



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

43rd PARLIAMENT, 2nd SESSION

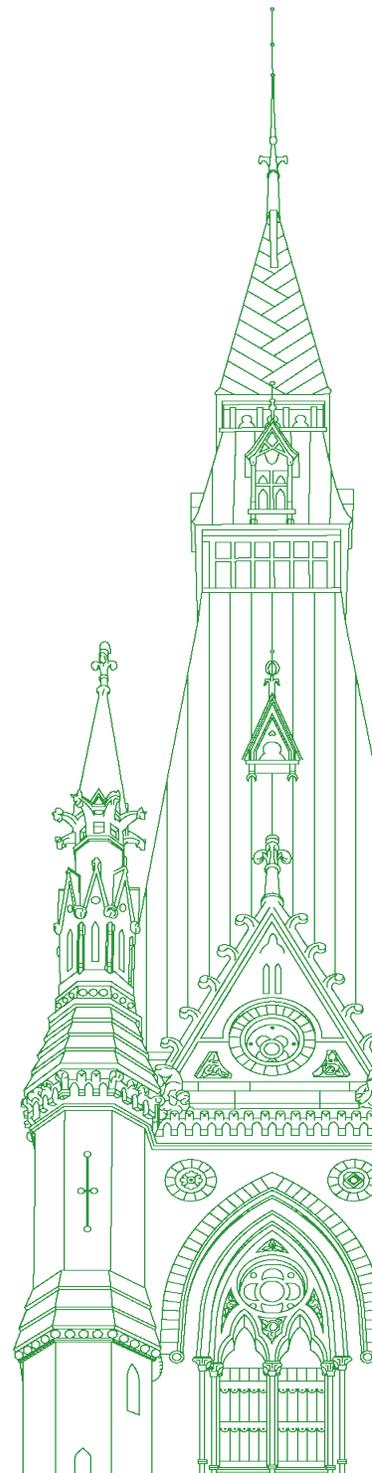
Standing Committee on Industry, Science and Technology

EVIDENCE

NUMBER 006

Tuesday, November 24, 2020

Chair: Mrs. Sherry Romanado



Standing Committee on Industry, Science and Technology

Tuesday, November 24, 2020

• (1105)

[*English*]

The Chair (Mrs. Sherry Romanado (Longueuil—Charles-LeMoyne, Lib.)): I now call this meeting to order. Good morning, everyone.

Welcome to meeting number six 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. Be aware that the website will show the person speaking rather than the entirety of the committee.

To ensure an orderly meeting, I'd like to outline a few rules, as usual. Members and witnesses may speak in the official language of their choice. Interpretation services are available for this meeting, and you have the choice at the bottom of your screen of “Floor”, “English” or “French”.

For members participating in person, please proceed as you usually would when the full committee is meeting in person in the committee room, keeping 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 your microphone to unmute yourself. For those in the room, the microphone will be controlled as usual by the proceedings and verification officer. This is a reminder that all comments must be addressed through the chair. When you're not speaking, please mute your microphone.

With regard to the speaking list, the clerk and I will be doing our best to maintain the speaking order.

Pursuant to Standing Order 81(4), the committee is meeting today to continue 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 left in your intervention and a red card when your time is up. Please respect the time limits, as we want to make sure that everyone gets a chance to have their turn.

I'd like to welcome our witnesses for the first panel. We have the Honourable Navdeep Bains, Minister of Innovation, Science and Industry, and the Honourable Mélanie Joly, Minister of Economic Development and Official Languages. I will introduce our other guests at the end of this first panel and the beginning of the next so that we do not delay any further.

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

Hon. Navdeep Bains (Minister of Innovation, Science and Industry): Thank you very much, Madam Chair.

I want to start by thanking the committee members for inviting me here today to discuss some priorities in my portfolio's main estimates. For all the important work you do on behalf of Canadians, thank you very much.

[*Translation*]

Since the COVID-19 pandemic began, the health and safety of Canadians has been our government's top priority.

[*English*]

Mr. Earl Dreeshen (Red Deer—Mountain View, CPC): I have a point of order, Madam Chair.

The Chair: Go ahead, Mr. Dreeshen.

Mr. Earl Dreeshen: Both the French and the English are coming through at the same volume.

The Chair: Minister Bains, if you are speaking in French, please switch to French, and if you're speaking English, switch to English. I think you don't have the latest version of Zoom on your computer.

Please continue.

[*Translation*]

Hon. Navdeep Bains: I understand. Thank you.

That means ensuring front-line workers receive the equipment they need to do their jobs, as professionals work tirelessly to find a safe and effective vaccine for COVID-19.

• (1110)

[*English*]

We started the year with virtually no Canadian production of personal protective equipment and a precarious international marketplace, but after launching our “made in Canada” project and seeing industry step up to the plate, I am proud to say that we are now sourcing close to 50% of our personal protective equipment from Canadian companies.

More than 6,500 companies responded to our call to action to rapidly scale up domestic production of PPE. These firms are helping to keep front-line health care workers safe while also providing key manufacturing jobs through these difficult times.

On the vaccine front, we're seeing great progress on development projects right here in Canada. Through our investments in companies such as VBI Vaccines, Medicago and IMV, our government is growing Canada's capacity to find and produce a domestic vaccine for COVID-19.

Overall, this pandemic has made it clear that Canadian industries and its workers are strong, adaptive and resilient.

As we set out on the long road of economic recovery, we must also tap into the strength to build back a better, equitable and greener Canada. Our industries and entrepreneurs will have a crucial role to play and are already rising to the occasion. Our government is there to support them with strategic investments that spur innovation and help create good-quality Canadian jobs.

