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Chair: Mr. Vance Badawey



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• (1535)

[English]

The Chair (Mr. Vance Badawey (Niagara Centre, Lib.)): Members of the committee, I welcome all of you and the witnesses, Minister Alghabra and his team, to meeting number 17 of the House of Commons Standing Committee on Transport, Infrastructure and Communities.

Today's meeting is taking place in a hybrid format, pursuant to the House order of January 25, 2021. The proceedings will be made available via the House of Commons website. So you are aware, the webcast will always show the person speaking rather than the entirety of the committee.

To ensure an orderly meeting, I will outline a few rules to follow. First off, members and witnesses may speak in the official language of their choice. Interpretation services are available for this meeting. You have the choice at the bottom of your screen of floor, English or French. For members participating in person, proceed as you usually would when the whole committee is meeting in person in the committee room. Keep in mind the directives from the Board of Internal Economy regarding masking and health protocols.

Before speaking, please wait until I recognize you by name. If you are on the video conference, please click on the microphone icon to unmute yourself. For those in the room, your microphones will be controlled as normal by a proceedings and verification officer. As a reminder, all comments by members and witnesses should be addressed through the chair. When you are not speaking, your mike should be on mute. With regard to a speaking list, the committee clerk and I will do the very best we can to maintain the order of speaking for all members, whether they are participating virtually or in person.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Tuesday, January 26, 2021, the committee is meeting today to continue its study on the impact of COVID-19 on the aviation sector.

It's my pleasure to welcome our witnesses. We have, first of all, the Honourable Omar Alghabra, member of Parliament and Minister of Transport. Along with Minister Alghabra, we have officials from the Department of Transport: Mr. Michael Keenan, deputy minister; Mr. Kevin Brosseau, assistant deputy minister of safety and security; Mr. Lawrence Hanson, assistant deputy minister of policy; and Anuradha Marisetti, assistant deputy minister of programs.

With that, I'm going to hand the floor over to Minister Alghabra.

Minister, you have five minutes for your opening comments.

Hon. Omar Alghabra (Minister of Transport): Thank you very much, Mr. Chair and committee members, for inviting me to contribute to the committee's study of the impact of COVID-19 on Canada's transport sector.

I deeply respect the work of this committee. I spend many hours in physical and virtual committee rooms like this, and I know the importance of the work that is being done in them. It is an honour to appear before you for the first time as Minister of Transport, and I look forward to working with you to improve Canada's transportation system.

Since the earliest days of the COVID-19 pandemic, Transport Canada has worked with the transportation sector to introduce a layered system of measures and guidance to protect Canadians and those working in the transportation and shipping sectors.

Recently, in an effort to further curb the spread of the virus and its new variants into Canada, we added new rules on international travel. Under these new rules, all international passenger flights must now land at one of Canada's four largest airports. Air travellers must provide proof of a negative COVID-19 molecular test before boarding an international flight to Canada. Upon arrival, they must take another COVID-19 molecular test and reserve a room in a hotel approved by the Government of Canada for three nights at their own expense while awaiting the test results. In addition, the government and Canada's airlines have agreed to suspend all flights to and from Mexico and Caribbean countries until April 30 of this year. These measures have been informed by the latest science and data as well as the guidance of public health agencies.

The Government of Canada knows that the pandemic is also disproportionately affecting remote and northern communities, which depend on small air carriers for essential services. That is why we have announced funding of up to \$191.3 million for provinces and territories to ensure that remote, fly-in communities continue to receive essential supplies.

To help mitigate the decline in business at Canadian airports, we've also provided rent relief for the 21 airport authorities that have ground leases with the federal government. Most recently, through the fall economic statement, an additional \$1.1 billion in financial support for the air sector was announced. This will be provided through a series of targeted measures designed to support regional connectivity, critical infrastructure investments and the continued operation of Canada's airports.

As we look to the future, we know that a strong and competitive air transport industry is vital for Canada's economic recovery. Allow me to address what I know is on the minds of many Canadians, particularly those working in the aviation sector. The sector has some of the world's best-trained and committed employees. I know many are anxious and frustrated about the fact that negotiations on financial help for the sector have not yet concluded. To those Canadians who have written to me, know that I'm acutely aware of the toll this crisis has taken on your lives. COVID restrictions have dramatically and negatively impacted the sector. Nobody wants a return to pre-COVID normalcy for the sector more than me.

That being said, I'm also aware that any financial assistance package needs to address the concerns of Canadians more broadly. We have to consider the matter of refunds for air travellers who purchased tickets but were unable to use them due to COVID and the issues of communities that have lost regional flights connecting them to the rest of the country. We therefore have a responsibility to take the time necessary to reach an agreement with the airlines that will be broadly supported by Canadians. That depends on all parties at the table. It is also in everyone's interest that we do so.

Among the other tasks outlined in my mandate letter, I've been asked to promote Canada's green and innovative aerospace sector, sustain regional air infrastructure, support regional economic development and enable growth in other key sectors such as tourism.

In addition, I will work with my colleagues to make sure that we put in place recommendations in response to the PS752 tragedy. I have personally met with the families on many occasions and remain committed to supporting them and doing everything we can so that a similar tragedy never happens again.

• (1540)

Finally, the Prime Minister has made it clear that I must continue to make progress on the commitments laid out in Minister Garneau's 2019 mandate letter. I look forward to building on the excellent work of Minister Garneau.

Colleagues, this is just a quick summary of the work that is ahead of us. Thank you once again for giving me the time to appear before you.

Before I hand it back over to you, Mr. Chair, I want to take a moment to express my gratitude to officials within the Department of Transport and to staff within the minister's office who have been working tirelessly to support me over the last four weeks since my appointment to make sure that I'm up to speed and ready for the work ahead.

Thank you, Mr. Chair.

• (1545)

The Chair: Thank you, Minister Alghabra.

We are now going to start with the speaking order for the first round. We have Ms. Kusie for the Conservatives. Following her, we have Mr. El-Khoury for the Liberals. Following Mr. El-Khoury, we have Mr. Barsalou-Duval for the Bloc, and following Mr. Barsalou-Duval, we have Mr. Bachrach for the NDP.

Ms. Kusie, you have the floor for six minutes.

Mrs. Stephanie Kusie (Calgary Midnapore, CPC): Thank you, Chair.

Welcome, Minister. Congratulations on your appointment. It's very significant.

It was reported in the press on Monday, in *The Globe and Mail*, that a plan is coming. Canadians, workers and the aviation sector was devastated when this news came out of Reuters in December and again they were disappointed.

Is this true? Is there a plan coming imminently, Minister?

Hon. Omar Alghabra: I want to thank my colleague, Ms. Kusie, for her kind remarks. I had a chance to speak with her right after my appointment, as well as with other critics from other parties. It's very important for me to remain in touch with opposition members to use their insights in my decision-making process.

Let me comment on her question. The airline sector is incredibly important for Canada's economy and security. We recognize that the pandemic has disproportionately and massively impacted—

Mrs. Stephanie Kusie: Thank you, Minister. We don't have a lot of time.

Is there a plan coming imminently, yes or no? Can the airline sector expect a plan imminently, which they've been asking for for a year? Give a yes or no, please, Minister.

Hon. Omar Alghabra: I said in my opening remarks that I want to see the deal happen as quickly as possible, but there are also other parties at the table, so we are negotiating in quick order and are in discussions with the airline sector. I hope that it happens in short order, but there are other players here at the table. We hope we can reach an agreement soon.

Mrs. Stephanie Kusie: Can you give us a date for when we can expect this plan, please?

Hon. Omar Alghabra: As I said, there are other factors here including the other parties that are at the table. I'm not able to give a specific date. I'm not able to prejudge the outcome yet. All I can say is that I and our government are committed to having this deal as quickly as possible.

Mrs. Stephanie Kusie: Thank you for your work on that.

You discussed the plan a little in your opening statement, but I'm going to go back to parts of it.

Can you commit that it will restore regional routes and lost service to communities who have been disconnected from coast to coast, as was mentioned by your own colleague, the MP for Saint John-Rochesay, today in statements? Can you confirm that this plan will incur the restoration of regional routes, please, Minister?

The Chair: I'm sorry, Mrs. Kusie.

Minister Alghabra, the interpreters are asking me if you can bring your mike up just a tad—maybe a centimetre. Thank you, Minister.

Thank you, Ms. Kusie.

Minister, the floor is yours

Hon. Omar Alghabra: I offer my apologies to the interpreters.

As I stated in my opening remarks, restoring regional routes is part of the consideration of this negotiation. At this moment, I'm not able to prejudge the specifics exactly, but I could tell you that it's a massive consideration of the deal. It is an important part of the deal and it's necessary for public support.

Mrs. Stephanie Kusie: Thank you, Minister.

Will the plan protect workers? Will we ensure that there are no further job losses as a result of this money potentially being distributed to airlines? Can you ensure that this plan will protect workers?

Hon. Omar Alghabra: At the heart of our negotiations with major airlines is protecting jobs and restoring regional routes, and making sure the airline sector is resilient. One way of making sure the airline sector is resilient is that we maintain those highly trained and highly skilled jobs.

Mrs. Stephanie Kusie: Excellent.

You addressed this in your opening remarks, Minister, but again, I would like you to confirm it for the Canadian public. For all of those Canadians who are thousands of dollars out of pocket, will the plan ensure that passengers receive refunds for cancelled flights, please?

Hon. Omar Alghabra: As I again mentioned in my opening remarks, refunds for passengers who lost trips because of COVID restrictions are a critical element of our discussions. It's regional routes. It's jobs. It's refunds. All of those aspects are taken into account in the ongoing discussions with the airlines.

• (1550)

Mrs. Stephanie Kusie: Excellent. Thank you for recognizing that, Minister.

Minister, can you also ensure that airlines are not allowed to claw back travel agents' commissions as a result of this plan?

Hon. Omar Alghabra: I can also add that the aspect of independent travel agents' refunds or commissions are a part of the discussions as we speak.

Mrs. Stephanie Kusie: Excellent.

Finally, can you please ensure and can you commit that NAV CANADA will maintain adequate service levels for air traffic controls as a result of this plan?

Hon. Omar Alghabra: I think my friends and my colleagues know that NAV CANADA is an independent private organization that operates at arm's length. Having said that, let me just say that I am watching it very carefully, watching the decisions that NAV CANADA is going to make very carefully. There are ongoing studies right now on the level of service, and Transport Canada will review any decision that may have an impact on safety.

Mrs. Stephanie Kusie: Thank you, Minister.

