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# Standing Committee on Government Operations and Estimates

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Chair: Mr. Robert Kitchen





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• (1535)

[English]

**The Chair (Mr. Robert Kitchen (Souris—Moose Mountain, CPC)):** I call the meeting to order. Welcome to meeting number 21 of the House of Commons Standing Committee on Government Operations and Estimates.

Today the committee will be continuing its study of air defence procurement projects. Today's meeting is taking place in a hybrid format pursuant to the House order of November 25, 2021. Members are attending in person in the room and remotely using the Zoom application.

Regarding the speaking list, the committee clerk and I will do the best we can to maintain a consolidated order of speaking for all members, whether participating virtually or in person. I'd like to take this opportunity to remind all participants that during this meeting screenshots or taking photos of your screen are not permitted. Given the ongoing pandemic situation and in light of the recommendation of the public health authorities as well as the directive of the Board of Internal Economy on October 19, 2021, to remain healthy and safe the following is recommended to all those attending the meeting in person.

Anyone with symptoms should participate by Zoom and not attend the meeting in person. Everyone must maintain a two-metre physical distancing whether seated or standing. Everyone must wear a non-medical mask when circulating in the room. It is recommended in the strongest possible terms that members wear their masks at all times, including when seated. Non-medical masks, which provide better clarity over cloth masks, are available in the room. Everyone present must maintain proper hand hygiene by using the hand sanitizer at the door. Committee rooms are cleaned before and after each meeting. To maintain this, everyone is encouraged to clean the surfaces of their desk, their chair and their microphones with provided disinfectant wipes, whether you're vacating or taking a seat.

As the chair, I will enforce these measures for the duration of the meeting and I thank members in advance for their co-operation.

Before we start, I'd like to say that the committee has the expectation that all witnesses will be open about any potential conflict of interest they may have. This is to ensure that the committee can fully understand the context of the testimony it is about to receive. If you feel that your testimony may be coloured by a previous or current interest, I invite the witnesses to disclose this during their opening statements.

I'd like to welcome Mr. Valois of the International Association of Machinists and Aerospace Workers. You have five minutes to make your opening statement, sir.

[Translation]

**Mr. Guillaume Valois (Public Relations and Research Manager, International Association of Machinists and Aerospace Workers):** Thank you very much, Mr. Chair.

First, I join the International Association of Machinists and Aerospace Workers (IAMAW) in thanking you for the invitation to testify before you today. It's a tremendous honour and privilege to address you on behalf of my organization.

With 184,000 members covered by 1,000 collective agreements in the aerospace sector, the International Association of Machinists and Aerospace Workers is considered the largest aerospace union in the world.

For nearly 90 years, our organization has had a front row seat in the development of this industry in North America. We've been involved in the Canadian aerospace ecosystem since the 1940s, and have always made it our business to promote this industry.

The Canadian aerospace ecosystem really took off during the Second World War. That conflict revealed the strategic potential of the Canadian aerospace industry from a national security and technological innovation perspective.

From the 1950s onward, Canada stepped in to help build its domestic aerospace industry in an attempt to maintain its strategic potential. Faced with a weak domestic market, Canada chose to enter into several agreements with the United States to give its industry access to many of the military programs initiated by the Cold War.

From 1946 to 1970, the Canadian government's intervention essentially served to orchestrate the transition period of its aerospace industry. It therefore evolved from an industry focused on the war effort to one empowered to meet Canada's strategic interests in national security and technological development.

That said, Canada's initiatives did not prevent the failure of projects like the Jetliner and the Arrow. The virtual absence of technically and commercially viable industrial development plans was a major reason for the difficulties faced by the Canadian aerospace sector at the time.

Prior to the acquisition of the CF-18, the Royal Canadian Air Force used several Canadian-made aircraft. These included the Sabre and the CF-5 and CF-104 supersonic fighters, manufactured under license at Canadair in Montreal.

During the 1950s, Mississauga-based Avro was responsible for the first jet fighter designed and built in Canada, the CF-100 Canuck. Over 692 CF-100s were built. This model was used by Canada and Belgium and was part of NORAD and NATO squadrons until the early 1960s. Thereafter, it was used for training and reconnaissance exercises until 1981.

Canada acquired the first aircraft in its CF-18 Hornet fleet in 1982, and efforts to replace them began in the late 1990s. The Royal Canadian Air Force CF-18s were originally scheduled to reach the end of their service life in 2003. In order to keep its fleet in service, Canada had to carry out major modernization programs beginning in the 2000s and acquire used CF-18s from Australia.

Since Canadair was awarded the contract in 1986, CF-18 maintenance and modernization operations have largely been performed by IAMAW members in the Montreal area. The CF-18 Super Hornet fleet will be retired in 2032. Our members will have worked on the products for 46 years, 32 years longer than planned. Without the contribution of the workers who maintain the CF-18s, it would have been impossible to keep these aircraft in service this long. Over the years, they have developed unparalleled expertise in the repair and maintenance of military aircraft and in life-cycle extension reviews. This expertise is an asset to the Canadian aerospace ecosystem. It also represents great strategic value to Canada from an economic, technological, industrial and military perspective.

Whether it was the Canadair maintenance contract in the late 1980s or the contract to acquire the next Royal Canadian Air Force fleet, the IAMAW has always been prepared to defend and promote the interests of our aerospace ecosystem and the people who work in it.

For us, there is no question that Canada must use its air defence procurement projects in a way that maintains and creates jobs, like those of our members at L3Harris.

Today, we are submitting three recommendations along these lines to the members of this committee.

First, we recommend that the tendering process for the maintenance or acquisition of equipment required for national air defence or any other type of aircraft and its components be part of a Canada-wide aerospace policy, a policy that sets out the roles, responsibilities and commitments of all stakeholders in the Canadian aerospace ecosystem.

• (1540)

Second, we recommend that the objectives for air defence procurement contracts include clear requirements for industrial activi-

ties, technology transfers and maintenance and manufacturing activities of defence equipment or its components.

Third, we propose that certain elements of the Industrial and Technological Benefits Policy be re-evaluated, such as section 8.2 on indirect transactions, and that the policy apply to all procurement and equipment contracts needed for national defence.

The Canadian aerospace ecosystem must be considered a highly strategic sector by the Canadian government. Ensuring its viability and development must be a priority for this government and part of an industrial policy specifically tailored to its needs.

I will conclude my remarks with a comment on the CF-18 replacement process. When peace, freedom and fraternity are among our core values, it's out of necessity, not out of a sense of gaiety, that we choose to invest in the military rather than elsewhere. In this sense, we have a responsibility to ensure that such an approach is based on a rigorous process where the protection of the common good and the promotion of our interests are omnipresent. The purchase and maintenance of a fleet of fighter aircraft is a complex process that requires a long-term financial commitment and represents a significant portion of the government's budget. In return, this type of project has the potential to provide a government with the means to meet its air defence needs, maintain and create jobs and generate significant industrial and technological benefits in a key sector of its economy.

Thank you very much.

[English]

**The Chair:** Thank you, Mr. Valois.

We'll now go to questions and answers.

We'll start with Mr. Paul-Hus for six minutes.

[Translation]

**Mr. Pierre Paul-Hus (Charlesbourg—Haute-Saint-Charles, CPC):** Thank you, Mr. Chair.

Good afternoon, Mr. Valois. Thank you for being with us today.

Your third recommendation is to re-evaluate some elements of the Industrial and Technological Benefits Policy. I'd like to refer you to the report released last week by the Parliamentary Budget Officer, in which he mentions that small and medium-size defence and security businesses are not extracting as many industrial technology benefits as they should.

