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# Standing Committee on Industry, Science and Technology

EVIDENCE

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Chair: Mrs. Sherry Romanado





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Thursday, November 19, 2020

• (1105)

[English]

**The Chair (Mrs. Sherry Romanado (Longueuil—Charles-LeMoine, Lib.)):** Good morning, everyone.

I now call this meeting to order.

Welcome to meeting number five of the House of Commons Standing Committee on Industry, Science and Technology.

Today's meeting is taking place in a hybrid format, pursuant to the House order of September 23, 2020. The proceedings will be made available via the House of Commons website. Please be aware that the webcast will always show the person speaking rather than the entirety of the committee.

To ensure an orderly meeting, I'd like to outline a few rules.

Members and witnesses may speak in the official language of their choice. Interpretation services are available for this meeting. You have the choice, at the bottom of your screen, of floor, English or French.

For members participating in person, proceed as you usually would when the whole committee is meeting in person in a committee room. Keep in mind the directives from the Board of Internal Economy regarding masking and health protocols.

Before speaking, please wait until I recognize you by name. If you are on video conference, please click on the microphone icon to unmute yourself. For those in the room, your microphone will be controlled as normal by the proceedings and verification officer. I remind you that all comments by members and witnesses should be addressed through the chair. When you're not speaking, please mute your microphone.

With regard to the speakers list, the committee clerk and I will do our best to maintain the order of speaking for all members, whether they are participating virtually or in person.

Pursuant to Standing Order 81(4), the committee is meeting today to commence its study on the main estimates 2020-21.

As is my normal practice, I will hold up a yellow card when you have 30 seconds remaining in your intervention, and I will hold up a red card when the time for your intervention is over.

I'd now like to welcome our witnesses.

Today we have the Honourable Mary Ng, Minister of Small Business, Export Promotion and International Trade. We also have the Honourable Maryam Monsef, Minister for Women and Gender

Equality and Rural Economic Development. From the Department of Industry, we have Simon Kennedy, deputy minister; Paul Thompson, associate deputy minister; and Douglas McConnachie, assistant deputy minister and CFO.

Each witness will present for up to five minutes, followed by rounds of questions. We want to be able to get two rounds in for the first hour with the ministers, so I will be very rigid on the clock.

With that, I will turn to Minister Ng. You have the floor for five minutes.

**Hon. Mary Ng (Minister of Small Business, Export Promotion and International Trade):** Thank you so much, Madam Chair.

It's terrific to be here with my honourable colleagues. I appreciate the opportunity to meet with you today on the occasion of the tabling of the 2020-21 main and supplementary estimates.

Madam Chair, without a doubt, this year has been filled with challenges. I'm very happy to be joining you during Global Entrepreneurship Week. It's a chance to celebrate and thank entrepreneurs for their hard work, their innovative spirit and their resilience.

From the smiling faces at your favourite cafe to the mechanic running that auto repair shop on the other side of town, or the innovator who is running the local clean-tech company or medical device company, our entrepreneurs make our communities more vibrant and welcoming places to call home. This is why, since the very beginning of this pandemic, our government has taken immediate action to support Canadians, and we're making crucial investments in small businesses and entrepreneurs now, so that we can build a stronger and more sustainable Canada for everyone in years to come.

Our Canada emergency wage subsidy has helped businesses keep over 3.8 million hard-working Canadians on the payroll.

Over 780,000 business owners have taken advantage of the Canada emergency business account, otherwise known as CEBA, to keep up with their costs of doing business and their operating expenses. We've also helped 3.2 million entrepreneurs keep more money in their pockets by deferring the GST, HST and customs duty payments.

Over 12,000 businesses and 95,000 Canadian workers have been supported through the regional relief and recovery fund, a \$1.6-billion investment to support businesses through this crisis.

The Canada emergency commercial rent assistance provided rent relief to over 130,000 business owners, helping 1.1 million employees stay in those businesses, and the recently announced Canada emergency rent subsidy will provide direct rent and mortgage support for even more small business owners who need it the most.

• (1110)

[Translation]

As we rebuild our economy, we are committed to ensuring that our economy is inclusive and works for everyone.

[English]

That is why we recently topped up our women entrepreneurship strategy amid COVID-19, a nearly \$5-billion investment that breaks down systemic barriers to economic success by providing access to financing and to networks of support for women across this country.

It's also why we recently announced Canada's first-ever Black entrepreneurship program, an investment of up to \$221 million, which will help break down barriers and help thousands of Black-owned businesses across the country to grow their businesses and to thrive for years to come.

It's why we're investing over \$300 million to support indigenous entrepreneurs through this crisis and to address their unique needs and realities.

Madam Chair, I have just covered some of our emergency supports for small businesses, but make no mistake, our government is working beyond our borders to make sure that Canadians have every opportunity available to them for economic recovery. This pandemic has only underscored how interconnected our world truly is and how much we depend on each other.

Trade accounts for nearly two-thirds of Canada's economy and supports 3.3 million jobs, or one out of every six jobs. We need to focus on the fundamentals: open and rules-based trade to give predictability to our businesses; diversification to create new exporting opportunities for entrepreneurs; strong supply chains to allow for essentials to flow, like food and medicine for all Canadians. At the centre of our approach is ensuring that Canadians see the full benefits of trade.

It's why we've worked hard to position Canadian businesses of all sizes for future growth and success by giving them the tools they need to scale up, to access those new markets and to benefit from international trade opportunities. Our revamped CanExport program is providing \$75,000 to help entrepreneurs expand their e-commerce presence at 10 virtual trade shows and navigate new COVID-19-related trade barriers.

[Translation]

These are the kinds of investments we need to set our businesses up for success now, and into the future.

[English]

It's just one example in what I like to call our trade tool box, which includes our entire trade commissioner service network, Export Development Canada, the Business Development Bank of Canada, Canadian Commercial Corporation, and Invest in Canada. All of these supports are here to help our businesses succeed here at home and abroad.

We will get through this. Canadians are resilient and they're strong. Small businesses and all Canadians can count on this government. We'll continue to do whatever it takes to help entrepreneurs and small business owners rebuild, adapt and thrive for years to come.

Madam Chair and committee members, thank you so much for your time. I am happy to answer any of your questions.

**The Chair:** Thank you very much, Minister Ng.

We'll now turn it over to Minister Monsef.

You have the floor for five minutes.

**Hon. Maryam Monsef (Minister for Women and Gender Equality and Rural Economic Development):** Thank you very much, Madam Chair.

Hello, colleagues. *Boozhoo. Aaniin. As-salaam alaikum.* I join you from Algonquin territory. I hope that you're all doing okay, that your teams are okay and that your loved ones are safe.

Madam Chair, if it's okay with you, I'll spend the time I have in my introductory remarks talking about three things. First, I want to talk about my BlackBerry Pearl and tell you the story of my red BlackBerry Pearl. Second, I'd like to pick up on where Minister Ng reflected on connections and connectivity. Third, I want to talk about how the universal broadband fund can not only respond to COVID but also create the foundation for a resilient economy in the post-pandemic world.

I've been working since I was 12, so I was the first in my peer group to have a cellphone. I had a variety of flip phones until the smart phone phenomenon began. I remember that in 2008 I was able to afford my very first smart phone—the red BlackBerry Pearl. It was beautiful, with the shiny knob in the middle, with access to high-speed Internet, or so I thought at the time. I could connect to my homework, my work, my family and my friends while spending long hours on Peterborough public transit.

It allowed me, for the first time ever, to become more productive in a way that I couldn't have imagined. It allowed me to connect with networks that I would not otherwise have had access to. It allowed me mobility, so that transportation didn't impede my ability to make a difference. It also allowed me to look for other opportunities. I was raised by a single mom, so not only was I proud that I could afford this on my own, but I was really proud that I could get ahead and make a difference in my community through the networks that this little device afforded me.

There are millions of Canadians right now in some of the most remote and rural regions, including indigenous Canadians. I have spoken with them. They're not able to tap into their full potential and access the opportunities that exist for them, because they don't have access to high-speed Internet and they don't have access to cell service.

Those connections are vital. Those connections have never been more important. Those connections have been the strength of our response to COVID. Those connections are what's going to keep our country united, and those connections are going to help us build back better on the other side of COVID.

The universal broadband fund is the second part of our government's plan to connect every Canadian to this essential service. It has been developed by Canadians for Canadians. Many thanks to every single one of our colleagues—in all parties, by the way—who have helped to shape this plan so that it's responsive to the needs on the ground, and particularly to my brilliant parliamentary secretary, Gudie Hutchings, who is a force of nature and a force for good.

The universal broadband fund includes \$50 million set aside to address cell gaps, particularly in indigenous communities. It includes a rapid response stream worth \$150 million, so, colleagues, if you have projects in your communities that can address issues of lack of connectivity to 50/10 in the near future, let's talk, because we should be working with you to connect your communities.

It also includes the core broadband fund. This is for fibre projects and for longer-term projects, and of course there is the partnership with the Canada Infrastructure Bank, an agency of the Crown, an arm's-length organization that will help invest in and support larger, higher-impact projects.

This is the plan that Canadians asked for. It is a plan that they have been waiting decades for. This is the single largest investment that the Government of Canada has ever made in connectivity, and we're doing it because it's the right thing to do. We're doing it because it will improve health and safety, it will address economic gaps and it will also even the playing field. We want to make sure that this big, beautiful country is connected and united, because every time Canadians have been able to stay connected and united, we've been able to achieve big things.

• (1115)

I thank you, Madam Chair and colleagues, for giving me a space on your committee. I know you're doing really important work and time is precious, but I'm very much looking forward to spending a little bit of time with you today to see how we can work together to connect every Canadian to this essential service.

Thank you.

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

We will now move to our first round of questions. Our first questions go to MP Nater.

You have the floor for six minutes.

**Mr. John Nater (Perth—Wellington, CPC):** Thank you, Madam Chair.

If I have a bit of time at the end of my round, I will pass it to Mr. Sloan.

Good morning, ministers. Thank you for joining us.

I want to start with the universal broadband fund, the rapid stream. The deadline for applications is January 15, 2021. How quickly will those applications be adjudicated?

• (1120)

**Hon. Maryam Monsef:** That's an excellent question, Mr. Nater. The answer is, as quickly as possible. We have a team of engineers and project managers—the other side of our concierge service—waiting to process these applications as quickly as possible.

Our wonderful deputy minister, Simon Kennedy, is here. He and his team have spent the last year—if not more, but the last year that I've been working with them—preparing for this. We're ready to go.

**Mr. John Nater:** Can you give us a timeline—six weeks, four weeks?

**Hon. Maryam Monsef:** I would hope much less than that, MP Nater.

**Mr. John Nater:** Great. Thank you.

Following up on a similar issue, in November 2016 the connect to innovate program applications were due. To date, four years later, there are still outstanding applications that haven't been adjudicated.

Can you commit to adjudicating and finalizing all of those applications that are outstanding four years later?

**Hon. Maryam Monsef:** The connect to innovate program is supporting over 200 projects in close to 1,000 communities across the country, including about 190 indigenous communities. We have worked as diligently as we could have. My officials have been on this to move as many projects as possible forward.