Minister, since you are new, I'm certain you're aware that since March 12 your government has been saying it was looking into mitigating the impacts of COVID-19 on the aviation sector with some type of support, yet discussions didn't start until November 8, 2020.

Can I ask you, Minister, what took your government so long to act in favour of this sector and attempt to help this airline sector and to help connect Canadians with a strong and viable airline sector? Why did it take so long, Minister, to come to this point where you are ready to release this plan and all of these commitments you have made today?

Hon. Omar Alghabra: Let me just say that, since the beginning of the pandemic, our government acted very quickly and decisively with broad-based support programs that focused on Canadians and Canadian workers and businesses. We've introduced measures like CERB. We've introduced measures like the wage subsidy, which supported everyone in Canada, and by the way, the airline sector alone benefited up to \$1.7 billion or \$1.8 billion from the wage subsidy. There are additional measures, which I also mentioned in my opening remarks, that the airline sector has been receiving.

Having said that, I acknowledge the second wave, the introduction of new variants of COVID and the implementation of new travel measures, which added a further burden on the airline sector, have introduced a new sense of urgency and a specific need for measures for the airline sector. That's why late last fall, last November, we started discussions with the airlines on particular sector supports for them.

The Chair: Thank you, Ms. Kusie.

Thank you, Minister Alghabra.

Mrs. Stephanie Kusie: Thank you, Chair.

Thank you, Minister.

The Chair: We're now going to move on to Mr. El-Khoury.

Mr. El-Khoury, you have the floor for six minutes.

[Translation]

Mr. Fayçal El-Khoury (Laval—Les Îles, Lib.): Thank you, Mr. Chair.

Welcome, Minister Alghabra, it is a pleasure to have you here.

Minister, in a scenario where our government would not have approved the merger, what would your main concerns have been? Why would a merger be preferable, for example, to a possible bankruptcy?

[English]

Hon. Omar Alhabra: I'm sorry, Mr. Chair, the translation.... I apologize, but perhaps my colleague can repeat the question.

I have a sense of what the question is, but I'd rather, if you don't mind, that he repeat the question.

Mr. Fayçal El-Khoury: I am going to repeat it in English if there is a problem with the translation.

Minister, in a scenario where our government did not approve the merger, what was your main concern? For instance, why is a merger preferable, for instance, to a possible bankruptcy?

Hon. Omar Alhabra: Thank you to my colleague for his kind remarks.

I'm assuming he's talking about the acquisition of Air Transat. Recently, our government made a decision to allow for the acquisition by Air Canada of Air Transat. This was complicated. We had to examine all factors on the table. I can certainly say that the current situation within the airline sector due to COVID played a big part in our decision.

We wanted to protect jobs. Jobs were at risk. Consumer choices were at risk. The headquarters of Air Transat in Quebec was at risk. The maintenance of the fleet of Air Transat in Quebec was at risk. We wanted to make sure that we protected all of that. There was a lot of public interest at stake here. We introduced many strict conditions on this merger to make sure that we protected Canadians' interests.

• (1555)

[Translation]

Mr. Fayçal El-Khoury: Minister, one of this government's air transport policy priorities prior to the pandemic was to further encourage competition by making regulatory changes that would encourage the start-up of low-cost airlines, for example. Given this, I imagine that it was only with great reluctance that you approved a vision that could reduce competition.

How has the pandemic contributed to a shift in your priorities as a regulator?

[English]

Hon. Omar Alhabra: My colleague is right. We have always been committed, and we remain committed, to a competitive marketplace in the aviation sector. I think it goes without saying that COVID-19 and the travel restrictions that are caused by COVID-19 have collapsed the demand for air travel. That collapse has made short-term issues of competition less relevant. What we were more focused on was protecting jobs and the long-term sustainability of the sector. Those are the factors that we examined when we made the decision.

[Translation]

Mr. Fayçal El-Khoury: Minister, Mr. Péladeau claims that he had submitted a better offer to buy Air Transat, which would have preserved Air Transat's independence from Air Canada.

Air Transat itself states that, contrary to media reports, its proposal was in fact \$5 per share and not \$6.

In addition, Air Transat asserts that the proposal did not have binding and fully committed financing or proof of sufficient liquidity to proceed with the acquisition.

Finally, still according to this airline, the proposal did not provide sufficient financing to meet Air Transat's working capital requirements for 2021, estimated at approximately \$500 million.

As the regulatory authority, how can Transport Canada make such claims—and thus adopt a conqueror's attitude—when assessing whether a merger should take place?

[English]

Hon. Omar Alhabra: Let me just be clear. The law is very clear about what the Government of Canada needs to review. The Government of Canada can only review the transaction that is proposed before it. When we weighed the options for our decision, we looked at all of the information that was before us, including the information provided by Mr. Péladeau. I hope my colleague understands that I'm not able to get into financial specifics because of business confidentiality.

Having said that, I can ensure him—and all Canadians—that we considered all the information before us. We ended up making what we felt was the best decision to protect Canadians, to protect the public interests of Canadians, to protect jobs and to protect the long-term sustainability of the industry.

The Chair: Thank you, Minister Alhabra.

Thank you, Mr. El-Khoury. Well done.

We're now going to move on to our third round of questions with respect to the Bloc Québécois.

Mr. Barsalou-Duval, you have the floor for six minutes.

[Translation]

Mr. Xavier Barsalou-Duval (Pierre-Boucher—Les Patriotes—Verchères, BQ): Thank you, Mr. Chair.

Mr. Alhabra, for almost a year, tens of thousands of airline workers have been laid off, and millions of customers have seen their money taken hostage by airlines. Canada is the only G7 country that has not helped its airline industry, nor has it forced the companies to reimburse their customers. I find this absolutely unacceptable.

People have been waiting for an eternity, and it seems you are doing nothing. Minister, you may not know it, but you're the boss.

What prevents you from imposing your conditions to save jobs and demanding the reimbursement of tickets for travellers?

• (1600)

[English]

Hon. Omar Alhabra: I want to thank my colleague for his kind remarks when I spoke with him early on in my appointment

I want to thank him for giving me the opportunity to say that I fully understand the financial burden of those cancelled tickets, where Canadians either had their flight cancelled or were unable to travel because of COVID. We have been very focused on making sure that those Canadians get their refund.

[Translation]

Mr. Xavier Barsalou-Duval: Thank you, Minister.

Do you have the power to impose conditions to ensure that people get paid back, and to save jobs?

[English]

Hon. Omar Alhabra: As I stated in my previous interactions, let me assure you that throughout the discussions we're having right now with the airline sector, protecting jobs, refunds and regional connectivity are an integral part of the discussions.

[Translation]

Mr. Xavier Barsalou-Duval: Thank you. I see you don't want to answer my question. However, you have that power.

I'll move on to another question, Mr. Alhabra.

You authorized the sale of Air Transat to Air Canada, which was contrary to the Competition Bureau's advice. Worse yet, the Commissioner of Competition assessed your mitigation measures and found them inadequate. In his view, the proposed adjustments to the commitments have significant deficiencies that do not address the competition concerns that are likely to result from the merger of Air Transat and Air Canada.

Why didn't you address the commissioner's concerns?

[English]

Hon. Omar Alhabra: When making a decision, my responsibility is to make a decision based on the overall public interest. I certainly took into account the issues of competition, and that's why there are conditions in the approval on price monitoring. There are conditions to make sure that any changes to pricing and any adjustments that are unjustified will be flagged, and we are going to work with the sector on making sure that we increase competition post-COVID. Right now we are focused on doing what is best for Canadians and for Canadian jobs.

[Translation]

Mr. Xavier Barsalou-Duval: I understand your point of view. However, I think it is also in the public interest to have competition. In light of that, you should listen to what the Competition Bureau recommends.

You authorized the sale of Air Transat to Air Canada. Yet, shortly after this authorization, Air Canada hinted that it might not even want to buy Air Transat anymore, which further jeopardized jobs and this Quebec flagship.

There was, however, another offer to purchase, that of Mr. Pierre Karl Péladeau. You never met with him.

Why did you ignore Mr. Péladeau's offer?

[English]

Hon. Omar Alhabra: First of all, we did pay attention to the correspondence that I received from Mr. Péladeau, and we examined all of his arguments. Let me just say to my colleague that if Air Transat ended up, because of lack of demand, ceasing to exist or went bankrupt, how would that help Canadians? How would that help the interest of choices in the marketplace? How would that help jobs?

We needed to make sure that we made a decision that is best for jobs, best for the marketplace today and best for Canadians and Quebecers.

[Translation]

Mr. Xavier Barsalou-Duval: What I understand you to say, Mr. Minister, is that if the other offer had been accepted, Air Transat would have gone bankrupt. You are saying that a billionaire would have thrown \$200 million in the garbage just for the sake of throwing \$200 million in the garbage. You will understand that this doesn't make much sense.

You have two arguments to justify the sale to Air Canada: the COVID-19 pandemic and the fact that the company is going bankrupt. The reality is that the pandemic is not going to last forever and the airline industry will have to be competitive in the future. It's the same with bankruptcy. You didn't help the airline industry and a billionaire offered to buy a company.

Are you really saying that the person didn't have the money to operate this business?

• (1605)

[English]

Hon. Omar Alhabra: Throughout the consultation and the discussions I have had, I have found there is almost unanimity in the marketplace in support of this merger. I ask my colleague why the Quebec government has not opposed this merger and why unions are supporting this merger.

I hear him. I understand what he's saying, but we did what we thought was best for Quebecers and for Canadians.

[Translation]

Mr. Xavier Barsalou-Duval: We end up with Air Canada, which in the end might not even have bought Air Transat even though you authorized the transaction.

Minister, you and your government had an opportunity to support the air industry and save jobs, but you didn't do it. You had the opportunity to save a Quebec flagship, but you didn't do it. You had the opportunity to preserve competition, but you didn't.

Can you admit that your decision was not based on the public interest and that it was a purely political decision?

[English]

Hon. Omar Alghabra: I understand that the honourable member has a job to do. I respectfully disagree with his analysis. In fact, almost everybody disagrees with his analysis.

I don't want to repeat why we think it's the best thing for Quebecers and Canadians and how we ended up reaching this decision, but I ask the honourable member to speak with the unions and with the Government of Quebec. Perhaps, if he doesn't take my word for it, he'll take the words of others.

The Chair: Thank you, Minister Alghabra, and thank you, Mr. Barsalou-Duval. That was well done.

We're now going to move on to our last speaker of this round.

Mr. Bachrach, the floor is yours for six minutes.

Mr. Taylor Bachrach (Skeena—Bulkley Valley, NDP): Thank you so much, Mr. Chair.

Minister, welcome to our committee. It's good to see you. Again, congratulations on your new role.