Do you have anything to say about small and medium-size businesses in that respect?

• (1545)

**Mr. Guillaume Valois:** Thank you for the question.

With respect to small and medium-sized businesses, you have to understand that there are ramifications within the value chain of the principals, and the supply chain is often going to go beyond the borders of a single country. Often, ways are found to circumvent the rules to ensure that certain activities outside of Canada are considered in the assessment of technological spinoffs under the current policy. So, if we tighten up these regulations a little to decrease the percentage of work that is done outside of Canada, to instead invite contracting organizations to have these subcontracting activities done by suppliers, SMEs who are on the side—

**Mr. Pierre Paul-Hus:** I understand that you're being careful what you say, but what you're telling me in a somewhat indirect way is that, through the back door, large companies can subcontract to foreign companies that are related to Canadian companies legally, but that generate spinoffs elsewhere.

Is that what you're telling me, more or less?

**Mr. Guillaume Valois:** Exactly.

By definition, a multinational has branches everywhere. If they make a component in their factory in the United States, they don't make it in Canada, but the assembly of that component could be completed in a Canadian factory and then end up in a military device that will be used by the Canadian military, and that will be included in the calculation of spinoffs, based on certain criteria. That being said, there are both a floor and a ceiling to meet.

**Mr. Pierre Paul-Hus:** Our committee has met with several experts, and sometimes there seems to be a performance issue in Canada. We seem to have a problem getting the work done on time or on budget. We're having meetings about just that to understand what's going on.

I know you represent mostly Quebec workers, but in your opinion, is there a performance or competency issue in Quebec and Canada that's causing these delays and forcing us to go elsewhere to get the work done? How do you see this?

**Mr. Guillaume Valois:** If there is a problem, I don't think it's related to performance or competency issues. If there is a problem, Canada has all the tools in terms of innovation to try to fix it. As I said earlier, it's just a matter of having a long-term strategy and vision. You have to be able to rely on a concerted policy that addresses the problems in the industry to try to bring everyone up to speed and give additional tools to SMEs to go out and get those contracts.

You say we seem to be having trouble meeting deadlines on some contracts. That brings me to another factor, the problem of access to skilled labour. All sectors are going through a labour shortage, but it's even more acute in the aerospace sector because the workforce must be highly trained and skilled. You need relatively specialized skills to do certain jobs. So this somewhat exacerbates the problem of labour accessibility and the ability of some companies to do more contracts.

**Mr. Pierre Paul-Hus:** In another report, the Parliamentary Budget Officer points out that there is often a problem related to the concentration of contracts. There is a quiet period, but then the government decides to award all the contracts at once. This creates a bottleneck for the industry.

Is this something you're currently experiencing or have experienced in the past?

**Mr. Guillaume Valois:** It's hard to say, but I don't think that's the case right now. The industry is recovering from the pandemic. There is obviously a lot of excitement and the prospects are still relatively good, both on the defence side and on the commercial side.

The fact remains that what is on the horizon is the technological shift and the availability of skilled labour. We need a concerted policy that will increase co-operation among all players in the aerospace industry. To achieve this, we must move towards a pan-Canadian aerospace policy. In this way, the entire sector will pool its collective intelligence to arrive at viable solutions for all. We have to be able to see the problems that we may face ahead of time and address them within a reasonable time frame.

• (1550)

**Mr. Pierre Paul-Hus:** Thank you.

[English]

**The Chair:** Thank you.

We'll now go to Mr. Jowhari for six minutes.

**Mr. Majid Jowhari (Richmond Hill, Lib.):** Thank you, Mr. Chair.

Thank you, Mr. Valois.

You talked about, in response to my colleague MP Paul-Hus, some of the shortages of qualified, trained individuals, and you said there is a retention issue. As you know, we've now recovered almost 115% of the jobs we lost during the pandemic. We have recovered about three million jobs. Our economy can still absorb another million jobs. I know in fact that in the real estate industry, we're short 300,000 jobs, which through budget 2022 we are trying to address.

I was doing a little bit of research. I noticed that 30,000 jobs were lost in the industry, and you are currently experiencing a shortage of about 130,000.

In your view, what can we do toward making sure that the aerospace industry, when it comes to talent, is sustained over a much longer period of time? How do some of the current air defence procurement projects play a role here? I just heard that we put up another \$99 million for the F-35s. Do you have an opportunity to be part of any of these projects?

Thank you.

[Translation]

**Mr. Guillaume Valois:** As far as the labour shortage is concerned, to some extent I don't think it's a retention issue. It's true that this industry, especially in the commercial sector, is cyclical and extremely sensitive to the vagaries of the economy. Certainly, by diversifying the Canadian aerospace ecosystem, particularly by focusing more on defence, we could help increase its resilience.

In addition, the labour shortage is not so much a retention issue as it is a problem of the age of workers. The average age of our aerospace members is over 45. These people will be retiring in the coming years. Schools that offer aerospace training, both in Quebec and elsewhere in Canada, are experiencing a recruitment problem. There is work to be done to try to attract young people to these jobs. To do that, we have to make them understand that the Canadian government will do its part to secure these jobs and that, through procurement contracts, it will ensure the viability of certain activities in this sector by giving priority to local businesses to carry out the work.

I don't know if that answers your question correctly.

[English]

**Mr. Majid Jowhari:** Thank you.

You're talking about how we need to be able to enhance the resilience of the aerospace industry and workers, especially given the fact that some of our procurement cycles are up and down, as my colleagues pointed out.

What programs do you think the federal government can implement to incentivize younger generations to come in? You mentioned that we're still going to maintain the CF-18s for another 10 years probably, and then the F-35s are coming. That's a great opportunity for the younger generation and the new talent to be able to join.

How can we as a government help you and help your industry?

• (1555)

[Translation]

**Mr. Guillaume Valois:** That's what I wanted to talk about. In order to enhance this industry, we need to be able to sell its projects and programs, to present them to Canadians and future workers as jobs of the future. The aerospace sector needs to be seen as a sector of the future for workers.

Currently, several Canadian companies are involved in manufacturing components for the F-35. These include Magellan Aerospace in Kitchener, Héroux Devtek and Pratt & Whitney in Longueuil, Asco Aerospace Canada and Avcorp Industries in British Columbia, and Bell Machines in Ontario.

Is there a way for the Government of Canada to promote this sector to the public and to the next generation of workers, and to make the case that this sector offers good, stable, reliable jobs? The government must commit to doing whatever it takes to ensure that the maintenance of the F-35 or Gripen is carried out in Canada, regardless of which aircraft is chosen at the end of the process, and that the procurement of components necessary to maintain the aircraft is done by Canadian, not foreign, subcontractors, whenever possible,

while respecting its trading partners. There is a way to negotiate this. It would be an excellent way to bring more stability to the Canadian aerospace ecosystem.

[English]

**Mr. Majid Jowhari:** Thank you.

**The Chair:** Thank you.

We'll now go to Ms. Vignola for six minutes.

[Translation]

**Mrs. Julie Vignola (Beauport—Limoilou, BQ):** Thank you very much, Mr. Chair.

Mr. Valois, thank you for being with us today. We appreciate it very much.

As you know, the Government of Canada announced a few weeks ago its intention to negotiate with Lockheed Martin on the F-35.

What do you think of the fact that the choice seems to be leaning towards the F-35, rather than the other competitor in the process, the Gripen?

**Mr. Guillaume Valois:** We have some reservations about the choice of the F-35. It's not that it's a bad choice, but there seems to be a contradiction between the industrial and technological benefits policy that Canada is putting forward and its participation in the joint strike fighter program.