Where projects get stuck, these very complex infrastructure projects, is related to a range of issues. It could be related to the fact that broad community support isn't there; it could be related to environmental assessments, to indigenous consultations, a range of factors—

**Mr. John Nater:** Thank you, Minister. I'm going to have to interrupt you, because I only have so much time.

So, there is no commitment to adjudicate the remainder of those projects.

Earlier this year, your parliamentary secretary tabled an OPQ response, stating that of the 8,500 households that were to be connected through the connecting Canadians strategy, none of these projects have reported completion, now over a year and a half after those were announced. Can you give us assurances that those approved through the rapid stream will, in fact, be completed by November 2021?

**Hon. Maryam Monsef:** Will you give me a little bit of time to clarify your first question?

**Mr. John Nater:** Be as quick as possible, Minister.

**Hon. Maryam Monsef:** I will do my best.

The reference you're making is to the top-up to the connect to innovate program. The \$585-million program was so well received and so needed that we were able to receive a top-up for it. By the end of this year, tens of thousands of households will be connected because of it. By the end of next year, over a quarter of a million households will be connected because of it.

For colleagues who are interested in submitting applications to the rapid response stream, you have my commitment that we're going to do everything we can to process every application as quickly as we can, with the due diligence required to do so.

**Mr. John Nater:** I would just note that your parliamentary secretary, in her response, actually noted 8,500 households total. I will leave that there.

**Hon. Maryam Monsef:** MP Nater, I think your question in the OPQ was specifically about the top-up, so that's the response you received.

**Mr. John Nater:** Yes, and we're still, a year and a half later, without those projects being completed.

In the third quarter of this year alone, the major telecoms had a profit of over \$1.8 billion, which is higher than the total value of the universal broadband fund.

Can you give this committee an assurance that these three major telecoms will not take the bulk of the funding through this program, leaving many of the small, local ISPs across the country in many of our rural ridings out in the dark?

**Hon. Maryam Monsef:** In rural ridings, in mixed rural/urban ridings like mine, and across the country, we know that there is a need for a mixed range of options. Connect to innovate funds were divided into thirds. One third supported indigenous projects; one third supported small ISPs; and one third supported larger ISPs.

With every single application that comes forward for the universal broadband fund, there's a requirement particularly for backbone projects to ensure that there is open access. For all of them, affordability is a key factor.

**Mr. John Nater:** I just hope the major telecoms don't gobble that up.

I'm going to ask one more question and then turn it over to my colleague.

The SWIFT project is an important project in southern Ontario. Will you commit to funding it?

**Hon. Maryam Monsef:** The SWIFT project and the EORN project are examples of aggregator projects that connect regions. I have been in conversation with both the Eastern Ontario Wardens' Caucus and the Western Ontario Wardens' Caucus, as well as the team at EORN and the team at SWIFT. What we have spoken about with them was, first, how exciting their projects are, and second, how important it is to connect their communities and their regions. Third, my team and I will do everything we can to find ways to support their projects.

As you can appreciate, MP Nater, it's hard to commit to a project that we have not fully seen. That due diligence is a really important part of investing these dollars wisely but, of course, we will give due consideration to every project that comes forward.

I am getting the yellow card from our wonderful chair.

MP Nater, if you ever want to talk about these projects and how we can work together on an issue that crosses every single jurisdiction in our country, my virtual door is always open.

• (1125)

**Mr. John Nater:** Is there time for Mr. Sloan to ask a question?

**The Chair:** We have three seconds, unfortunately. We'll have another tour at the next chance.

I will now turn it over to MP Jaczek. You have the floor for six minutes.

**Ms. Helena Jaczek (Markham—Stouffville, Lib.):** Thank you very much, Madam Chair. I will be sharing my time with that force of nature, MP Hutchings.

Minister Monsef, there's a real problem, not only in remote and rural areas, but even in ridings such as mine, Markham—Stouffville, in terms of what I would call under-connectivity. I have a community in southeast Markham, Locust Hill. It has 37 houses and their Internet connection is extremely slow, to the extent that they cannot participate in Zoom conferences. Even during the spring, students could not access online learning from this community. They have done everything they could in terms of approaching the telecoms and so on, and they were simply told that it was not economical to run fibre to that community. This is a community within three kilometres of Markham Stouffville Hospital and a very large subdivision, which is, of course, fully connected.

How will the universal broadband fund help communities like Locust Hill?

**Hon. Maryam Monsef:** Thank you so much, MP Jaczek.

Of Canadians who live in urban centres, 98% have access to high-speed Internet; 2% don't. Of those living in rural communities, 41% have access. That leaves 59% without. About two-thirds of indigenous communities don't have high-speed access either.

What we've heard with the work we did for connect to innovate, the work that Bernadette Jordan, my predecessor, did in developing Canada's first connectivity plan.... We spoke with service providers, community leaders and colleagues in the House of Commons, of course. The conclusion we arrived at was that the federal government could play the role of connecting the underserved and under-connected communities. Those communities where the business case for the private sector to do so...simply was not there for population density.

That's what the universal broadband fund is meant to do. The Government of Canada believes this is an essential service, critical to our health, safety and economic well-being. We are supporting projects that will connect those where the business case simply is not there.

For small communities like yours, MP Jaczek, I think this is an example of the kind of project we should probably speak about with our experts. If they don't have access to 50/10 right now and if the solution could be something as simple as putting antennas on roofs, for example, then that project—if it could be completed by next November—would qualify for the rapid response stream.

**Ms. Helena Jaczek:** I'll turn it over to MP Hutchings. Thank you.

**Ms. Gudie Hutchings (Long Range Mountains, Lib.):** Thank you, colleague, for sharing your time.

Ministers, it's great to have you both here with us today.

Minister Monsef, I have a question for you. Minister Ng, I'd like your comments on her reply afterwards. We all know that UBF and connect to innovate are connecting households and individuals. We know how important connectivity is for education and for health and safety. It also has a huge economic benefit.

Ministers, I'm asking you both to speak about the economic benefits, now that we're ensuring that Canadians will have access to reliable and affordable high-speed Internet. Minister Monsef, you can speak locally, and Minister Ng, if you could, from your portfolio of small business and international trade.

Over to you, Minister.

• (1130)

**Hon. Maryam Monsef:** Thank you so much, MP Hutchings.

The studies that have been done on broadband and the work that's been done in Canada before clearly show that there is a direct link between connectivity and job creation and economic development.

What we are seeing in studies—for example in Europe, which is much smaller and has much less complex geography than ours—is that there's a 32% increase in the gross domestic product when connectivity is achieved. For every dollar invested, there are a whole range of economic impacts that simply lead to jobs.

We're seeing it now. There are businesses in my community and across the country on Main Street that aren't able to benefit from the same kind of customers showing up and engaging in commerce. These businesses are ready to go online. They are ready to make that big leap, but because they don't have access, they can't open up their businesses to a range of customers.

This Christmas I hope that as Canadians we are all going to be encouraging a “buy local” initiative. That “buy local” initiative can take place online. Where it can't, those businesses on Main Street need our support, now more than ever, so that they can get through this difficult winter.

We will be there to connect them to high-speed Internet. We will be there to support them in all the ways that Minister Ng just mentioned, while connectivity will definitely lead to economic growth and opportunities for the young and the young at heart.

**Ms. Gudie Hutchings:** Minister Ng, it's over to you.

**Hon. Mary Ng:** Absolutely. Thank you so much for that terrific question.

Just building on what Minister Monsef said, I think having this connectivity is absolutely crucial. Not only is it going to help our businesses weather the storms that are COVID-19 so that they can serve more customers, but going digital will actually mean that they can have access to more customers.

I took a trade mission to South Korea just last week—a virtual trade mission, the first of its kind. Over 200 businesses came with me to expand their business abroad.

**The Chair:** I apologize, Minister. That's all the time for that slot.

[*Translation*]

Mr. Lemire, it is your turn. You have six minutes.

**Mr. Sébastien Lemire (Abitibi—Témiscamingue, BQ):** Thank you, Madam Chair.

My question is for Minister Monsef.

I must confess that I was especially eager for her to appear today, given what was happening when the committee met with her on May 11. We were in the throes of the pandemic at that time, and I had high expectations that she would be able to grasp the scale of the challenge facing Canadians. As we know, the pandemic underscored the importance of Internet access for teleworkers and students doing their schooling online, just to name a few. I expected a concrete plan, but I was patient back then.

Minister, it is now November 19. It's great that you loved your red cell phone when you were younger, but the fact remains that we know nothing more about the program.

Last week, you announced your plan to increase your connectivity target to 98% of Canadians by 2026. That is ambitious, but I am inclined to think that the remaining 2% will be mostly in my riding. I don't see progress being made as far as the various programs are concerned. To my mind, the 98% of Canadians who will have connectivity will live in urban centres, as you mentioned.

Will you adapt the programming to take into account the needs of very rural areas, rather than putting the money towards connectivity in urban centres?

[English]

**Hon. Maryam Monsef:** I think that's a really important question, and I appreciate being here to speak with you about this, but if you have further questions, we should talk.

Canada does have a plan. It didn't have a plan until we formed government, but there is a connectivity plan, and I encourage you to take a look and let me know what you think about it.

The universal broadband fund is the second phase of the program to help implement that plan. The first phase of our plan included the connect to innovate program. That program is connecting millions of Canadians to high-speed Internet. We've learned from that program and the programs in the past, and this program is going to get us to 98% connectivity by 2026, with the other 2%, being in the most difficult-to-reach communities and geographic areas across the country, connected through other options—for example, with low-earth orbit satellites.

The plan includes a rapid response stream. We heard about communities that have needs that could be met right now. That antenna on the house example I gave earlier is one of those. They said that for COVID purposes and to move as quickly as possible...include a \$150-million stream for rapid response.

The plan also includes a \$1-billion component for cell service, for backbone and for last mile. It also includes fibre. It's a program that is ready to go.

I want to be very clear about something with my colleagues. This isn't an aspirational plan, like the ones that governments over the past 20 years have put forward. This is an actual program that is connecting people as we speak, by the end of this year, which thankfully is about a month away.

• (1135)

[Translation]

**Mr. Sébastien Lemire:** Ms. Monsef, sorry to interrupt, but those are things I would have liked to hear in your opening statement.

You announced calls for applications and you received submissions this summer. When will applicants under the connect to innovate program receive an answer?

This is November, and we are in the middle of a pandemic. Some good news would be welcome.

[English]

**Hon. Maryam Monsef:** As I was saying, by the end of this year tens of thousands of households will be connected, and that's in about a month. By the end of next year, over a quarter of a million

households will be connected. By the following year, close to half a million households will be connected—and that's just what the federal government is doing.

Our plan includes a deliberate attempt to coordinate existing efforts across the country, including provinces and territories like yours. I was speaking with Minister Fitzgibbon not too long ago, and we're coordinating our efforts to connect every community in Quebec to this essential service.

This isn't aspirational. We have targets; we have timelines. The federal government has put its entire force behind it, with the most significant investment ever. In fact, if you add up all previous investments in broadband, our government has invested 10 times more in the past five years than all previous governments combined.