I wanted to start my questions on the topic of NAV CANADA. I know there are a lot of concerns about this across the country.

I wonder if you could lay out for me what actions your government plans to take to halt the layoffs of the skilled professionals at NAV CANADA and ensure that the company is able to return to its high level of service and exemplary safety record as soon as the pandemic is over.

Hon. Omar Alghabra: I want to thank Mr. Bachrach for his kind words, and I look forward to working with him as well as other colleagues.

He is aware that NAV CANADA is an independent private organization that makes its own operational decisions separately and independently of the government. By the way, it was designed by the House of Commons to be that way because it was seen to serve Canadians better that way.

Having said that, I have heard his concerns and even those of my colleagues in the Liberal party about potential job losses. I am aware that NAV CANADA is currently conducting studies about levels of service and the types of services they offer. I will wait to see the outcome of those studies, and I can assure you that Transport Canada will not compromise the safety of Canadians.

Mr. Taylor Bachrach: Minister, the studies you referenced have created a huge amount of uncertainty for the employees, for the companies who depend on those services and for the communities in which those towers are located. Now you, Minister, have the power to override the outcomes of those studies after the studies are completed.

Do you not agree that it would be better if the minister had the ability to remove certain towers from consideration before that uncertainty is created? My colleague Brian Masse has a private member's bill that would give you precisely those powers, and I wonder if you would support that.

Hon. Omar Alghabra: I have not seen that bill, and I look forward to taking a look at that bill. However, my colleague knows I

cannot override NAV's decisions unless they end up having a negative impact on safety.

Having said that, I can assure him that I am very well aware of the anxiety that the risk of job losses is causing. Last Friday I had a meeting with my provincial counterparts, and you can check the eventual press release that was issued from that meeting. We discussed the anxiety that NAV CANADA's job losses may cause in communities, and we will collectively monitor the impact of those potential changes on the safety of Canadians.

• (1610)

Mr. Taylor Bachrach: Thank you, Minister.

The unions representing NAV CANADA workers, including IBEW and PIPSC, met with the committee back in January and indicated that they had reached out to your office for a meeting. I'm wondering if you could tell us if you've had a chance to meet with those unions.

Hon. Omar Alghabra: I've had several meetings with many stakeholders and different union members. I don't think I've had a chance to meet with the air traffic controller union yet. If I am wrong, I will be corrected.

Having said that, I am sure that if I haven't met with them, I will be speaking with them in short order. However, I'm well aware of the anxiety and the uncertainty that's happening right now for their jobs. I continue to monitor the study and the outcome of that study.

Mr. Taylor Bachrach: Minister, you've mentioned several times the arm's length nature of NAV CANADA, which was privatized 25 years ago. Given what we're seeing in the pandemic and given the centrality of this organization's services to flying safety, to the support of the economy and to all of these things, is there not a strong argument for bringing NAV CANADA services back into the federal government so that there can be greater stability and so that these job losses of skilled professionals can be avoided? This could give some assurance to the air sector that these critical services are going to continue, that there's going to be a high level of safety and that the air sector will be supported moving forward.

Hon. Omar Alghabra: I understand the instinctive reaction to renationalize NAV CANADA. Let me just say that putting NAV CANADA at an arm's length from government has served Canadians well. It has served the industry well. It has depoliticized decision-making within NAV CANADA.

I understand what the honourable member is asking for. There are jobs here at stake. I understand why there are a lot of people concerned about those jobs, but we also have to be careful that we examine these situations within their context and make sure we make the right decisions to serve Canadians well.

The Chair: Thank you, Minister.

You have time for a quick question, Taylor.

Mr. Taylor Bachrach: Maybe I'll ask a question on refunds. That's the next topic I wanted to go to, Minister.

We're in this odd situation right now where the government is saying there's going to be no assistance for the air sector without refunds to passengers. The airlines are saying there are going to be no refunds unless there is a financial assistance package.

How did we get to the point where passenger refunds have become a bargaining chip? We're a year into the pandemic and the airlines are still sitting on billions of dollars that rightly belong to these Canadian passengers. Could the minister tell us how we got here?

Hon. Omar Alghabra: I think it's a simple answer. It's called COVID-19. When COVID-19 arrived, it didn't come with an instruction manual. It caused all kinds of havoc in many industries. Certainly the airline sector has been disproportionately affected by COVID-19 and the travel restrictions that are being imposed, not just by Canada but by the rest of the world. Passengers have been impacted. Workers have been impacted. Companies have been impacted. I recognize all of that and we're doing our best to support Canadians and to support Canadian jobs.

The Chair: Thank you, Minister. Thank you, Mr. Bachrach.

The first round is complete. Great job, everybody.

We're now going into the second round. For the first two speakers, we have Mr. Kram from the Conservatives and Mr. Sidhu from the Liberals. They have five minutes each, followed by Mr. Barsalou-Duval and Mr. Bachrach for two and a half minutes each.

Mr. Kram, the floor is yours for five minutes.

Mr. Michael Kram (Regina—Wascana, CPC): Good afternoon, Minister Alghabra, and welcome to the committee.

We've heard many witnesses at this committee say that resuming air travel after the pandemic will not be like turning on a light-switch. Skilled workers will have left the industry or left the country and will not be coming back. This is particularly true for air traffic controllers at NAV CANADA. As you are aware, NAV CANADA is planning to close seven air traffic control towers across the country, including the one in Regina.

Why don't you instruct NAV CANADA to stop its study to close air traffic control towers until air travel has returned to normal levels after the pandemic is over?

• (1615)

Hon. Omar Alghabra: If I institute instructions to NAV CANADA on its operation, I know this committee would be very interested in inviting me back to ask me why I am breaking the legislative powers that I have.

Let me say that I am not able to prejudge the outcome of the studies that NAV CANADA is doing right now. Having said that, I have heard loudly the anxiety and the concerns about job losses. I am monitoring the situation. I await the study that NAV CANADA is conducting. I can tell him and all Canadians that any changes that will have an impact on safety will be reviewed by Transport Canada.

Mr. Michael Kram: Thank you.

Minister Alghabra, the Aeronautics Act gives the transport minister broad oversight for the responsibility to oversee the safe and efficient operations of Canada's airspace. It's very important to understand that when a city loses its air traffic control tower, that makes it that much more difficult to attract new flights to the city, which makes it more difficult to attract conferences, conventions, sporting events and all the rest of it.

Mr. Minister, there's nothing stopping you from picking up the phone, calling NAV CANADA and telling them that these tower closures are a bad idea. Why don't you do that?

Hon. Omar Alghabra: I know that NAV CANADA appeared before this committee and that members had a chance to ask them questions, which is great. I think the committee is doing its job representing Canadians. However, again, I'll tell the honourable member that I cannot do something that the law does not allow me to do.

He was right when he said that I have powers over the protection of the safety of Canadians, and that's what I have been repeating. Any decision that NAV CANADA makes that will have an impact on safety will be reviewed by Transport Canada.

Mr. Michael Kram: Minister Alghabra, over the past few weeks, this committee has heard from witnesses from the Canadian Air Traffic Control Association, the International Brotherhood of Electrical Workers and the Professional Institute of the Public Service of Canada. All three of these unions are requesting a \$750-million subsidy for NAV CANADA, contingent on there being no layoffs. That seems like a pretty good idea to me. Why doesn't the government do that?

Hon. Omar Alghabra: Let me just say that I am somewhat confused at the Conservatives' position. There seems to be some inconsistency there. On the one hand, they're saying that we're spending too much money supporting Canadians. On the other hand, they're asking us to spend more.

Let me address the point that he's making. Right now, NAV CANADA is an arm's length organization that makes its operational decisions independently. If there are any changes that will risk Canadians' safety, Transport Canada will review those decisions.

Mr. Michael Kram: According to the government's supplementary estimates, Via Rail has received just over \$1 billion to subsidize the operating costs of passenger train services since the start of the pandemic.

I wonder if the minister could explain what makes passenger train service so important that it warrants a \$1-billion bailout, but NAV CANADA and the air travel sector so unimportant that they do not deserve any sector-specific support for their operations costs.

Hon. Omar Alghabra: I think the honourable member is trying to mix apples and oranges. Via Rail provides an essential service to passengers, particularly in towns and cities that need that as an essential service.

NAV CANADA has not decided, and if they do have an impact on the safety of air traffic, that's another discussion. Right now Via Rail needed to maintain its essential service for Canadians. Again, I would say that if Via Rail was unable to deliver its service, this committee would be calling on me to provide that support for that essential service. We're talking about an essential service here. As for NAV CANADA, we have yet to see what their decisions will be and what their final level of service will be.

• (1620)

The Chair: Thank you, Minister Alghabra.

Thank you, Mr. Kram.

We're now going to move on to our next speaker.

Mr. Sidhu, you have the floor for five minutes.

Mr. Maninder Sidhu (Brampton East, Lib.): Thank you, Mr. Chair.

Good afternoon, everyone.

Good afternoon, Minister. Congratulations on your new role and for being with us here today.

As part of your supplemental mandate letter, you're tasked with working with ministerial colleagues to make zero-emission vehicles more affordable. We know that Transport Canada has been leading the incentives for zero-emission vehicles program. Has the program been successful in making these vehicles more affordable for Canadians?

Hon. Omar Alghabra: Thank you to my colleague for his kind remarks and for his question.

Look, climate change is an integral part of our commitment, mandate and promise to Canadians. That we support the integration of zero-emission vehicles into the marketplace is an essential part. You may know that 30% of emissions in Canada come from the transportation sector, so we want to find a way to facilitate the acceleration of the adoption of zero-emission vehicles.

The incentives for adoption have been extremely successful. In fact, we saw a significant increase between 2019 and 2020 in the adoption of zero-emission vehicles, so yes, it's been successful. We look forward to building on that success.

Mr. Maninder Sidhu: Thank you, Minister.

For Canadians who have purchased used vehicles, is the government considering any measures to make used zero-emission vehicles more affordable? I know this is important to so many in my constituency.

Hon. Omar Alghabra: Yes, we are exploring the option of expanding the incentive to used vehicles. I know the argument says that it doesn't necessarily mean that there will be new zero-emission vehicles on the marketplace, but we think it will actually in fact help because it will help individuals who may otherwise not be able to afford a brand new zero-emission vehicle to buy a used one. Then the people who sold it might be able to move on and buy a newer zero-emission vehicle.

We are exploring the option and we'll get back to you when we have finalized our assessment.

Mr. Maninder Sidhu: Thank you, Minister.

Trade is so important to so many industries in my riding. The transportation sector is huge here in Brampton. We have many truckers, and we have rail and cargo coming in through various modes.