Under the industrial and technological benefits policy, the government requires compensation in the form of industrial and technological benefits when the purchase is made from a foreign supplier. The foreign company that becomes a supplier to Canada must commit to making a series of investments equal to the amount of the purchase.

However, when we look at the agreements signed under the joint strike fighter program, we see that they allow Canadian companies to compete with aerospace companies from other partner countries. In return, Canada and all other participating countries must waive their respective industrial benefits policies if they wish to acquire an F-35. This suggests that Canada will have difficulty obtaining guarantees that these procurement contracts will have domestic benefits.

Furthermore, there is nothing to prevent Canadian contracts that we would have won by purchasing F-35s from being cancelled if another company in a partner country manages to bid lower than a Canadian company.

It's as if, prior to signing, the potential impact of the 2006 joint strike fighter MOU on Canada's air defence procurement initiatives was overlooked and the project was assessed strictly in terms of the industrial benefits the partnership could bring in the short term. That is where the main problem lies.

**Mrs. Julie Vignola:** In short, there is no guarantee of long-term industrial and technological benefits for our companies, and the big winners would be U.S. companies and the U.S. economy.

Did I get that right?

**Mr. Guillaume Valois:** Indeed, the main problem is that we have no guarantee of the benefits. Everything has to be negotiated on a piecemeal basis, and it's a never-ending process. As soon as a new partner is added to the F-35 development program for aircraft construction, they too can start negotiating piecemeal and try to steal contracts from other partners. A dynamic has developed within the F-35 development program. It is extremely difficult to design a new aircraft program and to take on the financial burden alone. That's why Lockheed Martin and its other industrial partners made the decision they did. So it has been split—

• (1600)

**Mrs. Julie Vignola:** Thank you, Mr. Valois. I would listen to you talk about this for a long time, because I'm very much interested, but I would like to ask you another question.

You just said that everything to do with maintenance and parts would benefit the U.S. economy more than our companies. What impact could this have on machinists and aerospace workers you represent?

**Mr. Guillaume Valois:** Earlier, I briefly mentioned Canadian suppliers for the F-35. Overnight, we could decide not to choose this aircraft. Even if we did choose it, we wouldn't be able to guarantee a level of activity for this aircraft, even though Canada has participated to the tune of \$710 million. Nor can we guarantee that the maintenance carried out at Mirabel by people from L3Harris or on Canadian military bases will continue.

Beyond the economic issue and job preservation, the issue of national security also comes into play. When you don't have—

**Mrs. Julie Vignola:** Basically, Canada paid \$710 million and there were \$2 billion in spinoffs. However, there is nothing to stop Lockheed Martin from deciding to keep the parts and expertise we have provided and not renew these long-term agreements to build the rest of the F-35s. We have no assurance of that.

Is that right?

**Mr. Guillaume Valois:** Yes.

**Mrs. Julie Vignola:** Okay.

**Mr. Guillaume Valois:** Basically, we're applying a strict free market rule; we are adopting the approach of economic liberalism. In a context where its domestic aerospace market is extremely small, I don't think Canada can afford to waste a few contracts that will be done abroad.

**Mrs. Julie Vignola:** In your opening remarks, you provided some background. You spoke briefly about the agreements that were signed between Canada and the United States. Are they still in effect? Could one of them force Lockheed Martin to respect SMEs and the expertise of Canada and Quebec?

**Mr. Guillaume Valois:** As far as I know, no agreement comes to mind.

There is currently a program in which Canada is a partner in the development of the F-35, and the criteria of this agreement apply.

We are partners in this program precisely so that we can benefit from the spinoffs, and that is indeed the case. If Canada buys the aircraft, we will also be able to benefit from certain other spinoffs, but we aren't in a position to guarantee that. That's where the nuance lies—

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

[*English*]

I apologize for interrupting, Mr. Valois. If you feel that you'd like to say more in response to that question, please, by all means do put it in writing and submit it to the clerk. We will distribute that to all committee members.

I will now go to Mr. Johns for six minutes.

**Mr. Gord Johns (Courtenay—Alberni, NDP):** Thank you very much, Mr. Valois, for your important testimony.

I'm going to continue Ms. Vignola's thread on the economic benefits piece. I know that some politicians really want to talk about cheaper and quicker, and about maybe looking outside of Canada to develop military procurement. Can you maybe speak about the importance of procuring domestically and ensuring that...?

Maybe you could speak about the human rights, the quality, the many different benefits of manufacturing here, the multiplier effect and the importance and significance of that and what it looks like on a "runway", if you want to call it that—

**Voices:** Oh, oh!

**Mr. Gord Johns:** —because here we are talking aerospace.

If we don't take a solid approach.... You talked about a pan-Canadian aerospace policy and strategy. Can you tell me what the runway will look like if we do take an approach that is Canadian security-based, with development and manufacturing here at home?

• (1605)

[*Translation*]

**Mr. Guillaume Valois:** As we all know, the pandemic caused breaks in the supply chains for virtually all goods delivered, assembled and sold around the world. The aerospace sector suffered, as did other sectors. Many players in various countries are trying to attract the supply chains for their strategic sectors by either simply repatriating the work they do or ensuring that it's done in a neighbouring or politically stable economic partner country.

The same is true of the aerospace sector's supply chain. As a result of breaks in that chain, we're experiencing problems on the assembly lines of certain aircraft. In some cases, we've had to take an entirely different approach to finding new suppliers. Some businesses have tried starting work on projects to ensure the work is done in their own plants rather than by a subcontractor in a foreign country.

As for the defence sector, I personally consider the prospect of procuring parts and maintenance for our equipment from anyone other than a group of Canadian workers unthinkable. If we did, we'd be putting the lives of our military personnel in the hands of workers based outside Canada. It's hard for me to view as a realistic option the possibility of having our aircraft maintained in another country where we would have less control under the laws in force.

[English]

**Mr. Gord Johns:** I really appreciate your comment. In fact, we heard something very similar from Unifor around the shipbuilding sector. Just the pride of our military using military equipment that's been built here in Canada, that alone has been very significant.

You talked about a pan-Canadian aerospace policy. Can you speak about the importance of that and maybe other countries that have developed a really good national policy or strategy around that?

As well, just because I'm going to run out of time here—I have two minutes left—can you also speak about the importance of the development of an aircraft recycling program?

[Translation]

**Mr. Guillaume Valois:** With respect to aircraft recycling, I still think that if we can build them, we have to be able to recycle them. That's my approach, and there's a current trend in that direction.

A commercial aircraft has a lifespan of approximately 25 years. It may differ for military aircraft, but it still ranges from 20 to 35 years. In many cases, once aircraft are no longer in service, they're stored in a desert or another dry place where they'll deteriorate as slowly as possible. Those aircraft are then cannibalized as needs dictate.

The creation of an aircraft recycling sector in Canada would make it possible, first, to increase the industry's resilience, and, second, in the event of a crisis such as the one we've just experienced, to assign laid off workers temporarily to aircraft recycling activities.

Other operations can be combined with recycling. Airlines store many aircraft temporarily before recycling them. They can be maintained from the time they're initially stored until a decision is made either to retire them permanently or to refit and return them to service as cargo aircraft, for example, and that's a potentially lucrative activity.

That's something we've included in our pan-Canadian aerospace policy proposal. We think the industry has to react and transform the assets it creates, by which I mean it should be able to reuse and repurpose the raw materials it has used to manufacture those aircraft. Many parts, such as landing brakes, can be reused in other types of aircraft without requiring extensive modification. There

would be a reliable and profitable resale market for parts, and that would be in addition to aircraft recycling activities. Ultimately, all we're lacking is the favourable environment that has to be established for that to happen.

