

Parliament Passes COVID-19 Emergency Response Act

With an agreement reached on the passing of Bill C-13, the government has managed to move forward on the \$82 billion dollars in fiscal stimulus measures to provide support, as Ministers Freeland and Morneau have emphasized, where it is needed most. That includes \$500 million for the provinces to deliver on their own front-line healthcare support and \$215 million for First Nations communities. However, where the impact will most be felt is for those who have been laid off, or who are self-employed or contract workers reeling from the dramatic shutdown of businesses large and small over the last month.

There was due acknowledgment of the Opposition's resistance to giving the government license on this spending, however. Notably, the duration in which government emergency spending would not need parliamentary authorization has been changed from Monday; it is now from today until the end of September 2020. This is a marked difference from an early draft which would have given the government license until the end of 2021. The House of Commons Standing Committee on Finance will be provided bi-weekly reports under the Act and will eventually be responsible for reviewing all activities under the Act. You could consider it a minority government olive branch or simply a lesson in realism and parliamentary process for this government.

What's in the Bill

In addition to parameters limiting, for now, the timetable in which government can exercise new spending powers, the legislation also specifies the parameters of cabinet's spending authority: providing income support, acquiring medical supplies, providing additional assistance to provinces and territories for their respective response needs and funding other public health-related programs.

Reminiscent of some of the measures included in the yet to be invoked *Emergencies Act*, C-13 provides the government – through the Minister of Health – additional authority that allows for:

- Requests for additional information in respect of food, drugs, cosmetics or devices
- Regulations that may be necessary to prevent therapeutic product shortages
- Direction that requires any person to make, construct, use and sell a patented invention to the extent necessary to respond to the public health emergency

The legislation introduces the *Canada Emergency Response Benefit Act* which combines the *Emergency Care Benefit* and the *Emergency Support Benefit* announced last week into the **Canada Emergency Response Benefit (CERB)**. The CERB will provide \$2,000 per month for up to four months directly to workers who have lost income as a result of the COVID-19 pandemic. The CERB will be made available to Canadians not otherwise eligible for Employment Insurance (IE) – including wage earners, contract workers and self-employed individuals – who:

- Have lost their job
- Are sick, quarantined or taking care of someone who is sick with COVID-19
- Are caring for children who are ill or because of daycare and school closures
- Are employed but not receiving income because of workplace disruptions

The CERB will be accessible via an online portal in early April and the government anticipates that payments will be issued monthly within 10 days of application.

The legislation passed today also implements and formalizes other previously announced measures, including:

- \$500 million in support for the provinces and territories to help pay for emergency response needs
- Enabling the temporary wage subsidy for small employers
- Expanding the GST credit
- Enhancing the Canada Child Benefit
- Imposing a moratorium on Canada Student Loan repayments
- Reducing minimum withdrawals from Registered Retirement Income Funds (RRIFs)
- Waiving the waiting period and need for a medical certificate for the purposes of accessing EI benefits
- Providing additional funds for Farm Credit Canada to increase its credit support

- Increasing Export Development Canada's (EDC) ability to support exporters
- Allowing lenders flexibility to defer mortgage payments and increasing the Canada and Mortgage Housing Corporation (CMHC) limits to guarantee and insure mortgages

Beyond the Bill:

A Recognition of the Impact to Indigenous Communities

In acknowledging the “unique vulnerability” of Indigenous communities to the impact of COVID-19, Indigenous Services Minister Marc Miller provided additional details on support being provided under the new Indigenous Community Support Fund. Of the \$305 million currently available:

- \$215 million will be allocated to First Nations with adjustments provided for population and remoteness
- \$45 million is available for Inuit communities, as administered by ITK and regional leadership
- \$30 million will be provided to Métis communities
- \$15 million will support Indigenous organizations helping those living away from their communities

Targeted Support and Expedited Funding for Media and Publishing Industries

Signaling the first sign of sector-specific funding outside of the immediate public health focus of this crisis, Heritage Minister Steven Guilbeault announced that National Revenue Minister Diane Lebouthillier has appointed an independent advisory board to determine whether journalism organizations qualify for new tax measures announced in the 2019 Budget. Stressing that journalism and broadcasters are suffering from reduced ad revenues, Minister Guilbeault also signaled a forthcoming \$30 million COVID-19 public awareness campaign would have all ads places with Canadian media in order to provide support to the industry.

Minister Guilbeault and his department are working on a simplified process to distribute funds through the Canadian Book Fund and the Canadian Periodicals fund so that beneficiaries receive the funding in the next few weeks instead of months. Minister Guilbeault's office has acknowledged that many the in cultural industries do not have the same steady sources of income as other industries and a simplified process to distribute these funds quickly is one effective way of addressing this issue.

Enabling Enforcement of Mandatory Quarantine

Health Minister Patty Hajdu announced today that she will be using her authority under the *Quarantine Act* to impose a mandatory 14-day quarantine for travelers returning to Canada, effective midnight tonight. More than a million Canadians and permanent residents have returned to Canada over the past week and government-coordinated repatriation measures are still underway to help tens of thousands of Canadians stranded abroad amid international border closures and the suspension of commercial flights. Specifics around enforcement measures and penalties for those who do not heed orders to quarantine are expected imminently. We will be providing updates to this note as soon as we have them.

Source: Hill & Knowlton