Can you provide an update on efforts to enhance our trade corridors to increase global market access for Canadian goods?

Hon. Omar Alghabra: Absolutely. Trade diversification and trade expansion have been a big part of our government's commitment to Canadians.

I served before as Parliamentary Secretary to the Minister of International Trade and I know that as a trading nation, where one out of six jobs depends on trade, making sure that we have the right infrastructure in Canada to facilitate the growth of trade is important. That's why I am proud to have, within Transport Canada, a fund for a national trade corridor. The first iteration of that fund that was launched in 2017 has been extremely successful. We're looking forward to examining further opportunities to expand and build on that success.

Mr. Maninder Sidhu: Minister, I know your department is looking at testing essential workers at the border. Talks may be ongoing, but can you please provide some background on this, as I am getting a couple of calls from constituents on this matter?

Hon. Omar Alghabra: Whatever travel measures we impose are guided by data and by the public health advice that we receive. The Minister of Public Safety, the Minister of Health and I are examining creating a system that tests essential workers. We are for sure keeping an eye on not interrupting their ability to do their jobs, because critical supplies depend on them. At the same time, we want to find a way to do it where we protect the workers, their families and Canadians. That's why we are currently in consultation with stakeholders, industry, union members and industry associations on how best to design that program.

• (1625)

The Chair: Thank you, Minister.

Thank you, Mr. Sidhu.

We're now going to move on to our next round.

Mr. Barsalou-Duval, you have the floor for two and a half minutes.

[Translation]

Mr. Xavier Barsalou-Duval: Thank you, Mr. Chair.

Earlier, the minister suggested that I was virtually alone in defending Air Transat. Let me name a few other defenders of the company.

WestJet Airlines has spoken out against the sale. The organizations Air Passenger Rights and Flight Claim expressed concerns about the sale. The Competition Bureau and the European Commission have also expressed concerns.

Minister, as you can see, I may not be the only one defending Air Transat. If you had read the public interest review report provided to you by your department's officials, you would probably have found that there were other adverse comments about this transaction.

Air Canada is engaging in dumping by lowering prices in the regions to get rid of competition, and then takes advantage of this to raise its prices. In addition, due to the COVID-19 pandemic, Air Canada has abandoned some 30 regional routes, which is seriously affecting regional services in Quebec.

These conditions have provided an opportunity for carriers, the Quebec government and all our regional industries to think about how to work together and seek solutions to address the situation.

Regional carriers, city and airport representatives say they no longer want Air Canada in the regions because they want a healthy competitive situation with reliable carriers working for Quebec.

How can you justify the fact that the federal government is negotiating the return of Air Canada to the regions, when almost everyone thinks it's a bad idea?

Do you want to be part of the problem or the solution?

[English]

Hon. Omar Alhabra: I want to be part of the solution, for sure. I can assure my colleague that all of those factors have been taken into account. We are in a pandemic. Air traffic has been devastated. The marketplace for airlines has been devastated. Jobs have been lost. We need to do what we can to ensure that we maintain a resilient sector, that we are ready to help the sector be on guard for a recovery—

[Translation]

Mr. Xavier Barsalou-Duval: Thank you. I have one last question for you.

Following the Department of Transport's refusal, NAV CANADA increased the fees it charges carriers by 30% and announced a review of the services required in all regions of Quebec. The dice were loaded because controllers received notices of termination before the review was even concluded.

Can you assure us that none of the control towers will be closed, that you will say no to NAV CANADA and that you will tell them to keep their control towers open?

[English]

Hon. Omar Alhabra: As I stated repeatedly to my other colleagues, any decision that NAV CANADA makes that will compromise or have an impact on safety will be reviewed by Transport Canada. That is my commitment to my colleagues and to all Canadians.

The Chair: Thank you, Mr. Alhabra, and thank you also, Mr. Barsalou-Duval.

We're now going to move on to Mr. Bachrach for two and a half minutes.

The floor is yours.

Mr. Taylor Bachrach: Thank you, Mr. Chair.

I should start by clarifying a statement from my last round. It was Air Canada that said there would be no refunds unless there was a financial assistance package. I believe I attributed it to the airline sector in general, and as we all know, WestJet has found a way to refund its passengers.

On the topic of refunds, however, I'm curious. Minister, from the very beginning, we've been pushing for your department to mandate passenger refunds, to mandate the airlines to provide those refunds to passengers who are out thousands of dollars.

Did the government pursue mandating those refunds, and did you receive specific legal advice that indicated the government was not able to force the airlines to refund passengers?

Hon. Omar Alhabra: As you know, I think it was in 2019 that we implemented air passenger protection regulations, where we clearly outlined the rights of passengers and we put a system in place whereby the Canadian Transportation Agency is able to adjudicate and look after passengers' complaints. We've set up a system where passengers can file a complaint and where airlines can be held accountable for violating the terms and the rules they should uphold.

• (1630)

Mr. Taylor Bachrach: Minister, that process is a dumpster fire. There's a backlog of 16,000 complaints. It's totally deadlocked and no one is getting help from that process. The EU, the U.S. and the U.K. all found a way to get refunds for air passengers. Why are they so much better able to protect their air passengers' rights than Canada is?

Hon. Omar Alhabra: I take exception to my colleague's question. We have set up a system that is world class. He's right; the number of complaints have skyrocketed because of COVID. I know the agency is doing its utmost to go through them and to be as efficient as possible. Having said that, we've set up a system that protects Canadians and ensures that passengers' rights are protected. I know that in December—

Mr. Taylor Bachrach: Minister, with a backlog of 16,000 complaints, are you really calling that a world-class system? I feel like I—

Hon. Omar Alhabra: Everybody knows—Canadians know—that we are in the middle of a pandemic. Canadians know there are all kinds of challenges and problems, whether it's with the airline sector or whether even.... You know, we have restrictions where people cannot visit their families. We have businesses that are suffering. We have all kinds of challenges. Our job, as a government, is to do our utmost to have the backs of Canadians and to look after them during this difficult time. We are doing everything we can to be there for Canadians.

The Chair: Thank you, Minister, and thank you, Mr. Bachrach.

We're now going to move on to Ms. Kusie.

Ms. Kusie, you have the floor for five minutes.

Hon. Omar Alhabra: Mr. Chair, may I just say that I'm happy to take the next couple of questions, but I hope the committee forgives me. I'm already two minutes late getting to my appointment. I'll take the next couple of questions, but I hope the committee forgives me for having to leave early.

The Chair: Thank you, Minister.

Ms. Kusie, go ahead.

Mrs. Stephanie Kusie: Thank you, Chair, and thank you, Minister, for continuing to make yourself available.

Minister, for a government that has prided itself on transparency with Canadians, can you please answer why partners and airline sectors within these negotiations regarding this upcoming plan, which you've committed to, were required to sign non-disclosure agreements, leaving everyone in the dark as to what we can expect and when we can expect it?

Can you comment on that, please?

Hon. Omar Alghabra: Canadians know that negotiations involve disclosure of financial information, disclosure and discussions about various options, and Canadians will know that I'm not able.... If I say something now and then the negotiations end up taking another turn, that will end up causing misinformation among Canadians.

I think my colleague understands why I don't have the ability to talk about the machinations of the negotiations that are taking place, and I think my colleague knows why they need to be confidential until they're completed.

Mrs. Stephanie Kusie: My colleague mentioned previously that when the pandemic is over, or finally, we hope, the government is successful in its vaccination efforts or perhaps in utilizing the tools of vaccines and rapid testing, which we have been encouraging the government to do for so long, even then, when the airline sector opens again, there will have been an incredible loss of market share over this time. I've mentioned this in the House. We see it, for example, with the implementation of the travel restrictions, whereby American carriers can still fly Canadians to sun destinations.

Will this plan include a strategy for dealing with the loss of market share, which will take years for the Canadian airline sector to recover?

Hon. Omar Alghabra: Let me just correct the record. No American airlines can take Canadians to a sun destination. If they do, then those Canadians are buying multiple tickets to get to the sun destination. There are no direct flights between Canada and sun destinations.

Having said that, the short answer to her question is yes. We are committed to working with the airline sector and making sure that they are strong and ready for a recovery post-COVID.

• (1635)

Mrs. Stephanie Kusie: Excellent.

When the pandemic passes as a result of the vaccines—which we genuinely hope are procured and distributed soon, and which so many Canadians have been waiting for—and Canadians are finally able to go on that vacation to visit their families whom they haven't seen in so long or to take some time together as families or friends when this is all over, there will be such incredible demand and yet such a lack of supply, as a result of this government's inability to support the airline sector to maintain a certain level of service.

We'll see so many Canadians who want to go on these trips, yet the price of tickets, as a result of lack of supply, will be sky-high. Is the government willing to accept responsibility at that time for not having intervened sooner, rather than allowing airlines and airport authorities to take the hit at a time when Canadians again are will-

ing to travel but will have to pay so much more as a result of this government's long-standing inaction?

Will the government take responsibility at that time?

Hon. Omar Alghabra: I think that's more a statement than a question, and I disagree with her premise.

Let me repeat what I said. We are committed to working with the airline sector and making sure that we have strong and resilient airlines. We are committed to working with the airline sector on a plan through the recovery whereby, we think, some measures will still be in place, but we want to make sure that airlines and passengers are able to travel and operate safely.

Yes, our commitment to the sector is solid.

Mrs. Stephanie Kusie: Further to that, Minister—thank you—on January 29 the Prime Minister stated that he was committed to the safe restart of the travel and tourism sector and to working on the relationship with testing and quarantine. Of course, I'm from Alberta, where we have the successful YYC pilot project, which I think would have been far easier to implement at international arrivals across the country, rather than go through the process of the three-day quarantine.

Minister, what actions have you and your colleagues taken relative to testing and quarantine specifically for the safe restart of the travel and tourism sector?

Hon. Omar Alghabra: The best way for us to recover is by defeating COVID. That is the best and most effective plan, and that's why our government is focused on ensuring vaccine supplies for all Canadians who want to be vaccinated. That's why we are imposing difficult but necessary travel measures to protect against the importation of infection and the new variants. That's why we're guided by public health advice throughout this process.

I don't personally take any joy in these difficult decisions, but they are necessary. This is what true leadership means. It means making tough decisions.

Mrs. Stephanie Kusie: Leadership, Minister, would have been implementing rapid testing and testing on arrival, so that these drastic measures weren't required, but I certainly hope you will have more success than your predecessor.

Thank you, Minister, and thank you, Chair.

The Chair: Thank you.

Thank you, Minister Alghabra. I know it's past 4:30, and I do appreciate your spending some more time to give the Conservatives an allowance to spend more time with you.