We are serious about this. This is an essential service—

[Translation]

**Mr. Sébastien Lemire:** The problem is that the programs are often ill-suited. Take, for example, the \$200,000 project in support of backbone infrastructure to connect 294 households in the municipality of Moffet. That is a great project, but it's going to take five years just to build the 50 kilometres of backbone infrastructure. After waiting five years, residents still won't have connectivity because a service provider has to come in and offer the service but is under no obligation to connect the households.

There is a serious design flaw in the program, because people can still end up with no service when the project is complete. Obviously, given your statistics, you are happy to say that you are connecting households.

The responsiveness of the programs matters, and if you were to reach out to the Quebec government, you would find that it is prepared to put up money.

This is a very simple question. Why don't you give the money to the Quebec government so it can set up a more tailored program to connect regions in Quebec?

[English]

**Hon. Maryam Monsef:** Madam Chair, I saw the yellow card. Do I still have time to answer very quickly?

**The Chair:** You have 10 seconds.

**Hon. Maryam Monsef:** Okay.

If my colleague would like a briefing on how we're working with Quebec to support the people of Quebec, I am happy to offer it to him.

This is a complex program, a complex project. It's the most significant national infrastructure project of our time, and having a conversation and that briefing might go a long way.

**The Chair:** Thank you, Minister.

Our next round of questions goes to MP Masse. You have the floor for six minutes.

**Mr. Brian Masse (Windsor West, NDP):** Thank you, Madam Chair.

I'm going to start by tabling a notice of motion for future discussion for the committee. I'll read the motion briefly and then move from there into my questioning. It reads:

That, pursuant to Standing Order 108(2), the Committee undertake a study of C-11, the Digital Charter Implementation Act (An Act to enact the Consumer Privacy Protection Act and the Personal Information and Data Protection Tribunal Act and to make consequential and related amendments to other Acts).

The clerk has that and it will be distributed. That's to ensure that we have participation with new legislation that has been tabled in the House of Commons.

Thank you, Ministers, for being here. My first question is for Minister Ng.

One thing that has been a real problem for small business is that the original programs that were rolled out were landlord-approved, and that put a lot of small businesses in dependent relationships, and actually abusive relationships at times, given some of the market conditions, not only in mid-range cities like mine in Windsor, but in larger ones and even smaller ones.

Can you tell me why you made the landlords actually the boss of helping small businesses? Where did that logic come from? How is that going to be fixed now, because we still have so many small businesses right on the brink? It's been about a year's delay for help for them because of this, I guess, strategic decision, which has not really been helpful.

• (1140)

**Hon. Mary Ng:** Thank you so much, MP Masse. It's wonderful to see you. You and I used to serve on that committee together, so it's even more wonderful to get a question from you.

Right from the very beginning, we wanted to be sure that this support and fixed cost, in particular rent...because we know how big an expenditure that is for businesses every single month, and with revenues going down, how difficult it was going to be for them.

I just want to remind everyone that, of course, rent is not an area of federal responsibility, but rather one where we must work with our partners at the other orders of government, which we did.

I think what Canadians will see, and colleagues will see, is that we have listened, and continue to listen, to businesses. We are working with our colleagues on all sides of the House so that we are adapting.

What we have right now is, of course, the new rent subsidy bill, which means that businesses can apply directly and get this really important support, where they'll get 65%...and if they are locked down because of public health measures, they will get an additional 25% of lockdown support. This is direct support to them.

**Mr. Brian Masse:** I appreciate that. We can't go back and make up for lost time now, but what we can do is provide better service to

the small businesses. Can you give us deadlines and times so that businesses can plan for this now?

Quite frankly, the way it was rolled out was a problem. That's why it has changed. That's why it's different now. We're glad for that part, but what we're still a little concerned about are the timelines, especially with much of the country going back into a second wave. There's still a lot of uncertainty. Can you give us specific dates in order to ensure there are going to be proper resources for actually processing the necessary casework? Those extensions of time are killing so many small businesses.

**Hon. Mary Ng:** Yes, I absolutely appreciate that. I share that urgency for that help, particularly as businesses are tackling the second wave. We of course passed Bill C-9 just last week. It's in the Senate now. We hope it will get through as quickly as possible.

I want to remind businesses—and colleagues, of course—that it will be backdated to September 26. It's going to go through a system that is very similar to the wage subsidy, and many businesses that are going through the wage subsidy through the CRA portal are going to see a lot of familiarity. We want to make this easy for businesses so they can get access to this really important support.

Like I said, the 25% in lockdown support means, effectively, that if you are locked down, you get up to 90% of that rent paid, which I think is going to go a long way in helping these businesses.

**Mr. Brian Masse:** Yes, as long as they can stay alive. That's the key thing.

I want to move now to Minister Monsef, please.

With regard to broadband, I know you've recognized that they've been waiting for decades, and for decades I've been raising the fact that we have abused our spectrum auction. We've actually taken in \$22 billion in spectrum auctions and passed on some of the highest consumer costs to Canadians. On top of that, we've also taken that money and not put it back into rolling out a plan across Canada.

We have a spectrum auction now that's delayed. Can you tell us why it's delayed and why we're not using the spectrum auction to facilitate more broadband rollout right now?

Again, both Liberal and Conservative governments have benefited by over \$22 billion. We have limited competition and I would argue.... Maxime Bernier came to this committee and said that he had a plan for Canada. That didn't work out too well.

When can we see the spectrum auction actually used to facilitate penetration and affordability? If we build systems that people can't afford, we're actually further disadvantaging people. That is a significant disadvantage to rural, remote and lower-income Canadians, who can't compete for school and can't compete for business. They're also left behind in the social realm, because they can't get on and use the type of infrastructure that's necessary.

Lastly, it's a responsibility for the government as we get rid of bricks and mortar and put stuff online. We saw through the immigration policies how it hurt people, because they couldn't do it quickly enough.

**Hon. Maryam Monsef:** Madam Chair, how much time do I have to respond?

**The Chair:** You have 30 seconds.

**Hon. Maryam Monsef:** MP Masse, you're absolutely right about the spectrum auction being pushed back. It was pushed back because industry asked for it, and Minister Bains pushed it back to June 2021 because of COVID.

You're also absolutely right about the need for access and quality, as well as affordability. What the universal broadband fund is going to do, particularly for backbone projects, is require an affordability component and an open-access component.

• (1145)

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

I have a quick reminder. The yellow card means that you have 30 seconds. This means that your time is up. I want to make sure everyone gets their time.

We'll now start the second round. Our first round of questions goes to Mr. Kelly.

You have the floor for five minutes.

**Mr. Pat Kelly (Calgary Rocky Ridge, CPC):** Thank you.

Good morning, Ministers.

I think my questions are probably all going to be for Minister Ng.

On what date will applications for the rent subsidy begin?

**Hon. Mary Ng:** Well, as you know, it's going through the Senate, so as soon as it's passed, we're going to go as quickly as we possibly can, but it's backdated to September 26.

**Mr. Pat Kelly:** Okay.

The former program expired in September. Why did your government wait until November 2 to table legislation to replace it?

**Hon. Mary Ng:** I think what's really important is that the legislation was passed in Parliament, it is going through the Senate and this support will be backdated to September 26 so that support gets out to businesses, which certainly need it right now as we head into—

**Mr. Pat Kelly:** Okay.

Minister, your government had all summer to prepare a properly thought-out rent subsidy program, one that would help the businesses that need it most. Then, in the rush to suddenly dump it on November 2, without proper time to review the bill, you tabled a bill that will exclude those who could not pay the rent after your last program expired. How do you plan to address and fix that problem?

**Hon. Mary Ng:** I think I would disagree with you from this standpoint. We listen to businesses. We continue to listen to businesses. My department continues to have daily or weekly calls,

twice a week, with businesses so that they can provide input. Remember that rent support is absolutely important, but so is helping businesses make their payrolls. So is giving them liquidity so they can pay their bills and bridge some of those costs. This is a comprehensive program aimed specifically at helping businesses get through this period.

**Mr. Pat Kelly:** Thank you.

To that point, on what date will the post-December 19 details of the wage subsidy be available?

**Hon. Mary Ng:** The legislation, Bill C-9 of course, has worked its way through getting passed, which is terrific, and it is making its way through the Senate. We will be sure that the information is there for businesses. It's really important that we made those announcements when we did, because businesses were looking for certainty, and in our throne speech, we said that they could count on us to get this important support until the end of summer 2021. Businesses need to plan. They know that the support is going to be there. Rent support will be backdated until September 26, and lending support is there in addition to funding through CEBA—

**Mr. Pat Kelly:** Minister, I agree with you that businesses do need certainty, and they don't have certainty in this bill. This bill doesn't contain the details that businesses can use to plan how to get through to next summer. Again, when do you plan to have the details of the wage subsidy post-December 19 available?

**Hon. Mary Ng:** I would offer the following. We know that businesses need access to that important support so that they can keep people on the payroll. We are going to be providing up to 65% in wage subsidy support. It will be calculated on a sliding scale relevant to a business's revenue decline. The more hardship, the more support—and the inverse, of course, is true. They are going to get support until the end of next summer.

**Mr. Pat Kelly:** Thank you.

I have a quick question that I've asked several times before of both you and the Minister of Middle Class Prosperity. How much has been funded under the BCAP program so far?

**Hon. Mary Ng:** Let me just take a look.

The BCAP has been a really important set of liquidity supports for those businesses, of course, that need greater liquidity support—

**Mr. Pat Kelly:** That's okay. I wondered if you knew today.

I'm going to ask Mr. Sloan if he wants to get that question in now, and I'll cede the rest of my time to Mr. Sloan.

**Mr. Derek Sloan (Hastings—Lennox and Addington, CPC):** Yes, I'd love to. Thank you so much.

Thank you, Minister Monsef, for being here today.

I have just a quick question. A very important project in my neck of the woods is the EORN project. You mentioned it earlier. We're having some issues. We've submitted a business case project to your office for review. There's some concern about the different funding streams not being applicable, not being enough to fund the federal portion of this project. Can you work with our area? Can you commit to working with my office? I know we sent a letter out to your office earlier to work on this project. Can you commit to following up with me to work with local stakeholders to get into the right funding streams? There's been some confusion about the different streams. Can you commit to me today to doing that?

• (1150)

**Hon. Maryam Monsef:** Thank you, MP Sloan.

The EORN project is something I've been working on and aware of since I became an MP, so the short answer is yes.

**Mr. Derek Sloan:** I appreciate that, and we'll be following up.

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

Our next round of questions goes to MP Jowhari.

You have the floor for five minutes.

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

Welcome to both of our ministers.

It's good to see that we have strong Ontario as well as York Region representation here.

Minister Ng, I'm going to start with you, if I may. You didn't get the chance to complete your response to the question of my colleague Madame Jaczek regarding the trade mission that you had with Korea. I noticed while we were voting that you were running back and forth and attending that meeting. If you could finish that in about a minute, I have a question also on the first-ever national Black entrepreneurship program, which I'd like an update on. I'll quickly then go to Minister Monsef.

Thank you.

**Hon. Mary Ng:** Absolutely.

Really quickly, on the question around the trade mission, it's terrific. It's a virtual trade mission with over 200 businesses, with a focus on a subset of those being led by extraordinary women entrepreneurs in areas of health technology and agriculture and a range of just terrific businesses. Normally, you would see about 25 businesses, so bringing over 200 businesses to South Korea virtually is something that's been terrific to do.

