.3 million. When we add the increase in bank fees and in postage, we see that \$1.3 million plus \$16.2 million equals \$17.5 million.

Mr. Tarik Brahmī: If I understand correctly, 90% of the cost increase that was not planned goes directly to the banks. That's what you are saying.

Mr. Alex Lakroni: That's in exchange for services we receive from the banks.

Mr. Tarik Brahmī: Okay.

Thank you, Mr. Chair.

[*English*]

The Chair: Thank you, Mr. Brahmī.

Next for the Conservatives, Wai Young. You have five minutes, please, Ms. Young.

Ms. Wai Young (Vancouver South, CPC): I have just a quick question because I'm new to this committee. Do the Liberals also have a chance to ask questions?

The Chair: Yes, they do, but it's your turn now.

Ms. Wai Young: I see.

All right. I may be sharing my time, if I have time at the end, with my colleague here, Mr. Kerr.

The cyber-attack was a big issue for Canadians. They were quite concerned about Canadian data, etc., so I wanted to ask Shared Services this. How can we be assured that another attack would not occur? What steps have you taken in these new systems? I was happy to hear about this security centre, which is 24-7, and all the different things that you've done to put that into place and to provide those kinds of services for all the different departments, but can you give us a more in-depth understanding of how we can be assured as Canadians that this attack will not recur?

Mr. Kevin Radford: Thank you, Mr. Chair, for the question.

With respect to the National Research Council and the incident that occurred there, I will try to explain just very briefly. I've talked already about the capability around our security operations centre, but maybe we can reach back a couple of years to when we had a cyber-incident that happened at Treasury Board and at the Department of Finance. The Department of Finance and the Treasury Board were able to continue working because they were on the secure networks of the government. We were able to basically cut off their access to the Internet and they could carry on with business.

With the National Research Council it was much different. They were working outside the government networks. There were many distributed sites across the country and they had varied Internet connections at all of these different sites. The strategy was around the containment of that particular security incident. We worked very closely with the National Research Council in developing that particular plan. Obviously, we had to try to minimize the impact on their operations, so it wasn't as simple as Finance and Treasury Board and allowing them to continue to work. We had to work with them around the containment and to make sure we protected ourselves from the particular incident.

The first order of business was obviously to protect the rest of government from this particular threat. Using the security operations centre and our capable folks who work within Shared Services Canada we were able to do that, as a first instance.

Going forward, the entire program of Shared Services Canada is around upgrading as per the 2010 Auditor General's report on the state of IT infrastructure. By building new data centres we are building in security by design. By reducing the 50 wide-area networks and contracting with our supply chain integrity under national security exceptions, so we know of country of origin, etc., all of this is to put security by design into our new networks as we go forward.

On the issue around the National Research Council and the expense that was associated with it, the nature of that particular threat meant we actually had to physically replace all of the equipment, all of the networks, etc. This was a very sophisticated act as has been discussed in the media, and this necessitated a complete replacement. We couldn't just clean it and use it again. It required a complete, new infrastructure.

In nine or ten short weeks, again working closely with the Treasury Board, working with our security partners, leveraging the new data centres at Gatineau, we were actually able to create a brand new infrastructure working with the vendors' and the telcos' brand new wide-area networks, and create a green environment from which NRC can now operate. We are working closely now with NRC, National Research Council, to migrate their workloads from the contaminated site that's been contained, scrubbing that data and moving that into the new infrastructure.

That's just one example of what Shared Services Canada and the creation of Shared Services Canada can do with respect to security.

• (1240)

Ms. Wai Young: I'm particularly interested in the cost savings for this new data consolidation that you're talking about.

Mr. Kevin Radford: Again, I will turn that to my colleague Manon, with respect to overall savings of the transformation plan. I will say that SSC was created through appropriations. We actually took people and we took the resources and the contracts and we used them to form the basis of our resource base. Going forward, we're leveraging those resources by optimizing contracts, etc., in order to invest and build the new data centres that we're creating.

It's being funded, self-funded, if you will, from within. That's how we're leveraging savings to invest in our future and to create the secure infrastructure that our partners and Canadians deserve.

With respect to specifics around dollar value, I'll turn to my colleague Manon.

Ms. Manon Fillion: Thank you.

For data centres specifically, there is no official savings book for the full initiative, but savings will occur with the closure of the more than 485 data centres that we are closing. We're going to migrate all the workload to the five to seven data centres. At the end of the transformation in 2020, it's going to cost less for the Government of Canada to operate the data centres, with all the data centres we had prior to SSC creation and then after. We're still working on the implementation plan for migrating the data. As Monsieur Radford mentioned, we already have three data centres up and running, and we already have started the migration. The savings that are happening during the transformation are reinvested to build this new IT infrastructure.

Ms. Wai Young: I happen to know that when I talk to my constituents back home in Vancouver, and we're a bit of an IT hub back there, they are completely shocked that the government has so many different email systems and different data centres. It's almost like, "what do you mean it hasn't happened yet?" So my kudos to you for obviously a job well done in giving our government the savings and efficiencies and the security that we need.

Thank you very much.

The Chair: Thank you, Ms. Young, and thank you for the very informative five-minute session that was.

I'm going to call it here and make a judgment call as the chair. We need a few minutes to do the votes on the supplementary (C) estimates and it's going to take a few minutes to get through them all.

We've had an equal number of rounds and if it's the will of the committee, I think we should thank our panels from Public Works and Government Services, and Shared Services Canada, and dismiss them, and the committee can carry on with the votes on the estimates.

Thank you so much, and I apologize for keeping you waiting longer than you planned on being here, but it was a very worthwhile exercise, Mr. Lakroni, Mr. Radford, and your teams. Thank you.

I don't think we need to suspend the meeting. I'm going to go right into the votes on the supplementary estimates, but let me say at first I'm very proud of the committee in one sense, in that we made a commitment that we would do a more thorough and robust examination of the estimates, and under this group of supplementary estimates that were referred to this committee, we have examined \$730 million out of a total of \$733 million that was sent to our committee, so even though it may seem like a hurried process, we are doing our job as a committee of government operations and estimates. I'm quite proud of us there.

The process, as you know, colleagues, is that we will vote as a committee to approve each individual vote, and then I will need a motion to report to the House of Commons the intention and the will of the committee.

So let me begin if everyone's ready.

CANADIAN TRANSPORTATION ACCIDENT INVESTIGATION AND SAFETY BOARD

Vote 1c—Program expenditures.....\$301,000

(Vote 1c agreed to on division)

PRIVY COUNCIL

Vote 1c—Program expenditures.....\$2,232,365

(Vote 1c agreed to on division)

PUBLIC WORKS AND GOVERNMENT SERVICES

Vote 1c—Operating expenditures.....\$49,789,150

(Vote 1c agreed to on division)

SHARED SERVICES CANADA

Vote 1c—Operating expenditures.....\$5,733,840

Vote 5c—Capital expenditures.....\$28,551,260

(Votes 1c and 5c agreed to on division)

THE SENATE

Vote 1c—Program expenditures.....\$900,000

(Vote 1c agreed to on division)

TREASURY BOARD SECRETARIAT

Vote 20c—Public service insurance.....\$246,132,199

Vote 30c—Paylist requirements.....\$400,000,000

(Votes 20c and 30c agreed to on division)

• (1245)

The Chair: Shall the chair report the supplementary estimates (C) 2014-15 to the House?

Some hon. members: Agreed.

The Chair: I believe our business then is concluded. Unless there is any further business to raise, we will adjourn the meeting.

The meeting is adjourned.

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