



OFFICE OF THE PARLIAMENTARY BUDGET OFFICER
BUREAU DU DIRECTEUR PARLEMENTAIRE DU BUDGET

June 15, 2022

The Honourable René Cormier, Chair
Standing Senate Committee on Official Languages
The Senate
Ottawa, ON
K1A 0A6

Dear Senator Cormier:

On June 13, 2022, I met with the Standing Senate Committee on Official Languages in the context of the Committee's study on Bill C-13, An Act for the Substantive Equality of Canada's Official Languages.

In responding to questions from Committee members, I agreed to provide the information received from the department of Canadian Heritage following the publication of our report entitled, "Cost Estimate for Bill C-13: An Act for the Substantive Equality of Canada's Official Languages."

The department provided a response letter, as well as complementary information on the funding announced in the economic update of December 2021. The response letter can be found in the attached document. The letter is also available on our [website](#). Unfortunately, we are unable to provide the complementary information as the department deemed the information confidential.

Should you or members of the Committee wish to discuss this or other opportunities for my Office to support your work, I would be pleased to meet with you at your convenience.

Sincerely,

Yves Giroux
Parliamentary Budget Officer



**Patrimoine
canadien** **Canadian
Heritage**

Sous-ministre Deputy Minister
Gatineau (Québec) Gatineau, Quebec
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**Mr. Yves Giroux
Parliamentary Budget Officer
Office of the Parliamentary Budget Officer
99 Bank Street, Suite 900
Ottawa, Ontario
K1A 0A9**

Dear Mr. Giroux :

I am writing in response to your letter to the Minister of Canadian Heritage, Pablo Rodriguez, concerning direct and indirect costs pertaining to the administration of Bill C-13 (*An Act to amend the Official Languages Act, to enact the Use of French in Federally Regulated Private Businesses Act and to make related amendments to other Acts*) and related tax expenditures, as well as your more specific questions on the enactment of the *Use of French in Federally Regulated Private Businesses Act*.

Concerning the direct and indirect costs pertaining to the administration of Bill C-13 and related tax expenditures, more specifically as regards the \$16 million allocated to four federal institutions in Economic and Fiscal Update 2021, the purpose of this \$16 million envelope for fiscal year 2022–2023 is to support the administration of certain legislative amendments in the bill, amendments that, upon Royal Assent, will result in direct costs to the federal government as it seeks to carry out its new responsibilities. These are therefore funds deemed necessary for the first year of implementation.

Your inquiry also included a series of questions concerning the proposed statute on the use of French in federally regulated private businesses in Bill C-13. The bill does provide for the development of regulations in this regard, and the work to develop such regulations can begin upon Royal Assent. We have addressed all your questions about this new statute below, based on the direction of the provisions included in the bill:

1. *What regions will be subject to the Act?*

The definition of “region with a strong Francophone presence” and the thresholds that regions must meet to be considered as having a “strong Francophone presence” will be prescribed by regulation.

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It is expected that Quebec and, two years later, regions with a strong Francophone presence outside Quebec will be subject to the new *Use of French in Federally Regulated Private Businesses Act*.

The bill provides that in defining "region with a strong Francophone presence," the Governor in Council may take into account any factors that the Governor in Council considers appropriate. Such factors include the number of Francophones in a region, the number of Francophones in the region as a proportion of the region's total population, and the vitality and specificity of the Francophone community being served.

2. *What industries will be subject to the Act?*

The new statute uses the same definition of federally regulated private business as section 2 of the *Canada Labour Code*. This section gives a list of industries within the legislative authority of Parliament, including:

- aerodromes, aircraft or a line of air transportation;
- banks, including authorized foreign banks;
- port services, marine shipping, ferries, tunnels, canals, bridges and pipelines (oil and gas) that cross international or provincial borders;
- postal and courier services;
- railways that cross provincial or international borders and some short-line railways;
- road transportation services, including trucks and buses, that cross provincial or international borders.

Note, however, that Bill C-13 excludes the broadcasting sector from the proposed Act. In addition, an agreement could be entered into with the Government of Quebec allowing federally regulated private businesses who so desire to voluntarily submit to Quebec's *Charter of the French Language* rather than the *Use of French in Federally Regulated Private Businesses Act*.

Related regulations under the proposed Act may exempt federally regulated private businesses, with or without conditions, from the application of the Act or its regulations in respect of activities or workplaces that are related to a specified sector of activity or for any reason, including reasons related to intellectual property rights, international standards, or the conduct of interprovincial or international business, as well as First Nations band councils and Indigenous self-governments.

3. *What share of locations would have to offer services in French?*

The details of which locations would be required to offer services in French following the enactment of the *Use of French in Federally Regulated Private Businesses Act* would be prescribed by regulation.

Note that the regulations could specify a different number of employees for federally regulated private businesses that have workplaces in Quebec and for those that do not have workplaces in Quebec but carry on business in Quebec.

4. *What staffing in what occupations is required to offer services in French at a location?*

In the absence of the regulation, it is too early to estimate the exact number of employees that federally regulated private businesses will need to have to respect the right of consumers to communicate in French.

The right to communicate in French with a federally regulated private business will initially apply to consumers in Quebec; two years later, this right will be extended to consumers in regions with a strong Francophone presence outside Quebec.

What constitutes an "employee" and a "region with a strong Francophone presence" and what thresholds federally regulated private businesses must meet in terms of number of employees and size before being subject to the Act will be prescribed by regulation.

5. *What staffing in what occupations is required to allow employees to work and be supervised in French at a location?*

In the absence of the regulation, it is still too early to estimate the exact number of employees that will be able to work and be supervised in French in the designated businesses in Quebec and regions with a strong Francophone presence.

However, it is expected that there will be employees with supervisory and management responsibilities who will need to be able to speak French so that employees can work and be supervised in French in a given location. What constitutes an "employee" and a "region with a strong Francophone presence" and what thresholds federally regulated private businesses must meet in terms of number of employees and size before being subject to the Act will be prescribed by regulation.

6. *What costs are incurred by businesses for translations of communications, word instruments and computer systems?*

Businesses subject to the *Use of French in Federally Regulated Private Businesses Act* will need to assume the costs of translating communications, including offers of employment or promotion, notices of termination, collective agreements and grievances, of regularly and widely used language and computer tools, if this is not already the case, and of the various work instruments. Canadian Heritage will develop tools and best practices to guide and inform the relevant businesses of their new language obligations under the *Use of French in Federally Regulated Private Businesses Act* and its regulations.

Thank you for writing to me on this matter. I would be happy to address any other requests, questions or comments you may have.

Yours sincerely,



Isabelle Mondou

Attachments

**c.c.: The Honourable Pablo Rodriguez, Minister of Canadian Heritage
The Honourable Ginette Petitpas Taylor, Minister of Official Languages
and Minister responsible for the Atlantic Canada Opportunities Agency
Antoine Brunelle-Côté, Assistant Secretary to the Cabinet, Liaison
Secretariat for Macroeconomic Policy, Privy Council Office**