**Mr. Majid Jowhari:** The fact that there are women entrepreneurs across all sectors is what really stands out for me. Thank you.

It's the first-ever national Black entrepreneurship program in Canada. In your opening remarks, you talked about over \$200 million. Can you give us an update on where we are on that one?

**Hon. Mary Ng:** Yes, absolutely.

Thank you so much, MP Jowhari. As you and I share, along with our colleagues, we know how important it is that we have participa-

tion from all parts of society, to make sure they are fully participating in our economy. That's what creates jobs. That's what creates great communities across the country. Black-owned businesses are talented. They're innovative. They're resilient. We've been working very closely with Black entrepreneurs and Black-owned businesses to come up with this historic program.

This historic program is going to provide loans from \$25,000 to \$250,000 so that we can help businesses get that direct access to capital, which has been a barrier to their success. What is equally important is to make sure that we have an ecosystem of support for Black-owned businesses, and that Black-owned businesses have their voices directly in this and get the support, whether it's mentorship, financial and business training, or getting access to those networks that are just so important.

We are working very hard to make sure we include everyone in the economy. We know the contributions. We know the job creation that this program will yield. It's very exciting to have worked with so many Black-owned businesses and those organizations that represent Black-owned businesses. This program listened to their needs and was developed with their input at the table. We're looking forward to continuing that work.

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

I'll quickly go to Minister Monsef.

It's good to see you, Minister.

I have a quick question on the disparity that I noticed in table 1 of the Library of Parliament document that was sent to us. That table—"Availability of Internet services that meet the CRTC target, by population size and by province/territory (% of households), 2018"—indicated a little bit of disparity between Ontario and some of the other provinces. That disparity came in the area of rural areas as well as first nations, which were much less represented. Although Ontario covers 87.2%, in the rural areas and on first nations reserves it's 29.5% and 17%.

Can you touch on that disparity between provinces? There are provinces that are much smaller, and their rural coverage and first nations reserves coverage is much higher, 60% and 70%.

I'll give you 45 seconds.

• (1155)

**Hon. Maryam Monsef:** Look, this country can only reach its full potential if everybody has equal access to this essential service. There are some provinces that are better connected than others. There are some territories that are still struggling.

The universal broadband fund and our investments in low-earth orbit satellites are meant to provide the leadership that the federal government can provide to connect every community, in partnership with provinces and territories as well as the private sector and, of course, indigenous communities themselves.

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

**Hon. Maryam Monsef:** Look at that, Madam Chair.

**The Chair:** That was perfect timing.

Our next round of questions goes to Mr. Lemire.

[Translation]

Mr. Lemire, you have two and a half minutes.

**Mr. Sébastien Lemire:** My question is for the Minister for Women and Gender Equality and Rural Economic Development.

No one knows better than Quebecers how to make the best use of the public money. After all, they have the expertise because they know the reality on the ground. The regions should administer regional development projects. Decisions affecting the future of Quebec's regions should be made in Quebec.

Canada's role is limited to what is laid out in the Constitution. In other words, Canada is supposed to transfer the funding to Quebec for matters under its jurisdiction, and leverage the proximity and effectiveness of Quebec in areas of shared jurisdiction. The money should be transferred to Quebec in order to support innovation within its borders.

Minister, where do you stand on setting up a regional development and economic diversification fund to support the processing of Quebec's natural resources in Quebec? The fund would be administered by regional issue tables in conjunction with the Quebec government.

[English]

**Hon. Maryam Monsef:** Madam Chair, how much time do I have?

**The Chair:** You have a minute and a half.

**Hon. Maryam Monsef:** Okay.

Thank you for that very important question.

I think the partnership we've developed with the Government of Quebec, the way we are coordinating our efforts, the way we are sitting at the table to address challenges around passive infrastructure, the way we've even coordinated with the development of the application form itself speaks to the positive relationship we have with Quebec, as we do with every province and territory.

My colleague asked earlier about this program. If I may respond to what he shared earlier, in your own riding, my friend, there are thousands of households, thousands of Quebecers who are going to be connected by the end of this year. In the riding next door—

[Translation]

**Mr. Sébastien Lemire:** I'm going to stop you there, Minister.

I wasn't talking about the Internet. I asked you where you stood on an economic diversification stimulus fund set up by and for the regions of Quebec?

Would you, as the minister for rural economic development, be interested in establishing a program to support Quebec-centric innovation, one that was designed by and for the regions of Quebec? Have you given it any thought?

[English]

**Hon. Maryam Monsef:** Madam Chair, as I was trying to say, the partnerships we have in place are working in his own community, where we are connecting households to this essential service, and we look forward to working with communities. Communities are

putting these applications forward. Ottawa is not telling communities how to do this.

[Translation]

**Mr. Sébastien Lemire:** Thank you.

[English]

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

Our next round of questions goes to MP Masse.

You have the floor for two and a half minutes.

**Mr. Brian Masse:** Thank you, Madam Chair.

In 2019, the CRTC passed a decision to lower the prices for independent service and third party providers, for competition, so this way they could compete against the predominant giants we have and introduce more competition into Canada. In response, Bell has a hissy fit and they cancel 200,000 new home developments that they were going to connect in rural and small towns across Canada. Then, we fast-forward to August 17, 2020, and, Madame Monsef, your cabinet overturned the CRTC.

Can you explain to Canadians the benefit of overturning the CRTC decision?

• (1200)

**Hon. Maryam Monsef:** I think your point about the regulator playing a role is a really important one. I think your point about competition is also a really important one. I didn't have time in the last question, MP Masse, to talk about how our spectrum policy does support competition, which is the best way to lower prices.

For any further questions about this in great detail, I would recommend connecting with Minister Bains, who is the lead on this.

**Mr. Brian Masse:** It was a cabinet decision, though, and you are in charge of rolling out this file now. Part of this file isn't just throwing money at project after project in the hope of connecting Canadians.

We effectively overturned a CRTC decision. I think Canadians need to know that. What were the reasons for overturning the CRTC on a well-thought-out decision to lower the prices for Canadians by offering third party services at a lower rate than the actual public administrator you're accountable for?

**Hon. Maryam Monsef:** Again, we're not throwing money at anything, sir. We are investing in projects where the business case to connect Canadians to the essential service is not there. We didn't overturn the decision that was taken with CRTC; we decided not to intervene. The CRTC—

**Mr. Brian Masse:** You did overturn it.

**Hon. Maryam Monsef:** No, sir. I'm speaking. The CRTC is undertaking its own reconsideration process, and we are allowing the space for that to happen.

**Mr. Brian Masse:** The decision was overturned.

Thank you, Madam Chair.

**The Chair:** Thank you.

Our next round of questions goes to MP Sloan.

MP Sloan?

**Mr. James Cumming (Edmonton Centre, CPC):** I'll take the next round.

**The Chair:** Thank you, MP Cummings.

You have the floor for five minutes.

**Mr. James Cumming:** Thank you, Ministers, for being here today.

Minister Ng, can you be a little more specific? We know that legislation is going to go through the Senate, but surely your department must know, after that legislation is dropped and it's approved, when businesses will be able to apply for the new rent program. Is it going to be a week after it's dropped, a day after, three days after? Can you give us a time frame?

**Hon. Mary Ng:** The answer is that we are working as quickly as we can and businesses can rely on having this rent support backdated to September 26. It's absolutely important that they get this support.

**Mr. James Cumming:** With that access backdated, here's the problem. You just talked about deferrals for businesses, five billion dollars' worth of deferrals. All this is going to hit the pavement where they have deferrals.... They do not have the working capital to do this. It's critical that this program gets out fast. Can you give us an idea of whether it will be a week after it's approved?

**Hon. Mary Ng:** You're absolutely right; I agree with you. The urgency and the need for businesses to get their.... The whole point of the deferrals is to keep more cash flow in the businesses. The whole point of having CEBA is so that they actually have an additional \$20,000 of working capital. The idea that we continue to support, through the wage subsidy, those very important wages that businesses have to pay is what all of this is about. It's just a suite of support to make sure that businesses get through this very difficult time.

**Mr. James Cumming:** Minister Monsef, I'll switch to you.

With regard to the broadband fund—\$1 billion and now an additional \$750 million—of the \$1 billion, how much is allocated?

**Hon. Maryam Monsef:** We're ready to go with a fully funded program to connect Canadians to this essential service.

**Mr. James Cumming:** Of the \$1 billion, how much is allocated? You've added \$750 million. How much of the \$1 billion has actually been put to work?

**Hon. Maryam Monsef:** None has been allocated. It's a new program that builds on the first program.

**Mr. James Cumming:** Of the first program, of the \$1 billion, how much of it has been allocated?

**Hon. Maryam Monsef:** My friend, we launched the program last Monday. It will be requested in supplementary estimates (C).

**Mr. James Cumming:** Of the original CRTC broadband fund, the \$1 billion that was allocated, how much has been allocated?

**Hon. Maryam Monsef:** The CRTC—

**Mr. James Cumming:** You've added \$750 million. Of the initial fund, how much of that has been allocated?

**Hon. Maryam Monsef:** The CRTC fund is a separate fund that is administered by the regulator. They have already put out a call for proposals. They've extended the deadline as per requests from folks in communities, so the answer to that would be zero as well.

● (1205)

**Mr. James Cumming:** Does the minister think it's acceptable that we've been announcing fund after fund—we have several different funds dealing with broadband—and that we have lots of announcements about dollars, but not a lot of announcements about how effective the funds have been?

Can we receive a full report as to how many people have been connected and what the costs are per person connected, and receive better details on how effective these funds have been?

**Hon. Maryam Monsef:** Absolutely, and I will tell you that the most frustrating part of this file hasn't been figuring out the diverse range of ways that people are underserved or underconnected. It's that previous programs, as small as they were, did not keep track of data. There was no baseline for us to work from.

What this program also includes, colleagues, is a partnership with StatsCan. We'll be rolling that out in conjunction with the program to keep track of the households, businesses and communities that are connected and of how they benefit. The service providers themselves are asked to report quarterly to show progress moving forward, and there's also a tracker where you can go and see, per community, per project, which stage of development each project is at.

What my colleague is asking for is entirely reasonable. That transparency is key. For the first time ever, these projects are being counted, measured and reported on because it's a big investment, and a lot is riding on it.

**Mr. James Cumming:** Minister, that's great, because we do want transparency, but when will we actually be able to see detailed reporting on the efficacy of every single program dedicated to rural broadband? Is it going to be before year-end that we're going to start seeing proper reports?

**Hon. Maryam Monsef:** You can see it right now. The connect to innovate program tracker is available online now. It's available on the universal broadband fund site. The CRTC program, of course, they are rolling out as well. As far as I know, to date, about \$72 million in projects has been rolled out. We're still waiting on the rest. The top-up funds for CTI, which MP Nater asked me about—

**The Chair:** Minister.

**Hon. Maryam Monsef:** Oh, I'm sorry. I didn't see you. I was looking at MP Nater. Forgive me.

**The Chair:** My apologies. You're a little over time.

Our next round of questions goes to MP Lambropoulos.