• (1610)

[English]

**The Chair:** Thank you, Mr. Valois.

We'll now go into our second round and to Mr. Lobb, for five minutes.

**Mr. Ben Lobb (Huron—Bruce, CPC):** Thanks, Mr. Chair.

Mr. Valois, I think you mentioned a couple of times your concern that if the F-35 contract is agreed upon, there is some risk that some or all of the repair and maintenance work would be done in a country other than Canada.

Is there any country that has purchased F-35s and has an existing maintenance fleet to maintain them, and which has sourced that in another country? I am not familiar with any. Do you know of any?

[Translation]

**Mr. Guillaume Valois:** I'm not sure I really understand the question. Are you asking me if there are any countries that don't maintain their own F-35s?

[English]

**Mr. Ben Lobb:** It's more along the lines that the United Kingdom has an existing trained fleet of people such as you, as does the United States, as does Canada, who are qualified to maintain aircraft. I have just not heard of any countries where they have an existing capacity and capability and where the maintenance would be outsourced. I don't see that.

It doesn't seem to me that it would be a risk that the work would be sourced elsewhere, but maybe I am incorrect.

Nevertheless, the next question I have is in regard to the ramping up of the training. From the parts that you would be maintaining or manufacturing, is there a timeline in which you would be ramping up to provide the services among your workers?

[Translation]

**Mr. Guillaume Valois:** We have no objection to the maintenance operations for Canada's next fighter plane or the manufacturing of components to be installed in them being done by our suppliers in Canada, such as L3Harris, if they're prepared to submit a bid. I think they're actually ready to do so. The workers at L3Harris, whom our association represents, maintain CF-18s, so they could also maintain the next aircraft. We would like that, but we have little control over it. We represent the workers, we defend their rights in the workplace, and we negotiate their collective agreements, but we have limited influence over the contracts those companies negotiate with their clients.



[English]

**Mr. Ben Lobb:** My point was about the training of your members and bringing in the next generation of young men and women who would maintain and manufacture. I'm more curious about the lead time in your eyes for your people to get trained up for the different parts and the different capabilities of maintenance. Do you have any thoughts on that?

I'm asking that because in my area, we have a nuclear power plant, and they're going through a major, once-in-a-lifetime component replacement, and there's been a major effort over the last five or six years to bring in all the skilled people.

• (1615)

[Translation]

**Mr. Guillaume Valois:** As a result of the expertise that workers in Canada's aerospace sector have acquired over the years, that sector is now a very rich ecosystem. Consequently, I have no problem imagining that we can find an actor that can submit a bid and do the work within reasonable deadlines.

Canada's next fighter aircraft won't go into service and start flying tomorrow morning. Once the decision is confirmed, we'll have all the necessary leeway to establish the tools and training on the sites where maintenance and component manufacturing operations are carried out.

I think it's a rich, diversified and competent enough sector the do the work.

[English]

**The Chair:** Thank you, Mr. Lobb.

We will now go to Mr. Bains for five minutes.

**Mr. Parm Bains (Steveston—Richmond East, Lib.):** Thank you, Mr. Chair.

Thank you to Mr. Valois for joining us today.

Many years before I took this position, I was an aircraft mechanic in British Columbia, so I know a bit about the industry and its strength with respect to our workers, the mechanics and machinists.

Are there any particular trades in the air defence sector that have challenges with the retention of employees. If so, which ones are they?

[Translation]

**Mr. Guillaume Valois:** I don't have the exact information to answer your question, but I can look into it.

[English]

**Mr. Parm Bains:** Okay.

I'll ask about the pandemic and the impacts of COVID-19. How did that contribute to the loss of livelihood and affected careers in the aerospace industry? Was there a major downturn? Were people leaving and not coming back? Were there any of those impacts?

[Translation]

**Mr. Guillaume Valois:** The pandemic clearly had an impact. Earlier I mentioned that the average age of our members in the

aerospace sector was closer to retirement age than their age when they were first hired, if I can put it that way. Having gone through the pandemic, many workers who had 20 or 25 years' experience were laid off. They simply decided to throw in the towel and find another occupation. There was a loss of trust.

It's not true that this is a declining industry that's bound to disappear. The Canadian government has a role to play in rebuilding that trust by becoming a partner in this ecosystem, supporting jobs in the industry and being the ambassador of the Canadian aerospace industry around the world by relying on the products that are made here.

For example, Canada will be replacing its CC-150 Polaris aircraft, which are used to transport troops and refuel fighter aircraft. A single company, Airbus, with its refuelling tanker aircraft, has been selected to take part in the bidding. The contract is worth \$5 billion. That will have to be negotiated. Could the impact of that contract actually support the Airbus operations already established in Canada, such as those of its A220 program? Can an improved A220 become the next aircraft that transports Canadian government representatives? That's something that should probably be discussed with Airbus.

This is the kind of project and the kind of vision that Canada must put forward to promote its products. It's not as though it has never done this or isn't doing it now. For example, Challenger aircraft are already in service in the Royal Canadian Air Force. However, we should do more and do better by building our strategy around an industrial policy specifically designed for the aerospace industry. It should include an innovation and training component and anticipate technological changes in the industry. We have to adopt an approach designed to make the industry more resilient so it's less vulnerable to crises. We also have to begin a green shift within the industry.

A lot of good things are being done in Canada right now, but they aren't being done in a concerted way or in accordance with an industrial policy. It's quite simple: we have to increase cooperation in the sector by developing a policy specifically for it. I think the initiatives targeting the industry right now are too scattered.

• (1620)

[English]

**The Chair:** Thank you, Mr. Bains.

We will now go to Mrs. Vignola for two and a half minutes.

[Translation]

**Mrs. Julie Vignola:** Thank you, Mr. Chair.

Mr. Valois, I'm going to ask you some brief questions.

We discussed the labour and training shortage earlier. As far as you know, do businesses that hire machinists and aerospace workers have internal training programs or agreements with professional, college and university training centres to establish the necessary conditions for the next generation of machinists and workers?

**Mr. Guillaume Valois:** Yes, the activities of the Comité sectoriel de main-d'œuvre en aérospatiale and the École des métiers de l'aérospatiale de Montréal, which share the same premises, are a striking example involving many partnerships to promote the sector. There are also Aéro Montréal and Aéro Emploi, which are working very hard to attract the next generation of workers to the occupations of the future in the aerospace sector. A lot of good things are being done in that area.

**Mrs. Julie Vignola:** As you noted earlier, we often see aircraft stored in deserts, and we wonder why they're there.

Current commercial and defence fleets are being modernized. Do you know what will be done with the old aircraft?

Could those aircraft be recycled here, particularly in Quebec, which is becoming a leader in aircraft recycling? Have you seen any sign of that kind of program here?

**Mr. Guillaume Valois:** Two SMEs are engaged in aircraft recycling operations here in Quebec. They're headquartered at Mirabel airport, are really just starting up their operations and need support. They're the only two SMEs in Canada that have all the necessary certification to carry on recycling operations and the upgrading and resale of used aircraft parts and components. They obviously need assistance in taking on more work and recruiting new clients.

About a year ago, Airbus indicated that it was looking for new partners to expand its aircraft recycling operations around the world. Couldn't we make Mirabel North America's aircraft recycling hub? The two SMEs I mentioned are already there.

[English]

**The Chair:** Thank you.

[Translation]

**Mrs. Julie Vignola:** Thank you, Mr. Valois.

[English]

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

We'll now go to Mr. Johns for two and a half minutes.

**Mr. Gord Johns:** Thank you, again.

I'm actually going to continue back on that thread.