I also want to express my appreciation to members. I think we had a good dialogue there.

To Minister Alghabra, I have two pet projects that I really appreciated your mentioning today, based on some questions that you received. Those are the refunds for customers, as well as looking at the clawbacks for travel agents. There's no doubt that those are very sensitive issues, not only for us in a broader way as a country but for individual jurisdictions, individual ridings. I truly appreciate the attention you're giving to that, and we're hoping for a good outcome, both for the customers with refunds as well as for the travel agents with clawbacks. We hope that discussion continues with the airlines with respect to your negotiations.

With that, once again to all of you, thank you.

To Minister Alghabra, thank you very much.

Hon. Omar Alghabra: Thank you very much, Mr. Chair, and thank you to my colleagues.

Have a great afternoon.

The Chair: Enjoy.

Members, we're now going to continue. We have members of the team with us, so we can continue this dialogue. I am going to continue on now with the Liberals.

Mr. Rogers, you have the floor for five minutes.

Mr. Churence Rogers (Bonavista—Burin—Trinity, Lib.): Thanks, Chair.

First of all, let me apologize for joining late. I had some technical difficulties that had to be ironed out, and I'm glad to be able to join. Unfortunately, I missed some of the minister's opening remarks and some of your questioning. My questions were actually for the minister, but I'll put them out there and hope that some of the witnesses can make a comment on what I'm about to ask.

We all know, of course, and we don't need to repeat the significant impact of COVID on the air sector. I have a couple of questions pertaining to that. I want to know from the officials if they can comment on this. We know there are a number of issues that are at play in the negotiations with the airlines—reimbursement of passengers, regional connectivity, honouring the aerospace contracts, and so forth.

Can you comment on which of these issues is proving to be the most difficult to reach an agreement on?

• (1640)

Mr. Michael Keenan (Deputy Minister, Department of Transport): Thank you for the question. It's a very good question.

As the minister said that the government is taking a series of actions. There are now various active and intense discussions and negotiations on a package with the airlines. It's really impossible to comment on the details of those at this time, unfortunately. I think all of those factors are important. All of those factors are in discussion, and they're searching for an agreement that both sides will support and that will address all of those factors.

Mr. Churence Rogers: Recently, we've been hearing some media reports that we may be close to reaching an agreement with the airline industry and some kind of a package that will try to support all of the employees and the people who are out of work, and the

different organizations that are depending on us as a government to get an agreement in place with the airline industry.

Of course, it's a two-way partnership. How optimistic are you that we're really close to some kind of an agreement?

Mr. Michael Keenan: As the minister said, he's very keen to see an agreement as soon as possible. Because discussions are under way—they are complex, and the impact on the sector has been very deep—it's really impossible to speculate about exactly when these negotiations will conclude, other than to say that negotiations are very active. I think both sides are working as quickly as they can to conclude them.

Mr. Churence Rogers: I also want a comment relating to NAV CANADA.

Mr. Keenan, are you aware that the 27 controllers in Gander who have received layoff notices represent 40% of the air traffic controllers who look after aircraft in the north Atlantic, and are you concerned about the safety implications of this kind of move?

Mr. Michael Keenan: Frankly, transportation safety is our number one priority. Of all of the objectives of Transport Canada, it comes first, and we've been watching very carefully because of the devastating impact of COVID-19 on the travel sector. We've been working diligently all year to ensure that transportation remains safe in terms of accidents and safe in terms of COVID for anybody in the system.

With respect to NavCan, I could say this: To change their level of service, NavCan has to carry out consultations and studies, and they are only allowed to change their level of service if Transport Canada reviews the proposed change and concurs that it doesn't sacrifice safety. I can assure you that the officials at Transport Canada will not approve any proposed level of service change from NavCan unless we are assured after a very thorough review that it does not impair air safety.

Mr. Churence Rogers: I have one final question regarding the blue economy that the Minister of Fisheries and others announced just recently. I want Mr. Keenan to comment on that and elaborate on how creating a blue economy strategy can be operationalized. What does it mean, specifically?

• (1645)

Mr. Michael Keenan: It's a great question.

Transport Canada is working very closely with Fisheries and Oceans, as Minister Jordan is the lead on the blue economy initiative. We focus very much on issues around safety for the environment and safety for Canadians and safety for mariners in terms of ocean issues. The blue economy is an opportunity to responsibly take into account the incredible natural wealth and environment of Canada's oceans for the benefit of Canadians. We're committed to working very closely with Fisheries and Oceans in ensuring transportation safety and environmental safety. We continue to strive for excellence in that area in support of the broader blue economy.

In terms of how it's going to be operationalized, I think Minister Jordan has just begun consultations with Canadians on the blue economy. The results of that consultation will shape the government's plans going forward to operationalize the blue economy strategy.

The Chair: Thank you, Mr. Keenan, and thank you, Mr. Rogers.

We're now going to move on to our third round. We have first, with the Conservatives, Mr. Shipley, followed by Mr. Bittle from the Liberals, Mr. Barsalou-Duval from the Bloc, and Mr. Bachrach from the NDP.

Mr. Shipley, you have the floor for five minutes.

Mr. Doug Shipley (Barrie—Springwater—Oro-Medonte, CPC): Thank you, Mr. Chair.

I'll start by directing my questions to Mr. Keenan, and if he wants to pass them off to any of his assistants, that's fine.

Chair, I know this was touched on earlier by Mrs. Kusie and actually even you at the end of this last talk. It seems to be important to you, too.

I had the opportunity this morning to have a very good meeting with the Association of Canadian Independent Travel Advisors. It's a group of over 1,200 members, led by a local woman, Judith Coates. They expressed some dire concerns. This is a group that is hanging on literally by their fingernails, and I don't mean that lightly. They are struggling. They've already lost well over 200 of their independent travel advisers in different retail locations. Many of them are sole providers for their families, and they're struggling. They have great concerns about clawbacks and commission recalls. They told me they were going to be watching today.

Mr. Keenan, could we get some reassurance for these hard-working Canadians that there will be some type of deal made so they will not have to pay back their commission recalls and clawbacks?

Mr. Michael Keenan: As the member indicated, the devastating impact of COVID-19 on the travel industry, writ large, and the air travel industry has hit the independent travel agents hard. They're some of the many Canadians who have felt the impact.

As the minister said, the government has put in place a series of programs to help Canadians through these impacts: the CERB, the wage subsidy, etc. The particular issue of the impact on travel agent commissions with respect to refunds is an issue that the government has recognized as an important one, and it is an element in the discussions with the major airlines in terms of a package and a plan on a way forward.

Mr. Doug Shipley: Thank you. Hopefully, there will be a happy ending for them because I know that these people are struggling right now. They're losing sleep. They're having trouble paying their bills at home as it is. Quite frankly, they just don't have the money to pay back those commissions, and it will be putting a lot of them—a lot—out of business.

I also have recently been talking to Ms. Roe in my riding. Ms. Roe, through tragic events, has to travel to Australia during the pandemic to deal with some ailing family members. This lady is not going vacationing on the beach. She is strictly trying to get to Aus-

tralia to look after some loved ones. The cost for her when she returns—the \$2,000 for three days—is just not going to be doable.

When she goes to Australia, they have a program in place. She actually has to quarantine for 14 days at an approved hotel, similar to our program. She only has to pay \$3,000.

Where is this astronomical cost of \$2,000 for three days coming from, Mr. Keenan?

• (1650)

Mr. Michael Keenan: I can provide a general answer, but the authority on this is the Public Health Agency of Canada, because the establishment of the arrival testing protocol at the four major airports and the requirement to stay in airport hotels is a program that they're currently rolling out now.

The \$2,000 was their initial estimate of the total cost of the process of arriving in the airport, being tested and being transported to a hotel for three days pending the results of that initial arrival test. The actual cost is the product of the quotes that the hotels have provided, and it includes not just the three-day stay at the hotel, but the transportation. It includes additional security. It includes additional health protocols to reflect the fact that the people staying in the hotel are pending a COVID test that could include one of the variants of concern.

The actual cost of that is based on the quote for the whole package of services that is being provided for that process, and the \$2,000 is an initial estimate of what it would be. The actual numbers are coming out in the coming days, and the details can be provided by the Public Health Agency of Canada.

Mr. Doug Shipley: Thank you, Mr. Keenan.

When you say those numbers are coming out, I definitely hope they're coming out lower and not higher. I've done a lot of travelling, and you have to stay in some awfully nice hotels to get anywhere near that number.

Are you aware...? Will there be...? We can get back to Ms. Roe, again. Will there be some—

The Chair: Mr. Shipley, I'm sorry. Your time is up.

Actually, I was trying to say that, but then I realized I was on mute.

Mr. Doug Shipley: I didn't see the yellow hand, Mr. Chair, so I was ready to go.

The Chair: Actually, I had it up and then I took it down when you hit that five-minute mark.

Mr. Doug Shipley: I'm sorry. I didn't see it.

The Chair: Then, of course, I started talking and realized I was on mute. You have my apologies, but that was a great job, guys.

I am going to move over to Mr. Bittle now, and I understand that Mr. Bittle is going to give half of his time to Ms. May.

Mr. Bittle, you can start off for two and a half minutes. I'll let you know when you run out of time, and then we'll go on to Ms. May.

Mr. Bittle, you have the floor.

Mr. Chris Bittle (St. Catharines, Lib.): That sounds good. Thank you, Mr. Chair.

Looking at the minister's supplementary mandate letter, I see that it stipulates that he will:

Work with the Minister of Foreign Affairs to implement recommendations and lessons learned from the report of the Special Advisor for Canada's ongoing response to the Ukraine International...tragedy, including commemorating the lives of the victims and supporting their families, pursuing truth and accountability from Iran, and preventing future disasters through the Safer Skies Initiative.

I was hoping you could elaborate on the safer skies initiative. What does that seek to achieve?

Mr. Michael Keenan: Indeed, the PS752 was a horrific tragedy, just like MH17 a few years before. The objective of the safer skies initiative is to try to prevent these kinds of tragedies that come from civil aviation caught in conflict zones.

The strategy is, first, to foster information sharing. It's an issue where Canada has taken the lead internationally. The objectives are to foster information sharing within the global community and among countries to create a better sense, across all civil aviation authorities, of where there are risks from conflict zones to civil aviation; to encourage civil aviation authorities around the world to require operators to have very strong risk management plans and protocols to deal with any emerging conflict that happens in any area they're operating, and quite frankly, to improve governance around this; and to have a more coordinated approach to banning civil aviation from conflict zones where the country in which there is conflict or a risk of conflict is not itself banning flights.