You have the floor for five minutes.

[*Translation*]

**Ms. Emmanuella Lambropoulos (Saint-Laurent, Lib.):** Thank you, Madam Chair.

I would also like to thank my fellow members Minister Monsef and Minister Ng for being with us today to answer our questions.

As we know, the most vulnerable members of society remain the hardest hit by the COVID-19 pandemic. The closure of schools and day cares has forced women to take on a lot more unpaid domestic work, in addition to their actual jobs, which many of them are doing from home because of the pandemic.

Minister Ng, my first question is for you. Can you tell us what the government is doing to help women entrepreneurs?

**Hon. Mary Ng:** Thank you, Ms. Lambropoulos.

Although the COVID-19 pandemic has affected all Canadians, it has had serious repercussions for women entrepreneurs. To address that reality, we are committed to advancing women's economic independence.

We invested an additional \$15 million to support women entrepreneurs through the women entrepreneurship strategy. The funding will go to select organizations currently benefiting from the ecosystem fund and will help women entrepreneurs deal with the pandemic.

Empowering women-owned businesses is a priority for our government, and we will continue working to ensure women entrepreneurs are supported through the pandemic and into the economic recovery.

[*English*]

Let me give you an example. Sheena Russell is the founder and CEO of Made with Local. She's a granola bar producer in Dartmouth, and she's benefiting from the women entrepreneurship fund. I met her last year when I announced the trade accelerator program, when we were expanding into Atlantic Canada. That program was to help our amazing entrepreneurs, and certainly female entrepreneurs, grow their business and grow it internationally.

During COVID-19, Made with Local, which is her company, closed their Real Food Bars production bakery, but Sheena and her team didn't let the pandemic stop them. She pivoted to packaging and selling granola bar mixes. It's a new product. Instead of you walking in the store... She has pivoted, with the help of the women entrepreneurship strategy, and is now making those mixes available. They're in grocery stores here in Canada. She's exporting and growing her business internationally, and we're helping her do that.

We're going to keep supporting women entrepreneurs just like Sheena.

• (1210)

[*Translation*]

**Ms. Emmanuella Lambropoulos:** Thank you very much, Minister Ng.

Minister Monsef, you described what it was like for you, as a young woman, when you got your first cell phone. You had your first job at the age of 10.

I had my first job when I was 15, but I was in a much different boat. I had a flip phone, and my mother took it away from me after a year, so I became used to living without a cell phone while I went to university. It was actually a good thing. I would go to the campus every day to attend classes and I would use the computer there to communicate with my friends. Today, however, that is not an option. Students are doing their classes online, so we need to make sure they have more support.

Tell us, if you would, about the government's programs and investments to support ridings across the country, including Mr. Lemire's, Abitibi—Témiscamingue? Can you tell us what the government is doing to help?

[*English*]

**Hon. Maryam Monsef:** Thank you, Madam Chair. How much time do I have?

**The Chair:** You have 45 seconds.

**Hon. Maryam Monsef:** MP Lemire gave me a bit of a ribbing for talking about the red BlackBerry Pearl. Right now, there are millions of young women just like us, trying to find their way in the world, trying to make the most of the opportunities and to get beyond the barriers. These devices, these connections, make a world of difference for little girls who grow up in poverty, like my sisters and I did, and try to get out of the cycle.

The program we have developed is meant to provide a pathfinder service for those smaller communities, like MP Lemire's, that do not have the capacity to apply for these projects on their own. They call a number and on the other end of the line engineers and project managers can help.

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

That is the end of our second round.

I'd like to thank the two ministers for being with us today.

We'll now move into round three with the technical—

**Mr. James Cumming:** Madam Chair, I have a point of order.

**The Chair:** Yes.

**Mr. James Cumming:** We've had two ministers here today, and I do appreciate their time in coming today, but it just strikes me that putting these two ministers together and giving us just over an hour—and I know they gave us slightly more than that.... In the work of this committee, we've set aside time for this committee to be very specific around ministers, and it strikes me that either they should make themselves available for the entire two hours, or we should have these ministers back-to-back so that the people who participate in this committee can have a more robust opportunity to ask their questions.

We can always bring department officials in. I know how busy the ministers are, but this is our opportunity to be able to quiz them. I know that everybody did a lot of prep work on this and would have many questions. At the very least, I would suggest that for our meetings going into Tuesday the ministers should be back-to-back rather than together at the committee.

**The Chair:** Mr. Cumming, as you know, the motion was put forward by the committee to have the ministers come over the course of two to three meetings. We also have a deadline of November 30 in order to make this happen. With that scheduled, we were able to get two ministers today, and we have two ministers coming on Tuesday.

As is the standard operating procedure at this committee, we normally include the second hour with departmental officials for technical questions, so this is nothing that's out of the ordinary.

Unfortunately, I do know that our ministers have to go, as they are on House duty. If you would like to submit additional questions to them, you can feel free to do so through the clerk, and we will pass them along to the ministers. As I said, we also have two ministers coming next Tuesday, so they will be there as well.

**Mr. James Cumming:** Madam Chair, wouldn't it be possible to have those two ministers next week go back to back? I appreciate that the department officials are making themselves available, but it's really the ministers we want to talk to.

• (1215)

**The Chair:** I understand. The ministers are available next week. I will double-check with the clerk as to the exact timing that the ministers will be here, and I will get back to you on that.

With that, though, I do want to start the third round, because time is ticking.

If that is okay with the committee, we will start with MP Sloan for five minutes.

[*Translation*]

**Mr. Sébastien Lemire:** I have a point of order, Madam Chair.

I just want to say that I agree with the honourable member's request about the scheduling of ministers the committee meets with. I am looking forward, though, to asking the deputy ministers questions because their answers may be more informative. If we stick with the plan, I would be just as happy to question the deputy ministers.

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

[*English*]

With that, I will turn the mike over to MP Sloan for the first round of questions.

You have six minutes, MP Sloan.

**Mr. Derek Sloan:** Madam Chair, could I clarify if the deputy ministers would be available right now to receive questions?

**The Chair:** Yes. That's who we have here.

Mr. Kennedy, Mr. Thompson and Mr. McConnachie are here for the next hour to answer technical questions.

**Mr. Derek Sloan:** Okay. That's perfect.

This question is for whoever wants to answer it. In relation to the EORN project and similar projects, there seems to be some confusion about the various funding streams. Local officials in my area are concerned about getting the funding for the EORN project.

I know there is a rapid funding stream for a maximum of \$150 million, I think. The buy-in that EORN needs for the EORN project is \$200 million. Can I get some feedback on how we can make the project happen? I know that various people have been aware of this. The minister has been aware of this for many years. How can we make this project work?

**Mr. Simon Kennedy (Deputy Minister, Innovation, Science and Economic Development Canada, Department of Industry):** Madam Chair, I'm happy to start with that.

It is true that there are a number of streams of funding available for broadband. The CRTC, obviously, has funding that it is allocating. We have the universal broadband fund, and we have a set-aside that's available to work with the Infrastructure Bank, which has set aside \$2 billion, so there are a number of streams of funding.

ISED is leading a coordinating process to try to make sure that on the federal side we're able to bring those tools to the table and work with our colleagues in a way that makes sense to make projects work. We certainly have talked to EORN and other project proponents.

I could maybe turn to my colleague, Éric Dagenais. Éric is actually the one who has been dealing directly with project proponents. He might be able to speak a bit about the EORN project specifically, Mr. Sloan.

**Mr. Derek Sloan:** That would be fine, if he's available.

**Mr. Éric Dagenais (Senior Assistant Deputy Minister, Spectrum and Telecommunications Sector, Department of Industry):** Yes. We have been talking to EORN pretty regularly about how we can work together, so they're aware that we have launched a request for proposals. Actually, we've looped in the Infrastructure Bank and Ontario as well, because it gives us an opportunity to work closely with EORN on the project they're putting forward.

The rapid response, as you mentioned, is \$150 million, but it's a maximum of \$5 million per project, so as far as the big project that EORN wants to put forward goes, it's probably the universal broadband fund that is most fitted to the kind of project they're looking at.

**Mr. Derek Sloan:** I'll follow up on that. This question would probably have been better answered by the minister, but back in the prior report that the Standing Committee on Industry did on broadband connectivity in rural Canada, the suggestion was to create a coordinated national strategy. It seems that we have a variety of different funding initiatives through various streams in the Department of Industry and the regional development agencies. Why hasn't a coordinated national strategy been undertaken, as was recommended before by the report of this committee?

**Mr. Simon Kennedy:** Madam Chair, I could answer that.

As the minister said, the government does have a coordinated national strategy, just to assure members. There is a coordinating table. ISED plays a chairing role in that regard.

Without getting deep into the details, there are different kinds of broadband projects, and different projects have different demands. For example, it's very difficult to connect some of the very remote communities with fibre optic. We might need satellite. Deployment of satellites is going to involve different organizations than working with a small community in a suburban area. So we have the LEO project that deals with satellites.

There are projects that are close to being commercial, and with a bit of a shove they could go ahead on reasonably commercial terms, and that's the role the Infrastructure Bank plays. The Infrastructure Bank has a role. Those are generally large-scale projects involving many thousands of households, and then there are going to be these opportunistic projects where we can move quickly to maybe connect a small number of households or a small community, and that could be done through the rapid response stream, as an example.

This infrastructure is not a whole lot different from bricks and mortar. This is like building the national highway system, except that it's kind of the pipes of the future. We have a number of different instruments suited to that purpose, and we're working in a coordinated way with all our colleagues.

I would also say, Madam Chair, that we have close relations and contacts with every provincial government and with the territories as well. We work very closely with them to move these projects ahead.

I'll stop there.

• (1220)

**Mr. Derek Sloan:** Thank you. I appreciate it.

Could you provide some clarity for me on the EORN project? I speak regularly with, for example, Jim Pine, who's a regional bureaucrat deeply involved with this, and again, there seems to be some confusion on the way forward.

Could you give me a direct explanation of which funding streams can be applied for to make the EORN project a reality?

**Mr. Simon Kennedy:** Madam Chair, maybe I'll turn back to Éric Dagenais, but what I would say is that, obviously, we've just launched the program. There are clear application criteria. We want to sit down with potential applicants and work through their circumstances to understand how we can work together.

Éric has been at the forefront of that with EORN, so I'll just turn to him briefly on that.

**Mr. Éric Dagenais:** Thanks, Simon.

MP Sloan, I've been talking to Jim Pine on a number of occasions. There is availability of the \$1.75 billion. If EORN has left-over projects that can be eligible for rapid response, they can submit some applications—either under a partnership with the bank or from the broader fund. We're sorting that out right now. As Mr. Kennedy said, we launched last week, and we're in discussions with EORN as of two days ago. That was the last time we spoke to them.

**Mr. Derek Sloan:** Thank you. I appreciate it.

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

Our next round of questions goes to MP Ehsassi.

You have the floor for six minutes.

**Mr. Ali Ehsassi (Willowdale, Lib.):** Thank you very much, Madam Chair.

My first question will be for Mr. Kennedy.

It was great that the minister appeared before committee today. Obviously, the great news is the recent announcement regarding the broadband fund. However, I was disillusioned to hear howls of outrage from some of the members on this committee, talking about how we have to move on and that everything we've done has been aspirational.