One thing we've noticed through this study we're doing also has to do with navy procurement and the lack of ship breaking, the lack of responsibility when it comes to recycling our ships. We're hearing this with airplanes as well and with our military aircraft.

Are there policies that Canada needs to develop for the areas in which there are gaps to help ensure that we're being more responsible with our aircraft and that would help support this new sector, the "plane recycling sector" if you want to call it that?

• (1625)

[Translation]

**Mr. Guillaume Valois:** Under our legislation, everything pertaining to the organization of the airlines' aircraft fleets is managed internationally. Canada can obviously play a role as an ambassador to other countries, to increase their awareness of the fact that we must all accept our responsibilities and assert a certain form of law in this area. However, if we require airlines around the world to take a more responsible approach to the management of their end-of-life aircraft, we have to give them the tools to carry on those activities. We have to lay the groundwork and create an environment conducive to aircraft recycling.

The European Union has introduced many initiatives in this area, particularly through partnerships with its main builder, which is Airbus, in Spain and certain regions of France. The volume of aircraft recycling is rising in that part of the world, and the operations there are increasingly lucrative. A dynamic is being established.

Can we reproduce that in North America and Canada? Absolutely. All we need to do is demonstrate the political will and show the airlines that they have every interest in doing this. Some aircraft components approaching the end of their lifespan can be recovered and reused in aircraft that are still in service. Savings can be achieved that way.

We could also incentivize Canadian airlines to commit more to recycling aircraft that they've taken out of service and removed from their fleets.

[English]

**The Chair:** Thank you, Mr. Johns.

We will now go to Mr. McCauley for five minutes.

**Mr. Kelly McCauley (Edmonton West, CPC):** Thanks for joining us.

I just have a quick question for you. We do this CF-18 work here. Since the original development deal was signed a couple of decades ago, various companies across Canada—Magellan in Manitoba and others—have received about \$2 billion worth in F-35 related work. Are you not confident that with the skill shortage around the world right now, with all of the work that's being done right now on the F-18s, that you will get a similar amount, if not more, for F-35 maintenance, even without a locked-in ITB?

[*Translation*]

**Mr. Guillaume Valois:** I find it hard to make the connection between maintenance operations, the funding that Canada could allocate to those operations and the labour shortage. I believe we all have the tools in hand to maintain our own aircraft. I don't quite understand the question.

[*English*]

**Mr. Kelly McCauley:** What I'm saying is that if you have all the tools in hand.... I have a level of confidence that Canadians will be able to win international work from the F-35 without its being locked in on an ITB, as has been traditional.

Do you not have the same confidence that you'll be able to win, based on the competence and skill that exist right now?

Could I get a quick answer, please?

[*Translation*]

**Mr. Guillaume Valois:** That goes back to what I said earlier. To preserve a critical mass in a diversified and dynamic aerospace ecosystem, we have to invest in that sector. There isn't a country in the world that isn't investing in...

[*English*]

**Mr. Kelly McCauley:** I'm sorry. I'm going to interrupt you here because I'm short on time.

I'm going to share the rest of my time with Mr. Paul-Hus.

[*Translation*]

**Mr. Pierre Paul-Hus:** Thank you, Mr. McCauley.

Thanks to the witness for being with us.

Mr. Chair, I'd like to introduce the motion of which I've previously given notice, but first, with the committee's consent, I'm prepared to yield five minutes right now to one of my Liberal colleagues, who would like to speak, provided that my turn follows his.

I will be pleased to do so with the committee's consent. Otherwise, I will continue.

• (1630)

[*English*]

**The Chair:** I'm suspending for a second.

We will continue the committee afterwards, and that way we can hear from Mr. Valois. We'll also hear from Mr. Kusmierczyk, who has the next five minutes, and then we will go back to Mr. Paul-Hus.

Mr. Valois, we've had a little technical issue. The questions will come from someone else for the next five minutes.

Mr. Kusmierczyk, you have five minutes.

**Mr. Irek Kusmierczyk (Windsor—Tecumseh, Lib.):** Thank you, Mr. Chair.

Thank you, Mr. Valois, for answering our questions.

Normally in this committee, we have a slate of witnesses who share the time and the hot seat. You've been with us as the sole wit-

ness for the entire hour. I want to say thank you very much for doing that and for answering all of these diverse questions.

Before I begin with my line of questioning, there was one point I was curious about. You talked about recycling of airplanes. What percentage of an airplane can be recycled? Are we talking about a third of it that can be recycled? Do you have a sense of how much of an airplane can actually be recycled? I'm curious.

[*Translation*]

**Mr. Guillaume Valois:** Around 2010, it was possible to recycle non-ferrous metals equivalent to 30% of an airplane's weight. Several published reports mentioned recycling 80% of everything that could be recovered from an aircraft. It's extremely variable.

But the new generation of aircraft are made with an enormous amount of composite materials, which are more difficult to recycle than aluminum. The amount you can recover is rather variable. That opens the door to research and development work to find ways of recycling these materials and giving them a second life, on the one hand, and on the other, to look into what can be done with these materials and find places they could be used elsewhere.

[*English*]

**Mr. Irek Kusmierczyk:** I appreciate that. I think it highlights that there is a lot of waste that can be recovered, and there is a lot of work to be had there as well for machinists and other skilled workers. Thank you for that.

I want to switch gears and ask you a question that I asked a witness at a previous meeting. I promise that I'm not asking this question because I'm sitting next to the former chair of the women's caucus. I think it's an important question to ask in this sector.

According to a recent Aerospace Industries Association survey, only about 24% of workers in aerospace are women. The International Aviation Womens Association did a similar survey. What they found is that "The aviation industry is not sustainable if more than 50 percent of the population doesn't see aviation as a successful career."

I want to ask you, how can the aerospace industry help recruit and retain more women into the workforce? How can Canada help in that process to develop a more diverse workforce? What is your organization doing to help that process along?

• (1635)

[*Translation*]

**Mr. Guillaume Valois:** My recommendation is relatively straightforward: jobs in this sector need to be promoted. It would amount to a vote of confidence in the Canadian aerospace industry. Programs need to be established to recruit more workers, because we need a new generation of workers to replace those who will be retiring soon.

Would it be possible to focus on certain age groups or on women, for example, to attract them to these jobs? I don't think these jobs are impossible for anyone to do. It's a matter of wanting to do them. However, this statistic is problematic. We can't deprive ourselves of half the population. We need a next generation of workers, no matter where it might come from. It's important to say so

There are jobs in the aerospace sector, and it's a growth sector for the future on condition that we make the required efforts, that we coordinate, and that we provide the investment needed to promote aerospace jobs.

[*English*]

**The Chair:** Thank you, Mr. Valois.

On behalf of the committee, I want to thank you for being here today. As my colleague Mr. Kusmierczyk indicated, normally we have other witnesses here, so that you as a witness get a breather, but you've handled this very well.

In full disclosure, I will tell you that I paid for my undergraduate degree working for McDonnell Douglas back when the F-18s were started in the 1980s at Malton, and I'm very well aware of the industry. I thank you for everything that you and your colleagues do.

With that said, Mr. Valois, I'll let you go, and we'll now go back to Mr. Paul-Hus.

[*Translation*]

**Mr. Pierre Paul-Hus:** Thank you, Mr. Chair.

I'd like to introduce my motion, to which I made two corrections. The first was to the word "helicopters", which is a mistake. It should have been "aircraft". The second change was to the date, to make it June 30 rather than June 13.