I would add that in early December, the department, with the previous minister, led an international conference on this and they got over 400 participants from around the world. We are seeing a really encouraging level of buy-in from civil aviation authorities around the world. They want to change practices around managing civil aviation in conflict zones to avoid ever again having to deal with the kind of horrible tragedy we saw with PS752.

• (1655)

The Chair: Thank you, Mr. Keenan.

Thank you, Mr. Bittle.

We're now going to move on to Ms. May.

You have the floor for two and a half minutes.

Ms. Elizabeth May (Saanich—Gulf Islands, GP): I thank my honourable colleague, the parliamentary secretary, for this amount of time.

I want to just get it on the record, because I won't have time to ask questions about it, that I share the same concerns as Taylor Bachrach and Michael Kram about our air traffic controllers. I don't buy the safety answers so far from NavCan. I'm just putting it on the record.

I want to talk about our ground transportation system, which has been, I think, woefully ignored in COVID. This is about the buses, particularly the charter buses. They're in crisis. They're in free fall. They do a lot of really significant work. Wilson's bus line on Van-

couver Island, for instance, has regularly scheduled runs that get to remote first nations communities. I'm wondering if our witnesses—and I don't want to take all the time asking the questions because it's an egregious situation—can tell us what is in the works to help the charter bus coalition across this country.

Mr. Michael Keenan: There has been a series of impacts in terms of the bus industry for a number of years. It actually predates COVID. Greyhound left western Canada and there was a tremendous amount of work done within the federal, provincial and territorial council of ministers of transportation and highway safety in terms of looking at the issues, looking at options and looking at strategies. The government had an initiative for a period to assist provinces, which have had the lead responsibility in overseeing the commercial bus industry since about 1954. The Government of Canada had a temporary program a few years ago to support provinces wishing to provide support for bus routes. The Province of B.C. took us up on that. I think they were the only one.

It remains a significant issue. I think you see a number of impacts. The intercity bus impacts are significant, as well as transit, because we focus a lot of time and put a lot of energy into dealing with the impact on the sector. It's significant and requires a significant amount of action. Local governments are also dealing with economic impacts on their transit systems because transit use is down. It's not down as much as air travel, but it's down significantly.

All governments are actually working through.... As the minister said, COVID-19 has had massive impacts on the country and there are a lot of adjustments required in all parts of the sector. Our focus to date has been on ensuring we actually have safety for the passengers. Whether they're on a plane, a train or a ferry, we want to ensure that the protocols are in place for safe passage. In the air sector, we're working intensely on the actions that we've already described.

In terms of transit and busing, that's, quite frankly, a national challenge. It's one where the lead jurisdiction is with the provincial and local governments, but it's a significant issue and will need to be worked through.

The Chair: Thank you, Mr. Keenan, and thank you, Ms. May.

We're now going to move on to the Bloc for two and a half minutes.

Mr. Barsalou-Duval, the floor is yours.

[*Translation*]

Mr. Xavier Barsalou-Duval: Thank you very much, Mr. Chair.

Mr. Keenan, we received documents related to the sale of Air Transat, including the public interest report, but they were redacted.

Now that the decision to authorize the transaction has been made by Minister Alghabra, could we receive the documents in their entirety?

I'm referring to Transport Canada's public interest report and Oxxera's report on the price implications of this transaction. We had passed a motion to obtain all documents related to the transaction in the possession of the department, and I understand that the documents related to the Competition Bureau have not been provided to us.

I would therefore like to follow up on this motion passed by the committee to obtain the missing documents.

• (1700)

[English]

Mr. Michael Keenan: As the question from the member implies, throughout the process of the review of the proposed purchase of Air Transat by Air Canada, Transport Canada has done extensive analyses and reviewed a lot of documents. A significant chunk of that information is commercially confidential information. It's not releasable.

In response to a previous request of the committee, the—

[Translation]

Mr. Xavier Barsalou-Duval: I would just like you to commit to pass on to us anything that is now less confidential. Now that the minister's decision has been made, it seems to me that a number of things could be disclosed. We would be grateful if you could commit to that.

My second question concerns travel agencies. Are you holding any discussions on this subject? Since this sector of activity has already been hard hit, are we going to give guarantees to these agencies so that commissions are not taken away from them?

Mr. Michael Keenan: Thank you for your question.

I can only repeat my answer: the adverse effects of the COVID-19 pandemic on travel agencies are a reality that is being taken into consideration in negotiations with airlines.

[English]

There have been discussions with the independent travel agent industry and representatives. We understand the very devastating impact that COVID-19 has had on them and how they are caught in the middle on the refund issue. That issue is included and taken into account in the negotiations with the large airlines on a financial assistance strategy going forward.

The Chair: Thank you, Mr. Keenan.

Thank you, Mr. Barsalou-Duval.

We're now going to move on to the NDP.

Mr. Bachrach, you have the floor for two and a half minutes.

Mr. Taylor Bachrach: Thank you, Mr. Chair.

Welcome, Mr. Keenan.

Mr. Keenan, on the topic of Air Transat, one of the rationales that has been provided for approving that sale was the claim that Air

Transat was likely to fail. I understand that the Competition Bureau has a standardized methodology for verifying this defence in the case of anti-competitive acquisitions.

I'm wondering if Transport Canada applied that methodology in making its determination that the sale was appropriate.

Mr. Michael Keenan: That's a great question, but I think the question has underneath it a key factor that's at play here. That is that the competition commissioner examines the transaction purely from the lens of competition. The government took that assessment into account, and in that assessment there is a particular test with respect to a failing firm and a whole bunch of issues that are from a very specific and narrow lens of competition.

In weighing all of the evidence and in reaching its decision, the government, as required under the Canada Transportation Act, took a broader perspective, including all aspects of the public interest. The government came to a conclusion that approving the transaction, with the strict terms and conditions that went along with that approval, offered the best outcome with respect to the public interest. That included a range of factors, from competition to impact on consumers, workers, air services and choices of air services in the recovery from COVID.

In summary, while the analysis of the competition commissioner was certainly taken into account, the government, in reaching its decision, considered a broader range of factors.

The Chair: Mr. Bachrach, you have time for a quick question.

Mr. Taylor Bachrach: It was a fairly long answer. I think I got the gist of it, but I'm still curious because the minister specifically cited that the risk of Air Transat's failing was one of the key rationales for approving the sale. I'm wondering if Transport Canada applied the same methodology that the Competition Bureau uses to determine whether that's actually a valid argument at all.

• (1705)

Mr. Michael Keenan: In our analysis of the transaction, we consider the impact of COVID-19 a major factor. Interestingly, when we did the initial public interest assessment, it was just an emerging point. It was an emerging reality in the spring, and we know now that it's had a much deeper and more devastating impact on this sector. I would say that we certainly considered the analysis and the framework that the competition commissioner uses.

We've also looked at it from a broader, I would say, strategic economic-analysis perspective, looking at the impact of COVID-19, the likely duration and the likely recovery pathways for the Canadian air sector and the global air sector. We included all of that in our analysis and our advice. Based on that, taking into account all of these factors, the government concluded that the transaction was in the public interest.

The Chair: Thank you, Mr. Keenan.

Thank you, Mr. Bachrach.

We're now going to move on to our next round. Actually, no, we're just ending off our third round, so we're going to go on to Mr. Soroka for five minutes, followed by Ms. Jaczek for five minutes. Then we'll get into the fourth round, hopefully.

Mr. Soroka, you have the floor.

Mr. Gerald Soroka (Yellowhead, CPC): Thank you, Mr. Chair.

My questions are going to be for Mr. Keenan then.

Last Friday, during the conference call on the new travel restrictions, did I hear correctly that immigrants or refugees will have to do the mandatory hotel stay, but that if they cannot afford the cost, the government will pay it?

Mr. Michael Keenan: I apologize. I wasn't actually on that call, so I'm struggling to provide a very precise answer to that. I'm going to see if any of my colleagues know whether or not.

Mr. Chair, I can offer to get back to the committee in answer to that question, but because this is something that's being administered by the Public Health Agency of Canada, I don't think we... I can tell you that the OIC that enacts this has carved out a special case for refugees and asylum seekers, so the legal authority is there to do exactly that. The operational guidance that the Public Health Agency of Canada is using in enacting that I can't speak to authoritatively.

Mr. Gerald Soroka: Is it possible to get that information? I want to make sure I heard correctly. Others might be interested and wanting to know this information. There also could be Canadians who don't have the funds to do this, so I'd like to know if that information is available.

Mr. Michael Keenan: In general, that carve-out is there to cover that case. We'll work with our colleagues from the Public Health Agency and provide that information to the committee.

The Chair: Mr. Keenan, if you could forward that information to our clerk, that would be wonderful.

Mr. Michael Keenan: I'd be happy to so, Mr. Chair.

The Chair: Thank you.

Mr. Soroka.

Mr. Gerald Soroka: Thank you, Mr. Chair.

I'm not certain if you can answer this question. Under the new travel restrictions, travellers now have to quarantine in a government-approved hotel.

What criteria did the government use to determine which hotels would receive approval? Was it a bid process, a request for proposal or some other method?

Mr. Michael Keenan: It's a great question. In fact, the Public Health Agency of Canada did go out with a competitive bid process to hotels. There was a range of criteria. One was that they had to be situated very close to one of the four international airports that can receive international flights. They had to provide a range of services. Obviously, there was the room. In addition to that, they had to be able to abide by strict public health and safety protocols, security and transportation, etc.

As a result of that bidding process, the Public Health Agency selected a series of hotels. In fact, I believe the booking service has gone online today. There's one centralized number that anybody coming to Canada has to call to book one of these certified hotels that was selected through a competitive process.

• (1710)

Mr. Gerald Soroka: With the new travel restrictions, if a traveller has a negative test result, they will be required to continue to quarantine at their home and be retested towards the end of their quarantine. In the event of a positive result, they'll be redirected to the public health centre designated by the federal government.

How is it safer for the people who test negative that they may come into contact with someone who has the virus, instead of going straight home and self-isolating there?

Mr. Michael Keenan: I apologize, but I think I missed the central premise of the question. Would you mind repeating it?

Mr. Gerald Soroka: I'll just summarize it. How is it safer for them to be in a hotel where they could come into contact with someone who does have COVID, instead of going straight home and self-isolating?

Mr. Michael Keenan: I think I understand. You mean while they're awaiting their results.

Mr. Gerald Soroka: Yes.

Mr. Michael Keenan: I think it's in several ways. First, for the traveller who arrives, when the swab is taken but they don't yet have a result—they don't know if they're positive or negative—if they go home, for many of them they'll actually go through the airport or they'll take another plane. They may take an Uber home. They may take a bus. The Public Health Agency has seen that the few people who do come in who are positive have passed on the virus in the process of going home.