One of the things I think we're responsible for here is putting things in context for Canadians. Minister Monsef referenced some statistics about how much our government has been spending on connectivity since 2015. I believe I heard her say that we have spent 10 times more in the last five years than we had in the previous period, prior to 2015.

Could you share some of that data with us?

**Mr. Simon Kennedy:** Again, as I noted, there have been a number of strings of activity that the government has launched, generally aimed at different purposes—for example, there is the low-earth orbit satellite investment the government has made; there is funding that has been provided to connect first nations communities; there is, obviously, the universal broadband fund.

If you do the math and add up those resources, they're around \$6.2 billion all in. The total spend by governments historically, up until 2015, was around \$678 million. So I think the minister is.... It's roughly \$600 million to \$6 billion in investments. We could certainly share those numbers with the committee, but I think the point the minister was making was that there have been some very large deployments of resources in the last five years or so towards broadband through the various pots that I just talked about.

**Mr. Ali Ehsassi:** Would you agree with me that what the government has done since 2015 hasn't been aspirational, as we've seen some real investments in connectivity?

**Mr. Simon Kennedy:** Madam Chair, from the department's point of view—and I won't pass judgment on whether the quantum is sufficient—it's been a very large amount of money relative to the historical spend, in the zone of nine to 10 times more than the historical spend.

The other point I'd like to make to the honourable members is to point out that in many cases these are infrastructure projects that even in the best of circumstances take time. When you're laying fibre-optic cable over hundreds of kilometres of rough terrain and that sort of thing, particularly when you get into a rural and remote region, the challenge can increase significantly in terms of the actual deployment.

Obviously, we're as impatient as members are to get going, and we want to move the project as quickly as possible. There's no upside to going slow. We have to appear before committees like this and have people push us, but these are big projects and they can take a number of years in some cases. From the day you announce it to the day you get service, it can take some time, and that's just physics. It's just the amount of time it takes to build them.

• (1225)

**Mr. Ali Ehsassi:** Thank you for that.

I have a follow-up question. The minister made reference to two different segments to what our government has done since 2015. Could you share with us some of the things that were done by the government, even prior to the recent announcement on the universal broadband fund?

**Mr. Simon Kennedy:** One example would be the connect to innovate program, which was announced by the current administration in its first mandate. Then there was a top-up to the connect to innovate program. The total value of funding for the top-up and the original programming is \$585 million, with the anticipation of about 390,000 households being connected.

Investments in first nations broadband, specifically... Obviously, there have been investments through the connect to innovate program that have done to first nations communities, but for specific funding through Indigenous Services to first nations communities there's been \$65 million put in since 2015 for about 90,000 households in first nations communities. There has also been funding through the infrastructure program worth about \$405 million.

At any rate, Madam Chair, I could go through the list, but those are some of the illustrative examples of the funds that have been allocated prior to the universal broadband fund.

**Mr. Ali Ehsassi:** Thank you.

Turning to the universal broadband fund, could you explain to us what the department has been doing to make sure that it accords with realities on the ground in regions of the country, to make sure that it's an effective approach?

**Mr. Simon Kennedy:** Madam Chair, there has been an enormous amount of work, I can assure members, to get more sophisticated mapping and to build a pathfinder service so that when com-

munities come to us we are actually able to work with them more closely, particularly communities that have a little less capacity to engage on these complicated projects.

Maybe what I should do is turn to my colleague, *Éric Dagenais*. He's actually been leading the work and is very conversant on this. He might want to give a little bit of information on this.

We've really tried to up our game to have a much more sophisticated understanding of the gaps and how to fill them.

**Mr. Éric Dagenais:** Thanks, Mr. Kennedy.

We have an extensive consultation with provinces, territories and municipalities. One of the big things that people were complaining about was the hexagon model. We listened, and our mapping team developed a new mapping tool. The hexagon is now gone, and we're now using 250-metre road segments. It may sound like a very technical improvement, but it's actually a game-changer in terms of people's ability to file applications that actually meet the needs of people on the ground. With the hexagon model, the complaint was that there were people who were left behind and ineligible despite not having service.

**Mr. Ali Ehsassi:** Thank you very much for your testimony and all your hard work.

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

With that, I will turn to Mr. Lemire.

[*Translation*]

You may go ahead for six minutes.

**Mr. Sébastien Lemire:** Don't you mean two and a half minutes?

**The Chair:** This is the first round with our second panel.

**Mr. Sébastien Lemire:** Okay. Even better.

Thank you, Madam Chair.

First, in response to Mr. Ehsassi's comment, I'd like to say I agree with him. At the same time, I cannot forget that, when my fellow member Mr. Cumming asked the minister how much of the investments had been allocated to date, she answered "zero".

Mr. Kennedy, my question is for you.

The connect to innovate program was launched in 2016 and was supposed to end on March 31, 2021. It was extended until March 31, 2023 thanks to additional funding set out in budget 2019. That means approved projects have to be completed by March 31, 2023.

The program aims to connect about 975 communities by 2023, but we have yet to see any results. In February 2020, only 29 communities had been connected. Things are not moving any faster in November. More than 200 agreements were signed, but we are still waiting on connectivity. If this were a government priority, we would see communities being connected at a satisfactory pace.

Is the program ill-suited to rural areas?

What challenges do you come up against?

• (1230)

**Mr. Simon Kennedy:** Thank you for your question.

As I explained, these are fairly complicated infrastructure projects. Obviously, our goal is to move them along as quickly as possible.

Is the interpretation coming through?

[English]

**The Chair:** Mr. Kennedy, are you on the French channel? If you are speaking French, you must be on the French channel; otherwise the translation won't work.

[Translation]

**Mr. Simon Kennedy:** I see.

**Mr. Sébastien Lemire:** Thank you for making an effort.

**Mr. Simon Kennedy:** Is that working for everyone?

Very good.

I had briefly explained that these infrastructure projects can be rather complicated in some cases. I am going to turn the floor over to Éric Dagenais because he is more familiar with the circumstances and projects in Quebec. He can give you more details.

**Mr. Éric Dagenais:** Thank you for your question.

We expect 100 communities to have connectivity by the end of 2020, a total of 750 to be connected by the end of 2021 and all 975 to be connected by the end of 2023. Over the past nine months, of course, the pandemic has caused delays for Internet service providers in Quebec and other parts of the country. Nevertheless, a lot of progress has still been made. We are on track to meet the 2023 target of connecting 975 communities.

I should also point out that, initially, the goal was to connect 300 communities. When all is said and done, we will have connected 975, thanks to \$85 million in additional funding. In that regard, we have met the goals of the connect to innovate program.

**Mr. Sébastien Lemire:** A call for proposals was put out this summer. When will you announce the projects selected for funding?

**Mr. Éric Dagenais:** Which call for proposals are you referring to, specifically? There was no call for proposals under...

The call for proposals for the connect to innovate program closed a while ago.

**Mr. Sébastien Lemire:** I'm referring to the one from June, which was postponed until August.

**Mr. Éric Dagenais:** That is the broadband fund, established by the Canadian Radio-television and Telecommunications Commission, or CRTC.

**Mr. Sébastien Lemire:** I see.

My apologies.

**Mr. Éric Dagenais:** That's no problem. The CRTC is part of the federal government.

I can't speak to when the CRTC will announce the recipients of the funding under the process that was postponed until Au-

gust 2020. Of the \$750 million in available funding, a total of five projects valued at \$72 million were announced by the CRTC in August. Other projects will be announced, but I can't tell you when. I'm not privy to that information. The CRTC is an independent body and does not necessarily share its decision-making timetable with staff at Innovation, Science and Economic Development Canada.

**Mr. Sébastien Lemire:** I will put the question to CRTC officials.

Distributors are under no obligation to provide connectivity to a given area in its entirety, so is your plan to ultimately rely on low earth orbit satellite technology?

That's what the answers we got from the minister seem to suggest.

On Tuesday, we heard from the people at SpaceX, and we asked them about the possibility of connecting everyone in a given area. They said they would be ready to deploy their technology throughout Canada very quickly, perhaps even in the next year.

Is that a concrete part of your strategy, and if so, how does it fit in?

Will any of the \$750 million in additional funding announced last week be put towards that?

**Mr. Simon Kennedy:** Madam Chair, I think Éric Dagenais should answer those questions.

**Mr. Éric Dagenais:** Thank you for your questions.

Yes, satellite technology is certainly part of the solution. We will see the project applications we receive in February. There is no doubt that Canada's geography makes it really difficult to bring fibre-optic cable into certain areas. The answer is yes, we expect that low earth orbit satellite technology will bring connectivity to some communities. In the medium term, it may be 1% or 2% of communities.

New technologies promise download speeds of 50 megabits per second and upload speeds of 10 megabits per second. That's why we have an agreement with Telesat to serve very remote communities.

• (1235)

**Mr. Sébastien Lemire:** Thank you.

[English]

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

Our next round of questions goes to MP Masse.

You have the floor for six minutes.

**Mr. Brian Masse:** Thank you, Madam Chair. I'll continue with that.

Are there any thresholds—minimums and maximums—for pricing? If there are, how long do they extend for those communities? Obviously pricing is a big part of accessibility in that.

**Mr. Simon Kennedy:** Madam Chair, I will again turn to my colleague Éric, who actually runs the programming, to speak a little bit about this issue.

Obviously, affordability is a key objective of the government. There are a variety of programs and measures on affordability. In terms of the actual arrangements that we have to subsidize deployment of broadband, I'll turn to Éric on that.

**Mr. Éric Dagenais:** Thanks for the question.

As Mr. Kennedy said, affordability is a key part of our objectives at ISED in the telecom space. More specifically, with respect to UBF—and prior to that, CTI—there are a couple of things. When we fund infrastructure backbone projects with public dollars, we have an open-access policy so that competitors can have open access to the backbone.

Pricing is one of the criteria that we examine. We do ask Internet service providers to tell us what their different pricing packages will be prior to making a decision. If we get a number of different applications in a similar region, this is one of the criteria we look at.

**Mr. Brian Masse:** To be clear, it's not a part of the mandate or part of the contract. We help them to facilitate to build the system, but then do we have legislative control—through the minister or through Parliament, aside from a further regulatory approach—in the contracts themselves? After one or two years, or whatever it might be, are there any guarantees to ensure that the pricing is going to be affordable? Are we still in a negotiating position or subject to their market business plans for the service of those areas? Do we actually write that into the business plan?

If we don't, then I guess that's a vulnerability. If we do, how many years does that cover?

**Mr. Éric Dagenais:** I don't know if you want me to take that, Mr. Kennedy.

**Mr. Simon Kennedy:** Madam Chair, maybe you can turn to Éric on this, but there is... For wireline Internet access, there are requirements. There are wholesale rates that are established by the CRTC.

**Mr. Brian Masse:** What I'm asking is very simple. When we do these projects and we write these contracts, do we put pricing in the actual contract, yes or no? If it's not there, that's fine. Then you leverage—like you're suggesting—the CRTC or another regulator, but—

**Mr. Simon Kennedy:** We obviously want to have projects that will be viable in the long term, but no, the pricing is not built into the contract. That's not a feature of the discussion.

