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**To:** Insolvency Institute of Canada

**From:** Paul J. Brown, Campbell Strategies

**Date:** December 13, 2006

**Re:** Update on Insolvency Legislation: Bill C-55

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1. Earlier this week, the Minister of Labour introduced a Ways and Means Motion seeking Parliamentary authority to fund the wage earner protection fund as part of Bill C-55. Attached to the Motion was the entire and significantly amended Bill C-55. As you may recall, Bill C-55 was passed by the last Parliament but never proclaimed (enacted) because of concerns raised by groups such as the IIC in appearances before the House of Commons and the Senate.
2. Attaching the amended Bill to a Ways and Means motion respects both the commitment of the last Liberal Industry Minister (now the Conservative Trade Minister) to consult with the Senate on amendments, and, the fact that the Bill was passed by the last Parliament. With unanimous approval to a Ways and Means Motion from all political parties, the Bill could be sent directly to the Senate on a 'fast track' process without first going to the House of Commons. The alternative would have been to introduce an entirely new piece of legislation or bringing the amended Bill C-55 to the House of Commons before going to the Senate.
3. On December 12, the Government House Leader asked for unanimous approval for the Ways and Means Motion from the other three parties and was refused. There are a variety of reasons for the refusal, not the least of which was that the amendments to the original Bill C-55 are about 150 pages long. Given the 'pre-Christmas' rush, the clogged legislative agenda, and the politics of the legislation there was no time for the parties to reach an understanding on how to move forward. Accordingly, the Government has decided to leave the Motion on the Parliamentary order paper and begin discussions with the other parties in January. The contents of Bill C-55 are not yet public.
4. We understand it is the Government's intention to secure unanimous consent for the Ways and Means Motion this January so that the amended Bill C-55 can go to the Senate as outlined above. If this occurs then the Senate will likely hold hearings in early February and return Bill C-55 with its comments to the House of Commons for consideration and a vote sometime in the 2007 winter/spring session.

5. The IIC has played a critical role in: getting key decision makers to understand the problems with the initial version of Bill C-55, finding a way to move the legislation back to Industry Canada for amendments after the Bill had received House approval; and, advising Departmental officials in the drafting of amendments. Needless to say both the substance of the legislation and the parliamentary procedure has been complicated indeed, in some respects, it has been unprecedented. This reflects the political sensitivities of some provisions and the challenges of navigating a minority Parliament. Moving forward the IIC will continue to play a central role in working with Members of Parliament and Senators to help enact insolvency legislation that meets the standards of good public policy.