In contrast, with this new protocol, there's a very strict system of managing, from a public health perspective, the transportation to the nearby hotel. The hotel will be adhering to very strict public health protocols. If they are positive, the risk of transmitting while they're moving to the airport hotel is much less than if they're allowed to continue their onward journey to their home to self-isolate.

In essence, that potential for transmission has been removed as a result of this measure.

The Chair: Mr. Soroka, you have time for one quick question.

Mr. Gerald Soroka: With the new travel restrictions, were the airlines ever consulted about not being able to go to sun destinations until the end of April?

Mr. Michael Keenan: I can say that the airlines were not just consulted, but they actually agreed.

The four major Canadian airlines that travel to the Caribbean and Mexico all voluntarily agreed. The Prime Minister announced, I think on Friday, January 29, that they had agreed to cease all of their travel to all Caribbean destinations and Mexico, effective January 31. The Prime Minister thanked them for their leadership and recognized their leadership in contributing to reducing the threat of the importation of COVID and these new variants of concern.

The government committed to continue to work with the industry through these negotiations and also to working together to develop a plan for the eventual safe restart of air travel.

The Chair: Thank you, Mr. Keenan, and thank you, Mr. Soroka.

We're now going to move on.

Ms. Jaczek, you have the floor for five minutes.

Ms. Helena Jaczek (Markham—Stouffville, Lib.): Thank you, Chair.

Thank you to the witnesses for being with us this afternoon.

I'm not sure who on your team is most appropriate to answer this question, but I was particularly struck by an item in the minister's supplementary mandate letter. The direction is for the minister to:

Work with the Minister of Innovation, Science and Industry, the Minister of Environment and Climate Change and the Minister of Natural Resources, and with the support of the Special Representative for the Prairies, to implement the Net-Zero Accelerator Fund in continuing to support our manufacturing, transportation, natural resource and energy sectors as they work to transform to meet a net-zero future, creating good-paying and long-lasting jobs.

That's a lot of words. Could you make this a little more concrete? Perhaps give us an example of what type of business might apply to this fund, what it would look like and what sort of role Transport Canada is going to take in this initiative.

Mr. Michael Keenan: It's a great question. If I can, I'll refer it to my colleague Lawrence Hanson, the senior assistant deputy minister for strategic policy, who's overseeing our work on the enhanced climate plan.

Lawrence.

• (1715)

Mr. Lawrence Hanson (Assistant Deputy Minister, Policy, Department of Transport): The issue is that the fund is ultimately looking to drive technological innovation in key sources of carbon-emitting sectors. As members might know, about 25% of all our emissions come from transportation. Transport Canada has significant expertise both in an economic and in a regulatory sense in the automotive sector, which is one of the key elements of the net-zero accelerator. Therefore, we'll be working very closely with those departments on net zero, just as we have been on other related issues in the auto sector such as zero-emission vehicles.

Ms. Helena Jaczek: Thank you, Mr. Hanson.

To follow up, and I think it fits fairly well, we've started to hear about light-utility vehicles becoming net zero. I'm very much struck by the need for this in my riding and my neighbourhood. It seems as though every young fellow of 20 to 30 years of age seems to want to drive one of these vehicles. They're really so common, so it seems like a great initiative.

Could you tell us a bit about which automotive companies are moving in this direction and whether you think we'll be on target for 2040?

Mr. Michael Keenan: We've seen the same trend as the member. For example, you can see, almost every week or every month, the auto companies are bringing out new commitments in terms of moving their lines of light-duty vehicles, including some sport-utility vehicles, into zero-emission propulsion systems.

The zero-emission vehicle incentive program gets new applications for models on a regular basis to be registered for eligibility.

As a reminder to members, that program has a very strict price limit. To be eligible, vehicles have to have a base model that's under \$45,000.

We are seeing that shift in light-duty vehicles. We're seeing the shift in sport-utility vehicles and we're anticipating a future shift in heavy-duty vehicles as the economics of the technology advance and the economics improve for battery technology in zero-emission vehicles. The 2040 target is very ambitious, 100% of new sales, and it's going to take a lot of work to get there, but we're seeing the progress and we're seeing the exponential growth of zero-emission vehicles at this time.

Ms. Helena Jaczek: How many Canadians have actually taken advantage of the net-zero vehicle incentive program?

Mr. Michael Keenan: We're very happy to have sent incentive payments to 70,000 Canadians so far.

Ms. Helena Jaczek: In a dollar value, how much actually was that subsidy?

Mr. Michael Keenan: That's a great question. I'm going to turn that over to Anuradha Marisetti, the senior assistant deputy minister of programs. She and her folks run the program.

Anuradha, could you tell us how much we've sent out so far?

Ms. Anuradha Marisetti (Assistant Deputy Minister, Programs, Department of Transport): Up to this point the funding was close to \$300 million, and we've almost exhausted all the monies. We've already given out close to \$290-some-odd million in terms of incentives. In December 2020 the Prime Minister announced a further \$282 million for the program, which makes the program available to continue providing incentives to future users until 2022.

Ms. Helena Jaczek: Thank you.

The Chair: Thank you, Ms. Marisetti.

Thank you, Ms. Jaczek, Mr. Keenan and Mr. Hanson, for a great round of questions.

We're now going to move to our next round. I'm going to try to get this last round in before time expires. We have, first up, Ms. Kusie for five minutes, followed by Mr. Bittle for five minutes, Mr. Barsalou-Duval for two and a half minutes, and Mr. Bachrach for two and a half minutes.

With that, Mrs. Kusie, you have the floor.

Mrs. Kusie...?

• (1720)

Mr. Taylor Bachrach: I'm happy to take her time, Mr. Chair.

Voices: Oh, oh!

The Chair: I think she might be having some audio problems. She's trying to reconnect.

Ms. Elizabeth May: I'm sure I know what she was going to say, so maybe I can channel Stephanie.

Voices: Oh, oh!

The Chair: Stephanie, how are you making out there?

She's having some challenges, so I'm going to move to another CPC member.

Mr. Kram, Mr. Soroka or Mr. Shipley, would you—

Mrs. Stephanie Kusie: Pardon me, Chair. Here I am. You have my apologies.

The Chair: There you go. You're all set.

Mrs. Stephanie Kusie: Thank you so much, Chair, for having me back.

Thank you very much to our witnesses for being here.

My questions go back again to the sector-specific supports for the aviation sector. How long has Transport Canada been working on the sector-specific supports for the aviation sector?

As I mentioned in the round with the minister, on March 12 the previous minister stated that the government was looking into it, and then finally, on November 8 the government announced it was starting negotiations. What are your recollections in terms of the timeline for sector-specific support, please?

Mr. Michael Keenan: In response to the member's questions, I think the department, Transport Canada, has been working on different aspects of support to the sector since March.

I'll give you an example. There were a lot of regulatory changes that we put in place to help the sector cope with the tremendous dislocation. We developed the remote air services program to shore up our services to the most remote and isolated 148 communities in Canada. There was relief for airports. There was a round of it done in the spring. There was a package of about \$1 billion in measures for airports in the fall economic statement. There have been a series of actions carried out. There's been ongoing work throughout the entire period.

Mrs. Stephanie Kusie: Can you comment on what it is like to implement policy at such a rapid pace?

What direction have you received from the government, and what direction would have been more helpful? I'm thinking of, for example, the December 31 announcement of the government that it was going to be implementing the PCR testing within seven days, and then, of course, following this, the fear and alarm within the airline sector and airport authorities that the three-day quarantine was going to be implemented. It was described as "immediately", but then essentially ended up being more than three weeks later. I

was told by industry sources that it would take two weeks, but it actually ended up taking closer to three.

Can you describe what it has been like to respond to such a quick turnaround with what seems to be no notice and very little direction, and what could have helped in terms of being able to implement it with more precision and more clarity?

Like my colleague, Mr. Shipley, mentioned, I was also on the technical briefing on Friday, and it was concerning because there seemed to be so little information prior to the orders-in-council being released. What was also alarming was that the majority of questions were from members of the governing party. It is astounding to me that there wasn't even an internal caucus briefing, that they would have to come on this call with their own questions.

Then, as I also saw throughout the pandemic and my time as shadow minister for families, children and social development, at HUMA, where we looked at CERB, where it sort of seemed to delineate and delineate into more specific permutations of programs, we saw the same thing. It sort of started off with broad questions like "What about students?" and "What about workers?" and ended up being "A senior from wherever with their cat, how are they going to get back?"

If you can perhaps provide us with some information as to what it has been like to turn around these policies with such incredible expectations for the safety of Canadians so quickly... What direction do you think you could have received from the government to perhaps make it easier to adapt and to implement?

This is for anyone. Thank you.

• (1725)

Mr. Michael Keenan: It's a great question and it's one of a broader perspective, given the premise of the question. COVID-19 has had unprecedented impacts in terms of how devastating it's been for Canada, for Canadians and for those around the world, and in what it's required in terms of government decision-making.

I've been a public servant for over 30 years and I have never seen anything like this, where essentially over the whole year the federal government, all of the provincial governments and governments around the world have had to make what would have been, before COVID, unimaginably quick and aggressive decisions to protect public health. It's been going on all year, so it's hard to find words to describe it.

To come back to the question about the most recent changes, it is a great example. That is simply one chapter in a very long book of difficult surprises and new developments that have to be responded to immediately.

I remember when the news broke about the U.K. variant of concern. That was just a couple of days before Christmas and it shocked the world. The implications of it have been destabilizing for the global fight against COVID. Within hours there were high-level meetings and discussions and analysis and examination of options. Within a number of hours, the government took action and we implemented, quite frankly, an unprecedented measure, which was to use the assessment done over the last 24 hours—during the day and over the night—from the chief public health officer of Canada, and combine the authorities of the Quarantine Act and the Aeronautics Act to actually ban all direct flights from the U.K.

That's something we've never done before for a public health reason, and we did it very quickly based on analysis that was done in a very compressed period to deal with that variant of concern.

We followed that up with an announcement on December 31. We already had strict travel measures—the 14-day quarantine and some of the toughest international travel measures in the world—and we immediately added, with essentially one week's notice, a requirement for pre-board COVID testing for all international arrivals into Canada. We worked with the industry and we consulted with them but on a very compressed timeline.

I would say that we knew it would be challenging for the industry to implement this on such an accelerated schedule, but we also felt it was imperative to do so in terms of protecting public health. I would say we are very appreciative and we recognize that the industry did a great job. There was a very rapid phase-in of that. We moved very quickly to a very high level of compliance, and that's become a significant new measure to protect public health.