**Mr. Brian Masse:** Okay, thank you. That's just helpful because, as we roll this out across the country, I'm just wondering what the variables are among the different contracts.

I want to move on to the Black entrepreneurship program. Who is being consulted, and where? It sounded to me like they've just announced the program as an idea. That's what I took away from the minister, that they're consulting. They do have a target figure. I'd like to know, for example, what the interest rates are on low-interest loans.

When can we expect that? Who are they consulting? How do you get consulted on this? I represent an area of the country where the underground railroad was. We have a lot of Black culture, history and entrepreneurs here, historically. They're eager to get involved in this. We haven't really found out what's going on.

**Mr. Simon Kennedy:** Madam Chair, if the member will allow, one of my executives, Frances McRae, has been leading the discussions with the community and has been leading the work on this program. I might turn to her to provide more detail.

• (1240)

**Mr. Brian Masse:** Yes, that's fine.

**Mr. Simon Kennedy:** I'm getting a note saying that she's locked out for some reason.

I'm sorry.

**Mr. Brian Masse:** That's fine. It happens.

We can follow up on this. I'm really interested in knowing... I hope there is diligent follow-up on this. For the record, there's a high degree of interest to get some more details, and this might help other committee members, too. We didn't have that chance before.

That's fine if we don't have the capabilities right now. I do want to know specifically how people get involved in the consultation, if it has already begun, and who's being consulted—

**Mr. Simon Kennedy:** Madam Chair, we can certainly write to the committee and provide that detail.

There is work going on right now, I can assure the committee.

**Mr. Brian Masse:** Yes, okay. At any rate, we'll leave it at that. Thank you.

I'll just return to the issue of the spectrum auction. I know it's been put off for a little bit.

Are we prepared to pull the trigger on that, so to speak, right away when the date comes up? I'm just wondering. I know my time is just about up, but will we be ready to meet the minister's new timetable?

**Mr. Simon Kennedy:** Yes, that is definitely the plan, to be ready.

Just very briefly, there has been a lot of work going into how we run an auction safely, particularly in a COVID environment. Just to give one example to the honourable member, there is usually an auction room and usually people are crowded in there. It's like being on the floor of a stock exchange. There are things like that that we have to recalibrate, and that work is already under way.

**Mr. Brian Masse:** Thank you.

**The Chair:** Thank you very much, Deputy Minister. If you could provide that information through the clerk, that would be great. We'll make sure it's circulated to the committee.

With that, we will start our second round. We go to MP Dreshen.

You have the floor for five minutes.

**Mr. Earl Dreeshen (Red Deer—Mountain View, CPC):** Thank you, Madam Chair.

I know it would have been nice to have a couple of extra questions in for the minister.

I'd like to start with some of the trade issues that have been discussed. We still have a lot of non-tariff trade barrier concerns. Our durum grain going into Italy, based again on a non-tariff trade barrier concern...the tweet to Saudi Arabia, we still have some issues associated with that.

I am just wondering whether there are funds available for us to try to take care of some of these disputes, which continue to be causing issues in trade.

**Mr. Simon Kennedy:** Madam Chair, not to split hairs, but I am not the deputy responsible for the trade ministry.

I may be incorrect in that regard, but I believe Sara Wilshaw, the chief trade commissioner from Global Affairs, might be one of the witnesses here.

**Mr. Earl Dreeshen:** Sure.

I can move on to something, then, that perhaps is more in your line.

The minister, just a short time ago, spoke about all the money that Stats Canada has and the engagement. When I take a look at the main estimates here, I see StatsCan up by 27.1%, \$114 million extra. I also see, in the same document, Atlantic Canada down by \$42 million. I see Quebec down \$24 million. I see Western Economic Diversification down \$31 million.

It seems there has been a reallocation of funding, so I am just wondering if you can explain what the rationale would be to increase dramatically the StatsCan numbers while we see the different opportunity organizations losing funding.

**Mr. Simon Kennedy:** Madam Chair, I am going to turn to my chief financial officer. Typically, these numbers are not reflecting year-over-year reductions. It's typically the timing of when we receive money through the main estimates or the supplementary estimates. It's a technical issue.

I'll turn to Mr. McConnachie, if that's okay, to just explain the details.

**Mr. Douglas McConnachie (Assistant Deputy Minister and Chief Financial Officer, Corporate Management Sector, Department of Industry):** Thank you very much for the question, and thank you, Mr. Kennedy.

That's exactly the case. The main estimates don't reflect any of the funding that was appropriated to the regional development agencies, in particular, through the supplementary estimates (A) and (B). There were significant allocations that were made to the regional relief and recovery fund. As well, the RDAs were tasked to deliver a number of programs that are within the mandates of Minister Ng and Minister Monsef, notably the women entrepreneurship strategy and some other pieces.

Given the fact that there is quite a bit of complexity to the figures, I'd be happy to submit, through the clerk, a detailed accounting for how the authorities, to date, have significantly increased for all of the RDAs since the main estimates, if that would please the committee.

**Mr. Earl Dreeshen:** Thank you.

I know that every time we're looking at main estimates, we see the differential as to when it's coming in. Of course, we haven't had a budget for a long time, and normally these things are tied into that type of economic discussion.

ISED has also requested \$259 million for the innovation superclusters initiative. In 2018-19, the actual expenditures were \$5.6 million. In 2019-20, \$183 million was requested, but the actual expenditures haven't yet been published.

Again, as we try to find out where this money is going and what is happening to it... We hear a lot about all this money being spent on all these other programs. Some of these others that we're concerned about... If we look at the article that was in the paper just a short time ago, where the Minister of Innovation says that the superclusters' long-term economic impact and benefits won't be evident for a number of years, I think that becomes a concern.

Why are the expenditures lower than planned, and has there been any increase since March 6, 2020?

• (1245)

**Mr. Simon Kennedy:** Madam Chair, I can certainly speak to that.

The superclusters are designed to help nurture an ecosystem. Frankly, part of it is to build connections between organizations that might not necessarily have connected otherwise because the ecosystem might be weaker than would be needed for those organizations to come together.

For example, in the protein industry supercluster, we're trying to bring together organizations that actually, when they get together, can create really great value and build new businesses and do all kinds of exciting stuff, but because of the nature of the industries involved, they might not have bumped into each other on their own.

It's about cluster development. Countries all over the world, our peers, are doing this work. Building clusters takes time. We're actually now seeing that initial work pay off. I'm happy to come back to the committee with further details. It took a bit of time to get going, but it's really moving along now and there has been a real upswing in activity.

I'll come back to the committee, if that's okay.

**Mr. Earl Dreeshen:** Thank you.

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

We will now turn the floor over to MP Hutchings.

You have the floor for five minutes.

**Ms. Gudie Hutchings:** Thank you, Madam Chair.

I will take this opportunity to thank the deputy and Mr. Kennedy, and especially Mr. Dagenais, for their work, especially during the last four months as we rolled out the UBF. I certainly realize how much they know on this file. It has been a pleasure to work with them. They've answered every question I've ever had, and I know they will for all my colleagues here around the table.

It was great to hear you speak about how we need it in our tool box—many different tools, because this is a great country, from coast to coast to coast, and it was clear that a one-size-fits-all program wasn't going to address the needs of Canadians as we connect from coast to coast to coast.

Mr. Kennedy, can I ask you for clarification on the CRTC issue where you said that our government did not overturn that decision? I'd like to get that clear for my colleague Mr. Masse.

**Mr. Simon Kennedy:** I'm very happy to do that, and if the honourable member will indulge me, I will give one other point of clarification as well.

To be clear, the government did not overturn CRTC's decision on wholesale access rights. The government declined to intervene, because the CRTC has an ongoing proceeding to re-examine the issue itself. I'd be happy to share that with the committee, but I can say categorically that the government did not overturn CRTC's decision. The CRTC is reconsidering the matter of its own accord, and the government is awaiting the results of CRTC's reconsideration.

As one other small point of precision—I feel bad about this, but just to clarify—Mr. Masse had asked about whether we negotiate or whether we're locking in pricing for the broadband agreements we have. I said that that's not the case, but in fact it is.

We ask for the pricing that is to be charged by the applicants. The pricing can be a factor in which project we choose. Let's say, for the sake of argument, that there are two projects that are both equally great technically, but one of the proponents is going to charge a lower rate. That might actually give it a higher score. Those rates are in place for five years, after which the proponents are free, if they wish to change the rates.

I should have been clear about that. We're not negotiating the rates; it is part of the application. We consider it in the application. Then those rates are in place for the five-year period required by the program. I apologize for that, but I just want to be clear about how that works.

Thanks.

**Ms. Gudie Hutchings:** Thank you, Mr. Kennedy. That was a question I had for you, too, because it was my understanding that it was part of the due diligence that the department was doing.

Can I also ask you and Mr. Dagenais, why is this UBF going to be better? As you know, because you hear me say it all the time, I'm from a really rural riding, not just a rural riding. How is it going to help, especially the rapid response stream? What impact is it going to have in connecting really rural communities?

• (1250)

**Mr. Simon Kennedy:** Madam Chair, I think we've tried to build in a bunch of enhancements to make this a better program. As Mr. Dagenais explained earlier, the old hexagon model is gone, which

actually allows us to be much more granular about where there is Internet access and where there is not. We now have a very sophisticated tool—that's available to anybody who wishes to go look on the Internet—to actually see where the access is now and which areas are considered underserved or served.

It has actually been the case in previous programs that applicants would make applications, and when we would go out and look, it turned out that there were some parts that they planned to serve that already were served. Having much better data in the hands of proponents leads to better projects, so this mapping data is being made available through this mapping tool.

We have a pathfinder service so that small communities, particularly rural communities, Madam Chair—there are a lot of small communities that don't necessarily have full-time staff who are engineers who do this kind of stuff—can get help from us to go through the application process and make applications.

The other thing is that we have, obviously, more money, and we have the rapid response stream, which is specifically designed to look at these opportunistic projects where we can move very quickly. That, we think, will be of great help, particularly where, for example, you have a project that's in play now that has to go out to 98% of an area and there's another 2% somewhere. With a little bit of extra money or a little push, you could get to that other cluster of houses or whatever. We think that the rapid response stream could be very helpful to take advantage of those opportunities.

The other thing I would say is that, at the other end of the spectrum, the additional money that the government has put in to potentially partner up with the Infrastructure Bank means that we may be able to do very large projects at scale—tens of thousands of households at once—and that was not something that was really easy to do previously.

I'll stop there.

**The Chair:** Thank you very much, Deputy Minister.

[*Translation*]

It is now Mr. Lemire's turn for two and a half minutes.

**Mr. Sébastien Lemire:** Thank you, Madam Chair.

In its 2018 fall report “Connectivity in Rural and Remote Areas”, the Office of the Auditor General concluded that the federal government had not developed a national strategy to provide broadband Internet access to rural and remote areas owing to a lack of funding. Then came the 2020-21 estimates. My questions are straightforward.

How much more government investment is required for all Canadians to connect to broadband Internet? Do the recently announced measures close the gap completely? Why hasn't the government established a coordinated national strategy, as recommended by the Standing Committee on Industry, Science and Technology and the Office of the Auditor General, rather than creating a number of separate programs and strategies?