Here is the motion as it should be worded:

That, in the context of its study of air defence procurement projects, the committee send for documents from Public Service and Procurement Canada related to expenses incurred to date to fix the technical and mechanical problems that have afflicted the CC-295 Kingfisher aircraft since their purchase; and that these documents be submitted no later than noon ET on Monday, June 30, 2022.

This motion is in response to current problems resulting from the contract awarded by the government in 2016 for the Kingfisher aircraft, at an initial amount of \$2.75 billion. As it turns out, problems have been encountered. We know that there will be an additional \$150 million and that three years will be required before the aircraft can be put into service.

Questions are being asked. What are the technical problems? What costs are associated with these technical problems?

These aircraft are manufactured by Airbus and are already available in other countries. I know that Canada requested 30 modifications, but it's vague. That's why we need to obtain all the documents that explain the technical problems and the related costs.

I believe that the committee should adopt this motion, because we need to know where we're headed. That's part of our work.

[*English*]

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

**Mr. Anthony Housefather (Mount Royal, Lib.):** Thank you, Mr. Chairman.

I'm going to propose an amendment, but before I do, I just want to understand the following. Have you ruled that Mr. Paul-Hus can amend his own motion?

**The Chair:** If there's consensus among the committee to make that change, then we can accept that. If not, then he can't amend his own motion. We would need an amendment to do that. I hope that answers your question.

• (1640)

**Mr. Anthony Housefather:** I don't have any issue with the changes he made to his motion, so I think we would agree to those changes, if everyone else agrees.

I just wanted to make sure in form that you were allowing it.

**The Chair:** Just for clarification, I'm looking around the room, making certain that everyone is comfortable with the changes that he's made. We're not amending the motion. It's just...

I see a consensus. Okay, thank you.

Now we'll go to Mr. Housefather.

**Mr. Anthony Housefather:** Thank you, Mr. Chair.

Basically, the information on expenses that is being requested, I believe, is already covered under the existing motion that was adopted by the committee for the delivery of documents on June 30. I have no issue with adopting a separate motion, albeit not asking the committee to send for documents related to the expenses incurred to date. This is a burdensome exercise that would then require the department to start searching all over the place for whatever documents may exist related to the expenses. That could be people's emails; it could be anything.

My proposal, Mr. Chairman—and I'll speak to it again a little bit after I propose it—would be to change the words after “the committee” to “ask Public Services and Procurement Canada to provide expense reports” related to expenses incurred to date to fix the technical and mechanical problems that have afflicted this aircraft. Then I would add, “and these expense reports be submitted” no later than noon on “Thursday, June 30, 2022”.

Basically, again, Mr. Chair, just to make clear my amendment, it's to take away the words "send for documents from" and change that to the committee "ask Public Services and Procurement Canada to provide" and then insert the words "expense reports". The only other change would be, "and that these expense reports be submitted".

Essentially, Mr. Chair, again, instead of searching for documents and then having to translate all of them or emails, or whatever they would be, it would be that an expense report would be provided by June 30.

[*Translation*]

I have already discussed this with my francophone colleagues and I think it's obvious that we can reach consensus. We do indeed need to know what expenses have been incurred. If, after receiving this information, we have other questions, then we can request something else or ask for a witness to come and speak with us to clarify the situation.

If this exercise were to require obtaining all the documents in question, then I think that's going too far, because I don't know how many documents would be involved or where to find them.

Thank you, Mr. Chair.

[*English*]

**The Chair:** Thank you, Mr. Housefather.

Bear with me for a second. I need to ask the clerk a quick question.

Thank you. Now I see Mr. McCauley has his hand up, and then we'll go to Mrs. Vignola.

**Mr. Kelly McCauley:** Thanks, Chair.

I'm in support of this. I think we should try to get as much as possible from this. This is not like a regular boondoggle; this is like an uber-boondoggle.... If anyone remembers, going back, this is the one that famously had a 30,000-page RFP that they had to rent a van to deliver. We, the government—not us, but the Government of Canada—got sued by Leonardo over improper practices on this bid.

Leonardo then miraculously withdrew the lawsuit in exchange for a \$5-billion sole source contract for maintenance, and now, we find, as I understand, it's up to a 10-year delay to get these planes.

Is it the Hercules they're using right now? I don't think for our Heres that (a) we have enough; I don't think they're going to be available to cover Comox and the east coast for 10 years. I don't want to go hyperbolic, but this is a real crisis in procurement, and it's not Liberal side, Conservative side, NDP side: This is a problem with this really specific problem.... The shipbuilding is a mess, but this one is, like, beyond a mess, with all of the controversies and everything else from day one of this contract. I think we owe it to the forces and fishermen, etc.—east coast, west coast—and taxpayers to really look into this. I would almost be open to saying that we should have a couple of stand-alone meetings on this.

If you read their report, it's gone from that they should be flying right now to "maybe 2030". It's not like a one- or two-year delay. They're pushing us back a decade. I think we should get all the doc-

uments and then go from there to see what is causing all of this. This is a mature design. This is not like the T26, where we're starting from scratch. This is in service in 15 or 20 different countries, and it's a large contract. There's no way in the world that this should be delayed to this extent. I think we have a real big problem on our hands here, and we owe it to Canadians and to ourselves to look into it.

I understand the difficulty of gathering all of this. Maybe there's some solution that can be suggested and we can chat about it a bit more on Friday, but I think this is something that we seriously have to look at: what's causing these massive delays and these cost overruns and, I think, the fact that we're saying these planes cannot be adjusted for what the specs are.

Anyway, I appreciate the time and some thoughts about that and suggestions on how we should approach this, whether it's full-on docs or if it's having someone come specifically on the project, but I think this is a real big issue that we need to tackle.

• (1645)

**The Chair:** Thank you, Mr. McCauley.

Just for clarification, we are talking about the amendment at this point in time.

I have Mrs. Vignola and then Mr. Johns.

[*Translation*]

**Mrs. Julie Vignola:** My question is about the main motion.

My understanding, from what's in the motion, is that the concern has to do with the quantity of documents that would have to be produced.

Mr. Paul-Hus, do you want to receive absolutely all the documents, including emails showing whether people had been in agreement or whether they thought it did not make sense? Or do you rather want the contracts and documents that explain the expenses related to the work done?

There might be a way of narrowing things down somewhat.

**Mr. Pierre Paul-Hus:** Thank you, Ms. Vignola.

I should point out that we're talking about the amendment now.

Firstly, the documents requested do not cover the entire contract, but rather the expenses involved in the technical and mechanical problems. I'm not talking about the initial contract or the totality of the work. I want to know the details from the moment problems were encountered. It's more limited. I want to know why the project is stalled, what costs were generated by these problems and where we stand at the moment.

The actual motion that we voted on, last week or the week before, has to do with aviation projects, but does not clearly address these aspects.

What we really want to know is what happened and why Canada is still unable to use these 16 aircraft. If we want to know, we will need documents. We already know that there is an additional \$150 million, but that's all we know.

Why do we have this problem? As Mr. McCauley mentioned, Airbus manufactures this aircraft for at least 15 countries. Why is the project on hold in Canada? It's a public safety problem for search and rescue operations.

The motion is only about these documents; I don't want all the documents pertaining to the contract from the outset.

**Mrs. Julie Vignola:** Do you know what year we were in when the problems began?

**Mr. Pierre Paul-Hus:** The aircraft were to be delivered in 2020. We are now in 2022. COVID-19 was used as an excuse to explain the situation, but the problems continue. Other technical problems surfaced, but we don't know anything about them. That's why we need to know more. We want to know why everything is at a standstill and why it might take until 2030—another eight years. We simply want to know what's going on.

[*English*]

**The Chair:** Thank you.

I allowed for Mr. Paul-Hus to answer Ms. Vignola's question, but to get back to the issue, we are talking about the amendment at this point in time.