In regular, as you might call it, public health peacetime, it would be unimaginable that we would so quickly put in place a measure and impose it, and so dramatically change the requirements regarding what airlines do to screen passengers from 57 countries that have flights to Canada, but it became not just something that was imaginable but something that happened under COVID.

We've seen that happening in terms of the successive steps in measures that have been taken since the discovery of the U.K. variant of concern, the Brazilian variant of concern and the South African variant of concern. There has been a successive ramp-up of some very tough measures, such that now people arriving by air in Canada actually end up with three COVID tests before they're free and clear of quarantine. That is pretty stringent stuff, but it's to try to keep out the devastating effect of these variants of concern.

The Chair: Thank you, Mr. Keenan.

Thank you, Mrs. Kusie.

Mrs. Stephanie Kusie: Thank you, Chair.

Thank you, Mr. Keenan.

The Chair: We're going to move to Mr. Bittle.

Mr. Bittle, you have the floor for five minutes.

• (1730)

Mr. Chris Bittle: I am wondering if you could provide an update on the ports modernization review, and more specifically the aim to

update governance structures that promote investment in Canadian ports.

Mr. Michael Keenan: I would be happy to.

For that, if I can, I'm going to turn to my colleague Mr. Hanson. It's something he's leading here at Transport Canada.

Mr. Lawrence Hanson: Thanks very much, and thanks to the member for his question.

As part of the review, we did a significant amount of analysis of different kinds in terms of speaking to stakeholders across the country, obviously, and with the Canada port authorities themselves, and also a lot of internal analysis. We did provide a "What we heard report" in October that gives a sense of some of the key messages.

We are in the process of finalizing our advice to the minister on that. This is a system that has been in place for a lengthy period of time, and it has huge implications for our trade and competitiveness, so we really do want to make sure that we get this right and do it in a way that.... The existing system certainly works very well as it stands, but there's room for improvement and we're just finalizing our advice to think of the best ways to do that.

Mr. Chris Bittle: Thank you so much.

If I could, I'll ask a broader question on the impacts of COVID on Transport Canada itself: priorities and mental health, including the mental health of public servants and how they're doing their work. I was wondering if you could speak to that.

Mr. Michael Keenan: I'd be happy to. Thank you for the question.

COVID-19 has had a devastating impact on so many Canadians. Everybody has been affected. Even for those whose livelihoods have not been affected—I think everybody at Transport Canada is in that category—it has still been a very challenging experience.

If you'll permit me, I'll give a shout-out of appreciation to the over 6,000 people who work at Transport Canada. Like everybody else over that weekend in mid-March, we sent everybody home, and on a Monday morning we started up with those 6,000 people virtually, with 98% of them working remotely. At the same time, we had to respond to this unprecedented crisis and take an enormous amount of action in terms of this. We've probably done about three years' worth of regulatory changes in the last year just to ensure the transportation system is safe for Canadians and is responding to the economic crisis. The folks at Transport Canada came through with a real sense of public service.

Like people everywhere in Canada, like so many other Canadians, they've faced the same reality of a higher work burden, the dislocation of working at home and, for many of them, taking care of kids who would otherwise be in school or day care. Folks pulled through. We spent a lot of time worrying about and focusing on mental health and providing mental health support and also a lot of time polling our employees to see how they're doing. They've been amazingly resilient. It hasn't been easy and there have been a lot of challenges, but I think that's the story that all Canadians are experiencing, quite frankly. I think the one thing that people here have is the sense that they hope and they believe that they're helping to make a difference.

Like every other employer, we've had to find ways of doing things differently. We're now doing a lot of things virtually, and we're living on Zoom and Teams and finding a way to get it done. We believe that we're still able to, through different strategies. Sometimes we do things in person. We've used GoPros and high-resolution cameras to remotely inspect ships, because it wasn't safe to put inspectors on them. We're continuing the work and hanging in there, and again, like all other Canadians, we are trying to hang in there through a very difficult experience.

Thank you for the question.

The Chair: Do you have one more quick one, Mr. Bittle?

Mr. Chris Bittle: Sure.

Maybe I'll ask for an expansion on your answer with respect to inspections and the important work that TC does on the safety side of things. You mentioned the GoPro cameras, but could you expand on that and on what Transport Canada is doing with inspections?

Mr. Michael Keenan: I'd be happy to.

I think I'll turn it over to Kevin Brosseau, the senior assistant deputy minister for safety and security, to elaborate on that.

Mr. Kevin Brosseau (Assistant Deputy Minister, Safety and Security, Department of Transport): Thank you to the member for the question.

I'm very proud in my role as the senior ADM of safety and security, joined by a few thousand employees, in terms of the ability to be able to pivot to provide and ensure safety and security for Canadians across the transportation modes, whether that's as in the example that Deputy Minister Keenan provided with respect to ships, or on the rail side with the transportation of dangerous goods, where we're doing work differently, yet at the same time ensuring that the highest risk items, the highest risk areas and the priority areas are still being attended to.

It's an evolution. It has been an evolution for the past year. I think we've learned lessons about how we can actually function more efficiently and deliver on our key services in a more effective way.

You raised this question before. There has been a mental health toll—no doubt. Folks are tired but still very committed to the cause. They believe in their hearts that delivering on our safety and security mandate is primary. Really, frankly, speaking for them, I'm very proud of their work.

Thank you.

• (1735)

The Chair: Thank you, Mr. Brosseau.

Thank you, Mr. Bittle.

We're now going to move to Mr. Barsalou-Duval for two and a half minutes.

[*Translation*]

Mr. Xavier Barsalou-Duval: Thank you, Mr. Chair.

My first question is for Mr. Keenan.

If people test positive for COVID-19 when they return to Canada, are they transferred to federal quarantine facilities? Could you provide us with information on the cost of accommodation per person?

Mr. Michael Keenan: Thank you for the question.

[*English*]

I don't have exact numbers for the costs of the designated quarantine facility, but the system works.... The Public Health Agency of Canada has a network of designated quarantine facilities across the country and has—

[*Translation*]

Mr. Xavier Barsalou-Duval: You don't have the data to hand; that's understandable. We would, however, be grateful if you could pass them on to committee members later.

Have you been contacted by NAV CANADA representatives to advise you of planned service reductions? If so, can you tell us where they will be applied?

[*English*]

Mr. Michael Keenan: NavCan has indicated that it intends to carry out a series of studies on changing the level of service in a series of control towers and flight service stations. It has not yet filed with Transport Canada any formal proposals to change the level of service. It has indicated that the work is under way.

[*Translation*]

Mr. Xavier Barsalou-Duval: Thank you.

Have officials or people in the minister's entourage had the opportunity to have discussions with a potential Air Transat buyer other than Air Canada?

[*English*]

Mr. Michael Keenan: In the process of reviewing the transaction and analyzing all of the information available to support the government's decision on Air Transat, Transport Canada has carefully assessed all information received, including any information provided by any party that had any interest in purchasing—

[*Translation*]

Mr. Xavier Barsalou-Duval: Thank you.

As I understand it, there was no discussion about this.

[English]

The Chair: Thank you, Mr. Barsalou-Duval.

Thank you, Mr. Keenan.

We're now going to move to Mr. Bachrach, our final speaker.

Mr. Bachrach, you have the floor for two and a half minutes.

Mr. Taylor Bachrach: Thank you, Mr. Chair.

Mr. Keenan, with regard to the recently announced travel restrictions, Canadians have identified a number of compassionate cases that are not covered under the announced exemptions. For instance, specifically, they're wondering about travel companions of a minor or travel companions of a person with a disability who is travelling across the border in order to access essential medical care.

Will the travel companion be able to access the same exemptions as the minors or the people with disabilities?

Mr. Michael Keenan: As the member indicated, in developing the order with respect to the requirements for a three-day stay and testing, the Public Health Agency of Canada has provided some additional carve-outs, for example, for people travelling for essential medical care, and has indicated that it would look at specific cases and situations like that.

I believe that is likely being looked at by the Public Health Agency of Canada. I can't authoritatively tell you exactly where it is on that, but again, as with a number of other questions that relate to the Public Health Agency of Canada's exact provisions and operating guidelines, we'll consult with it and we'll make sure to bring that information to the clerk of the committee.

• (1740)

Mr. Taylor Bachrach: Thank you.

My last question is around the hotel quarantine as well. Specifically I'm wondering about people who may be positive but who are not caught by that test on arrival. The McMaster Pearson study found that a total of 1% of inbound passengers ended up testing positive—0.7% tested positive on arrival and another 0.3% after seven days.

The hotel quarantine, under the current restrictions, lasts for only three days. I'm wondering about that 0.3%. That's fully a third of the total positive cases that wouldn't be caught by the first test. Is there a risk of transmission if those people are able to leave after three days and travel on to their home destination?

Mr. Michael Keenan: The member raises a really good question.

In fact, I think that exact risk that's identified by the minister really informed the policy that has developed in two ways. The first is on the test the member is referring to, the post-arrival test. The core issue here is that in the first few days the virus is in the body, it's possible that it won't show up in even a PCR test. It takes a few days and then it starts to show up, but that post-arrival test, where the person has to stay in the airport hotel until it clears negative, is not the first test. It's the second test. They've already had a test up to 72 hours before they actually departed.

That test, depending on the exact details, is probably happening two, three or four days after the first test, so they're not clear of just one test; they're clear of two tests. The risk of their having COVID is much less than the statistics implied by the McMaster study. Also, then, they're still under an obligation to follow strict protocols for travel, and they're still under an obligation to follow a strict quarantine in, say, their homes. Then there's a third test at the end of that.

Building a system with three tests in it is geared to actually eliminate, to the greatest extent possible, the risk of anybody slipping through, because at any one point in time you may show a negative test even though you do have COVID. After those three tests, I think there's a high level of certainty that the person is clear of COVID and safe to move about their daily life.

The Chair: Thank you, Mr. Keenan and Mr. Bachrach.

To all members and to the witnesses, Mr. Keenan, Mr. Hanson, Ms. Marisetti, as well as Mr. Brosseau, I want to thank you for your candidness in the questioning today.

Mr. Brosseau, I'm glad you got that one question so that you were able to respond.

Thank you, Chris, for including him. I appreciated that.

To all the witnesses, I thank you, and I also thank Minister Alghabra for being very candid in his answers and really getting a lot of information out to the committee, which I'm sure the analysts have absorbed and will be included within the final report.

To all members and witnesses, thank you for your time today.

We'll see you on Tuesday at our next meeting. Have a great evening.

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