**Mr. Simon Kennedy:** Madam Chair, the ministers may be better suited to answer that question.

As for our department and our employees, we now have a strategy and a very clear objective, which is to provide a download speed of 50 megabits per second and an upload speed of 10 megabits per second, often referred to as 50/10 speeds. We have allocated considerable funding to advance projects. We have set up systems and infrastructure, such as the pathfinder service to provide support and the connect to innovate program for communities.

The funding we have right now will allow us to connect at least 98% of households across the country. Clearly, we have a pretty detailed plan and enough time to move it forward. Our goal is to connect almost the entire country in the next six years.

**Mr. Sébastien Lemire:** You think the funding that was announced is sufficient, then.

We haven't seen any funding in nearly two years. The \$750 million announced last week is a transfer from the investing in Canada plan.

In your view, what was sacrificed in the plan so the money could be transferred to the program to connect Canadians?

**Mr. Simon Kennedy:** I don't think it's a matter of anything being sacrificed. The department received an additional \$750 million. That is new money.

The Canada infrastructure bank will earmark \$2 billion. I think any questions about that \$2 billion should go to the people at the Canada infrastructure bank.

We now have more money than we did to—

• (1255)

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

[English]

Our next round of questions goes to MP Masse.

You have the floor for two and a half minutes.

**Mr. Brian Masse:** Thank you, Madam Chair.

First and foremost, I understand—and that's what I was trying to get so delicately out of the department officials—that they didn't bake in price guarantees as part of the decision-making. I understand that's part of how the evaluation may take place, but it doesn't guarantee Canadians who are going to be the recipients of these contracts certain pricing, which would need other types of regulatory involvement, should the pricing escalate beyond their means and what they can pay for. That was quite clear from the beginning.

I stand by my assertion regarding the CRTC. It may not technically be an overturning, but we can look at a myriad of different

press discussions about cabinet basically not supporting its independence, and that's one thing that's of importance.

I would like to follow up, though, with respect to the spectrum auction. How difficult is it, really, to do an auction? Yes, it was people in a room together—I understand how it works—but it seems that the rest of the world is able to do this type of high-level meeting, especially when there's a limited number of people, registered people, and processes for it. How difficult is it really to have an auction virtually?

**Mr. Simon Kennedy:** Madam Chair, to address the previous question on pricing, the pricing is part of the contribution agreement for five years, so there's a guarantee. There's an open-access requirement on the pipe that is built by the proponent, so other competitors can come in and ride on that pipe. The CRTC then has regulated rates—

**Mr. Brian Masse:** Let me back up, then.

Can you provide to the committee the exact prices—the minimum threshold and the maximum threshold prices—from all those contracts? Can you provide them to the committee? I want to know that, because I think it's important. You just said that for five years they're protected by certain rates, so I'd like to know what those basic rates are and how much data they can download, for each of the types of agreements that were signed.

**Mr. Simon Kennedy:** Madam Chair, I'll have to get back to the committee on what we can and cannot provide, but I'm very happy to follow up on the question—

**Mr. Brian Masse:** Why can't you provide this? This is public money and these are public contracts—

**The Chair:** Mr. Masse, for the sake of the translation, can I ask that you not cut off the witnesses, please?

**Mr. Brian Masse:** Thank you, Madam Chair.

**Mr. Simon Kennedy:** I'm happy, Madam Chair, to get back to the committee.

The honourable member had other questions. I can quickly try to give an answer.

I'm sorry; I'm now having a senior moment.

**The Chair:** Unfortunately, that's all the time. I'm sorry about that.

Our next round of questions goes to MP Cumming.

You have the floor for five minutes.

**Mr. James Cumming:** I want to go to the rent subsidy program. We heard from the minister that it's waiting in the Senate and we expect it shortly, but one thing that is really concerning to small business owners is that the government is great on announcements but not on execution. We've seen with several of the programs that there have been issues, going forward, with execution.

I understand this is going to be administered by CRA. Can someone within the department tell me whether the processes and everything has been put in place so that when this becomes legislation, people can start to apply in very short order?

**Mr. Simon Kennedy:** Madam Chair, I'm going to have to suggest that the committee get in touch with the finance ministry. That's not something we are responsible for directly delivering. I'd be a little loath to speak to it, since it's colleagues who are responsible.

**Mr. James Cumming:** But in your interactions with that department, surely there must have been some discussion, when you develop a new policy, of how it is going to work and how quickly you can get it to market. I know the minister is concerned about this, as are we.

**Mr. Simon Kennedy:** I would say, Madam Chair, that in all of our discussions with our colleagues in Finance, the Revenue Agency and others on these supports for business, I can assure the members that the civil service has been keen on moving as quickly as possible and that ministers have been trying to move things as quickly as possible to get these various supports and changes in place.

But again, I can't speak to the details, because we don't administer that program.

**Mr. James Cumming:** Okay.

We heard about the deferrals that have been provided for businesses under GST/HST and about a variety of other deferrals and loan programs. All of this is either deferrals or debt.

Has the department done any study on the potential cliffs that these are going to create for small businesses? What kind of action can you take once all of those numbers come due?

• (1300)

**The Chair:** My apologies, Mr. Cumming; we're having problems with translation.

I'm just going to check with the clerk.

**The Clerk:** It should be good now.

**The Chair:** Please proceed, Mr. Cumming.

**Mr. James Cumming:** I'll switch gears to the co-lending program with BCAP. Would any of the officials on the call today be able to talk about it? The minister started to speak to it but wasn't able to speak to how accessible that loan program has been. What's the uptake on it? How many loans have been applied for? What's the length of approvals?

Is there anything that you can provide to the committee today?

**Mr. Simon Kennedy:** Madam Chair, I would suggest turning to my colleague Paul Thompson, who is the associate deputy minister. He's been working very closely with colleagues at the bank on this and other issues.

Paul may have something that he could say about this.

**Mr. Paul Thompson (Associate Deputy Minister, Innovation, Science and Economic Development Canada, Department of Industry):** Thank you, Madam Chair.

I would note that the BCAP is part of a suite of liquidity supports that are available to businesses. It has been a little slower in the take-up in comparison with some of the other programs. The CEBA program, for example, has about \$31 billion out the door, and the recent expansion is critical, particularly in light of the issue of loan deferrals that the member noted.

On the BCAP, there are two components. There's an EDC loan guarantee and a BDC co-lending product. The EDC loan guarantee is currently at about \$1 billion in authorized loans, and the BDC co-lend is at around \$750 million. A lot of that has been progress in the last few months, as companies take on these debt instruments instead of just the other liquidity supports that have been available.

**Mr. James Cumming:** Are we seeing any kind of improvement in that application process? I know that we dealt with this issue before, during the summer. The concerns we heard from businesses were that the length of time to be able to get these loans approved has been way too long. Are we starting to see...? Are we tracking the trend on that? Are application processes going through more quickly now?

**Mr. Paul Thompson:** There's been a lot of attention to service delivery, both with the CEBA product and its various iterations, as there has been with the BCAP. Those service standards, as well as the overall lending authorizations, are tracked pretty rigorously.

**Mr. James Cumming:** Okay. I'll go back to my question.

Is the department doing some analysis on all these deferrals, increased debt, all of which I think will create some liquidity issues for a lot of businesses? Are we tracking? Are we studying...? Is there any work towards looking at any programs that will deal with that fiscal cliff for a lot of these businesses when those monies become due?

**The Chair:** Unfortunately, Mr. Cumming, you're over your time.

I'll now turn to MP Jaczek for the last slot.

You have five minutes.

**Ms. Helena Jaczek:** Thank you very much, Madam Chair.

I have a couple of questions for Deputy Kennedy in relation to the universal broadband fund.

In my community, as I referenced when I questioned Minister Monsef, there's certainly excitement about the universal broadband fund, because so many have been waiting for it. However, I would like to understand clearly who does what.

My riding, Markham—Stouffville, is in the province of Ontario, in the Regional Municipality of York. The region of York has an organization called YorkNet. As I understand it, they are the first point that constituents, residents, approach in terms of a proposal for the need for broadband. There's also been an announcement by the Province of Ontario of some \$1 billion for a broadband fund.

What I'm interested in, in a very concrete way, is how it actually works between what the region is trying to do and what the federal government is trying to do. How, in fact, do proponents of proposals to get hooked up find their way through what is extremely complicated?

• (1305)

**Mr. Simon Kennedy:** It's a very good question. This is a key part of the work we do on the rollout of broadband. As I noted earlier, we have strong relationships with every one of the provincial governments.

I'll just give an example to the honourable member. Éric, who's my colleague here on the panel today, and I were on a video conference with our colleagues in Ontario just this week to discuss this very issue and to talk about how we work together.

The point I'd make would be that it really depends on where you are in the country and the nature of the project, but moving these projects forward is often a question of a strong collaboration with the federal government, the provincial government, often a municipality or a first nation, and in the case of some of these bigger projects, potentially the Infrastructure Bank and the ISPs themselves. Obviously, we try to be as creative and as efficient as possible to get to an outcome that connects the most people at the lowest price in a way that is sustainable.

In a given community, it might be that the province agrees to put some money in and that helps stretch the federal dollars further. Maybe in some communities the project is actually closer to being economic. That might be where the Infrastructure Bank comes in, because they can help to finance projects that make business sense. Maybe there's a modest subsidy that we could put in, and then it makes business sense for the Infrastructure Bank to step in.

It's hard to say this is exactly how it works in each case, but the point is that when we take these applications in, there is often a combination of work with the province, the municipality, the ISP and other parties. We are very open-minded about looking at different kinds of arrangements to make projects work, and there's a lot of elbow grease to sit down at the table and get these parties together. It really does depend on a partnership of working together.

**Ms. Helena Jaczek:** Thank you for that.

Given the complexity, how confident are you that we're going to meet the goal of 98% connectivity across the country within what is, it seems to me, a pretty short timeline? Could you just reassure us as to the doability of this project?

**Mr. Simon Kennedy:** Madam Chair, we are confident that it's a doable outcome. We have done the quite detailed mapping that my colleague Mr. Dagenais talked about earlier, so we actually know what the gap is and where the gap is.

My organization has played a regulatory role in this sector. We deal with the ISPs and the telecom companies every day; we work with them and know their capabilities. The 98% is a confident projection based on our understanding—a fairly technical and detailed understanding—of the gaps, the capabilities of the ISPs and what's realistic and affordable, and the amount of money needed to close the gap. Therefore, we're pretty confident about that.

In terms of the speed, we've worked to make sure, to the extent possible, there's a common intake process. The Infrastructure Bank's form is basically our form. Ontario's form looks like our form. We actually work quite closely with other levels of government to have this be a harmonized and smooth process. We have a federal coordinating table, so all the federal players are getting around the table regularly. We have this pathfinder service to actually hold the hand of groups that want to make an application, because for smaller organizations it is complicated. Doing a big infrastructure project is complicated and we want to make sure that we're there at every step of the way to help these organizations through it.

We're quite confident. Thank you.

**The Chair:** Thank you very much. That ends our time for today.

I'd like to thank the witnesses for their time and their testimony.

With that, I call this meeting adjourned.







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