Before I go to you, Mr. Johns, I think the mover of the amendment wanted to see if he could answer that as well.

[*Translation*]

**Mr. Anthony Housefather:** Thank you, Mr. Chair.

If we request documents, it means that we are asking for all the documents related to each of the expenses, whether it's \$400, \$4 million, or \$10 million. I believe that we should initially ask for the list of expenses, not a list that contains only the final amounts, but a detailed list of all the various expenses. It would then be altogether reasonable to ask for the documents related to the major expenses, or to call a witness to explain them to us. Otherwise, asking for all the documents would mean that we want all the documents, including everyone's emails, and searching through all this information would be a very heavy burden. And it would all have to be translated. That doesn't make any sense.

The first thing to do is get a list of expenses. Afterwards, we could either ask a witness to appear so that we could asking questions about these expenses, or we could request and study the related documents specifically tied to the major expenses.

I honestly don't know how many different expenses there were, but I know that the related documents might be difficult to obtain and that there might be a lot of them.

When all is said and done, I'm in favour of Mr. McCauley's argument. We could discuss this before Friday and come up with a

solution. Voting today to obtain all the documents would simply amount to putting a very heavy burden on everyone.

• (1650)

[*English*]

**The Chair:** Thank you, Mr. Housefather.

We have Mr. Johns, and then I see Mr. Kusmierczyk and Ms. Vignola.

Go ahead, Mr. Johns.

**Mr. Gord Johns:** Thanks.

It's always funny when a fiscal New Democrat is speaking about fiscal issues. I think it is extremely onerous to ask for tens of thousands of documents. I'm with you on wanting to get the answers, absolutely, and I support the concept. We want to get the expenses.

I like the idea, Mr. McCauley, that you floated about having witnesses testify so that we can ask some of the questions, but we have to find a better way. We want the information: Why? Why has there been a delay? We want to know what's going on. Maybe there's a better process so we can think up by Friday.

I agree. Let's talk together and work on it together. I support Mr. Paul-Hus in where he's going with this. There's no question about it.

**The Chair:** Thank you, Mr. Johns, for running that down our runway.

Now we'll go to Mr. Kusmierczyk.

**Mr. Irek Kusmierczyk:** I don't want to belabour the point. I think the amendment is sensible and pragmatic, and it gets us information. I'm going to support my colleague's amendment.

I also wanted to raise the point that we've been studying air and naval procurement for the last couple of months, at least. I think we have to be cognizant of the fact—and the committee's time—that there are other studies that this committee wants to focus on and bring before the committee. There are other issues that we need to study here as well.

I wanted to be cognizant of the time and resource commitment that this committee is putting forward on this particular issue.

Thank you.

**The Chair:** Thank you, Mr. Kusmierczyk.

Now we'll hear from Ms. Vignola.

[*Translation*]

**Mrs. Julie Vignola:** I'd like to make a suggestion that we could all ponder together. Do you think that it would be possible to request a report on expenses and that only for expenses beyond a specified amount, we automatically be provided with the related documentation?

I have no interest in analyzing a \$400 invoice to purchase a nut. No thanks. As Mr. McCauley said earlier, we had about 30,000 pages of documents to read during the previous session of Parliament. I can tell you that I nearly got through them all, but I don't want any more. I am happy to analyze documents, but what I want to analyze in a responsible manner is concrete content.

The report might explain what happened to taxpayer money, and we are taxpayers too. In any event, I pay my taxes. I don't know whether you do, because I'm not aware of the details of your finances.

Not only that, but our work has to be done efficiently, because our work also leads to expenses. We therefore need to work efficiently and cut to the chase.

We could reach a responsible compromise. For example, we could ask for all the documents related to expenses above a certain amount, let's say \$1 million, which is a fairly significant amount. These documents should be able to explain why there was a million dollar overage.

That's my recommendation. If you would like me to put it in the form of an amendment, just tell me. For the time being, I'm opening debate on this proposal.

• (1655)

[English]

**The Chair:** Thank you, Ms. Vignola. Are you finished?

**Mrs. Julie Vignola:** Yes.

**The Chair:** Okay. Thank you.

Before we get to Mr. Housefather's response, let's go to Mr. McCauley. That way he can answer more questions, if there are any.

Thank you.

**Mr. Kelly McCauley:** Thanks, Mr. Chair.

I'll address Mr. Kusmierczyk.

I have to address the fact that we're going to spend \$200 billion on ships and planes. We owe more than.... I think we had Irving for 45 minutes, and they're getting \$100 billion from Canada. This study obviously has to continue. Hopefully, it will be like past studies, which we interrupted to do other studies. I think, at one time, we had three studies going on at the same time. I think the estimates study ran for three years, off and on, so we can certainly accommodate what you're talking about, Mr. Kusmierczyk, while we continue this.

I'm wondering if this can be changed. Can we focus on the change orders—the documentation regarding changes to the existing design, structural failings, etc.—rather than on invoices chasing a \$400 bolt? Let's focus on the change orders, design problems and production issues. I'm not exactly sure how to word that in today's motion, but perhaps it would alleviate some of the worries about how many pages will show up. I do care about a \$400 bolt, but I'm more concerned about what is leading to this systemic issue we have: our inability to get an existing, mature, successful plane designed, built and delivered for Canada. We're not even in the pro-

cess of starting up an airline-building industry. Someone else is building that for us.

I'm open to suggestions on how we can address this.

**The Chair:** We'll go to Mr. Housefather.

**Mr. Anthony Housefather:** Thank you, Mr. Chair.

Thank you to my colleagues for having proposed constructive thoughts.

What I would suggest, Mr. Chair, because I don't have the answer right now, honestly, as to what the amount would be or what documents might be easier to produce than others.... I would have thought that having a witness here who knows the program, to whom we could ask questions, telling us what the real issue is and perhaps ask for those...that would be a good way to do it.

In the meantime, if we're going this way, I would request the committee delay this until Friday, if we could, Mr. Chair. Move the motion to discuss on Friday, and set a time for us to continue this. Let me try to figure it out over the next two or three days, and talk to colleagues in the department about what they think is deliverable within that period of time, and what the main things are. I don't have much knowledge about what the costs actually are, at this point.

Is that possible, Mr. Chair?

**The Chair:** Thank you.

Mr. Paul-Hus is next, and then it's Mr. Jowhari.

[Translation]

**Mr. Pierre Paul-Hus:** Thank you, Mr. Chair.

I have a proposal to make which, I think, will solve our problem. Instead of talking about expenses, I'd like us to talk about documents about changes that occurred along the way. If a product that was ordered is late, it's because changes were requested. We would therefore have to see the list of documents concerning changes requested to the design or structure of the aircraft, for example. Delays may well have resulted from the fact that Canada, unlike other countries, asked for 30 specific modifications.

That would not require the production of thousands of documents. The project office already has these in hand. What we want to know is what's happening and why are there delays. If the delays are caused by changes that were requested, we'd like to know what these changes were. As my colleague Mr. McCauley mentioned, the company has already been producing this aircraft for other countries, and they're not experiencing these problems; that's the reason we want to know why it's happening for Canada.

We would accordingly only ask for documents related to the changes requested to the structure or design of the aircraft, rather than those on expenses. It's true that we're talking about overall expenses, but what we mainly want to know is how did we get there, because we are not moving forward and there's an efficiency problem. That's what we're asking for.

[English]

**The Chair:** Thank you, Mr. Paul-Hus.

Mr. Jowhari.

**Mr. Majid Jowhari:** Thank you, Chair.

I think we are trying to use a set of data, such as expenses, as it relates to this project to determine why there have been delays. If that's the case, then that might not be the best way. I believe we have to find what the drivers of the change—i.e. the delay—have been and then decide what data elements we need to ask for.

That's why I support what MP Housefather is saying, and I think Mr. Paul-Hus is saying the same thing.

MP Housefather is saying to give us some time—until Friday. We'll go back to the department then and say specifically that we are trying to understand the delays or that we're trying to understand not necessarily the delay, but what has been the driver of this. We'll be looking at those drivers.

Once we know what the drivers are, it's easy to ask for the data that's quite relevant to that, whether it's the expenses, design changes or whatever it is.

Thank you.

• (1700)

**The Chair:** Thank you.

Mr. Paul-Hus.

**Mr. Pierre Paul-Hus:** Just to be clear, I just changed the ask. Instead of the expense, we want a document about the change on design and all that stuff. It's exactly where we actually want to go.

We're not talking about expenses; we're talking about why. What kind of change has been done and what has been asked for?

[Translation]

**Mrs. Julie Vignola:** Excuse me, but I lost the interpretation while my colleague Mr. Paul-Hus was speaking English.

**Mr. Pierre Paul-Hus:** What I was saying, basically, was that we agreed on my proposal. We are agreeing not to talk about expenses. We don't want a list of expenses, but we would amend the motion to talk about the changes made to the design and structure of the aircraft that caused the delays. We're saying the same thing. I don't think we need to wait. If we make this amendment to the proposal submitted by Mr. Housefather, we can settle the problem today and move on.

[English]

**The Chair:** I saw Mr. Johns first and then Mr. Housefather.

**Mr. Gord Johns:** Why don't we actually ask someone from the department to appear before the committee first? We can ask them tough questions and decide what documents we want after that. I don't think we're going to want truckloads of documents. I think we're going to be able to pin down what we want. I'd rather use some of our committee time to ask some difficult questions.

This is a very important issue, especially when it comes to search and rescue. I absolutely, wholeheartedly support Mr. Paul-Hus' work in wanting to get to the bottom of this and get some answers,

but I do want to make sure that we're not spending thousands of public service hours to bring forward documents when we could probably get that in some questions to someone from the department.

I just think it's really expensive and it's onerous on the taxpayer. I want to make sure that we're being efficient. I think we can still ask for whatever we need after we've asked questions. They would have to supply that as a witness anyway.

**The Chair:** Thank you, Mr. Johns.

Mr. Housefather and then Mr. McCauley.

**Mr. Anthony Housefather:** Thank you, Mr. Chair.

I agree with Mr. Johns. As I stated before, I think we're going about this backwards. I think the easiest way is to bring somebody from the department to explain what the large change orders were. Then we could ask for what we think we need following an explanation of what the costs incurred related to. Right now I'm certainly not prepared to support any motion today that does anything more than provide the expenses that were already agreed to in the previous motion. It's not that I think it's unreasonable, necessarily, to ask for some documents, but I think we need a better understanding. I don't have enough information today to determine what the limits would be or what those documents would be.

I'd ask either to just push this over till Friday so we can have discussions or to invite somebody from the department to come. That I'm okay with, but I'm not in favour of simply saying change orders and agreeing today to what those are, because I don't know what they are, in what universe they are.

• (1705)

**The Chair:** Thank you, Mr. Housefather.

Mr. McCauley.

**Mr. Kelly McCauley:** I appreciate what you're saying, Gord. My only concern, though, is that when we've had department officials before us, we've seen that it's "I can't answer that." It's between these three departments at different committees. I'm just concerned that we're not going to get answers from them. We haven't had a lot of answers so far on the F-35s or the ships. There have been a lot of non-answers. I'm afraid we'll commit short, precious committee time. We'll just have someone from PSPC—heaven forbid that I'm the cynical one, and I'm being sarcastic here—and my worry is that they're going to show up and we'll just get more non-answers, and, "No, that's a secret. No, we can't talk about that. Well, it's because of this. We're negotiating."

I understand you're frustrated.

**A voice:** I just really want to do that.

**Mr. Kelly McCauley:** How do we move forward to address this? I agree that it's a lot of work, but we can't just turn a blind eye to it.



**A voice:** We can hear from them first. No. We should get them in front of us.

**The Chair:** Thank you, Mr. McCauley.

Mr. Lobb and then Mr. Paul-Hus.

**Mr. Ben Lobb:** I think Anthony makes a good point and Gord makes a good point. I'm good with whichever way we decide to go, with documents first or somebody from the department first. As for what Kelly was saying, I don't know how members of the committee feel, but I think back to specific times when I've asked PSPC and people from the air force specific questions about air defence. When I asked about the Javelins and all of the different ones, they either wouldn't say or they said it was an operational issue. I would ask them, "Are you sending any to Ukraine?" That was an operational issue.

Then I read in the *The Globe and Mail* yesterday about some Ukrainian soldier saying, "Boy, because of those Carl-Gustafs we're blowing up Russian tanks left, right and centre." I couldn't even get them to answer that in committee and then I read about it in *The Globe and Mail*.

To me, the issues are different as far as talking about fixed-wing aircraft and what we have for weapons goes. The point is, to Kelly's point, that it doesn't matter who's in government, whether it's the Conservatives, Liberals, NDP, or if somehow the Bloc figures out how to get into government.

**Voices:** Oh, oh!

**Mr. Ben Lobb:** It would be quite a trick.

The point is that we do need to get better answers. It is frustrating. To me it's not political gamesmanship on something like this. It's just trying to get the answers. It's whatever, but I think it's a good endeavour. We'll test how much information they'll give us.

**The Chair:** Thank you, Mr. Lobb.

Mr. Paul-Hus.

[*Translation*]

**Mr. Pierre Paul-Hus:** Thank you, Mr. Chair.

After the conversation we've just had, I believe the goal is clear. This request meets a very important need, particularly for the opposition parties. As Mr. Lobb just mentioned, ever since we've been here, people have been laughing at us and we are not getting anywhere. That's why we have to introduce motions like this one. Because really, my goal is not to ask public servants to produce thou-

sands of pages of documents. What we want is the truth about this matter and to understand more clearly where things are headed, not only for this specific instance but several others as well.

I am open to the idea of suspending debate on this motion. We're going to talk about it among ourselves once more with a view to finding amendments to the motion that would make it efficient. I don't want the committee to invite a witness who, after 45 minutes, wouldn't have told us much more. We really need some answers on this.

I'm therefore in favour of the committee suspending debate and resuming later, once we have found a different way of proceeding to obtain this information.

**The Clerk of the Committee (Ms. Miriam Burke):** Would you like to propose a motion to adjourn debate?

**Mr. Pierre Paul-Hus:** I propose that debate on the motion be suspended and that we resume when, following discussion among the parties, we have amendments to propose.

[*English*]

**The Chair:** Thank you.

With there being no conditions on it, it's an immediate vote on that.

I'm looking around the room. Do we need a recorded vote?

**A voice:** We'll suspend.

**The Chair:** We'll suspend? Okay.

Thank you, everybody.

We will suspend and bring that back, hopefully. What I'm hearing around the committee is that you're going to talk about it. And it's the same thing: Let's not wait until the last minute to talk about it. Let's talk about it so that we can get this straightened out.

We do have an amendment on the table. We'll have to defeat that first, or approve it, or make changes to it.

With that said, I thank everybody for being here today. I would like to thank the interpreters. I apologize for not turning my mike on right at the beginning. I appreciate that. I also want to thank the technicians for everything they've done, and our analyst and our clerk.

With that, I declare the meeting adjourned.

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