The innovation superclusters initiative, for example, has been an integral part of our "made in Canada" response, supporting projects ranging from large-scale disinfecting robots to personalized digital mental health care for front-line workers.

Moving forward, we're going to need to be strategic. With global industries moving towards sustainability, developing domestic manufacturing in electric vehicles and batteries will position Canada's auto industry as a global leader in a growing market and help us achieve our climate ambitions.

[Translation]

Similarly, the aerospace sector has always been especially adept at innovating and adapting. We must prioritize support for the supply chain, R and D in aviation and a procurement policy that benefits the entire country. That will position Canada's aerospace industry and workforce for continued success in a changing marketplace.

[English]

The increase in Canadians' online activity since March has also reinforced our government's commitment to addressing the concerns that Canadians have about their digital privacy.

This last week, I introduced Bill C-11 to enact the consumer privacy protection act. This legislation would give Canadians more control and greater transparency over the way companies handle their personal information.

[Translation]

I will be giving the Privacy Commissioner tangible authority to issue orders, and I will ensure Canadians have access to world-class privacy and data protection by imposing the highest fines set out in any G7 nation's privacy legislation.

[English]

The Chair: Minister, that's your five minutes. Are you almost done?

Hon. Navdeep Bains: Absolutely.

In conclusion, I would just say that we're focusing on these important challenges. This is important for us as a government as we look to restart and rebuild the economy. It's about investing in Canadians, their ideas and their ingenuity. Together, I know we can build back better.

I look forward to answering any of your questions. Thank you very much.

The Chair: Thank you very much, Minister.

[Translation]

Minister Joly, the floor is yours for five minutes.

[English]

Hon. Mélanie Joly (Minister of Economic Development): Thank you.

• (1115)

[Translation]

Good morning.

Thank you to the committee members for inviting me today. It is always a pleasure to appear before the committee.

[English]

Since my last appearance at this committee in late April, Canada's COVID-19 economic response plan has helped protect millions of jobs, provided emergency support to families and kept businesses afloat as they deal with the impact of the COVID-19 pandemic.

[Translation]

As communities cope with the second wave of the COVID-19 pandemic, it is safe to say these are extraordinary, challenging and stressful times. As elected officials, we share the responsibility of leading by example and reassuring our constituents by being there for them and showing them we are committed to helping.

Since the beginning of the health crisis, our government has been there. We have listened to Canadians and consistently adjusted the supports available to them to ensure the social safety net protects those who need it most.

[English]

Alongside programs like the Canada emergency wage subsidy and the Canada emergency business account, a critical part of our response has been the regional relief and recovery fund, or RRRF. Delivered through the six regional development agencies, the fund helps businesses and not-for-profit organizations that may not be eligible for other programs or that require additional assistance. It has proven to be a lifeline for businesses that might otherwise not have survived.

[Translation]

In rural communities, we have provided more funding to Community Futures Development Corporations, commonly known as CFDCs. They help rural businesses access capital and technical support.

[English]

Since we launched the RRRF in May, it has assisted more than 12,000 businesses, helping them cover costs and protect more than 100,000 jobs across the country. It has been vital in helping them keep their employees, pay their bills and prepare for a more sustainable future.

In the midst of a second wave and in the face of an alarming increase of COVID-19 cases in some parts of the country, many businesses across the country find themselves on shaky ground. That's why just last month our government announced that it would provide an additional \$600 million to support workers and businesses through the RRRF. This will bring our RRRF support, through the regional development agencies, to more than \$1.5 billion to further help businesses and organizations weather the continued impact of the COVID-19 pandemic.

Over the past several months, I've heard first-hand, through phone calls and video teleconferences, from many businesses and organizations that have benefited from what they have described as very much welcome support.

[Translation]

Through CFDCs and Business Development Centres, or BDCs, in Quebec, we have provided more than 3,400 businesses with liquidity and technical support, thereby protecting 15,000 jobs. Some 600 of those are in northern Quebec, including in the Abitibi—Témiscamingue region.

I have no doubt that information will be of particular interest to my fellow member Mr. Lemire.

[English]

Across Canada we've helped businesses and communities respond to the challenges of COVID-19, whether it has been helping businesses in Stratford, for example—I'm convinced John will want to have more information about that—to adapt to the loss of the festival; working with Edmonton Global to track investments and promote trade—I'm convinced James may be interested in that information as well—or funding an incubator in Toronto that will help entrepreneurs from under-represented groups. If Nate wants information about that, I'm here as well.

[Translation]

As we all know, tourism businesses have been deeply affected by the crisis. Thanks to the RRRF, as well as the broader measures implemented by our government, we have been able to help numerous tourism businesses. We know, however, that our work must continue, and it is continuing because they are confronted with unique circumstances.

• (1120)

[English]

We are working closely with tourism stakeholders, as of course they are dealing with the impact of the pandemic.

Businesses of all sizes have been hit hard by the COVID-19 pandemic, and the regional relief and recovery fund is here for them.

We're here to reaffirm to businesses that the government has their backs, obviously, and of course I am willing to answer my colleagues' questions regarding anything the regional development agencies have been doing in the context of this pandemic. Our officials, Nav's and mine, are here to answer any specific questions as well.

[Translation]

Thank you.

The Chair: Thank you, Minister.

[English]

With that, we will start our rounds of questions.

Our first round of questions goes to MP Cumming.

You have the floor for six minutes.

Mr. James Cumming (Edmonton Centre, CPC): Thank you, Madam Chair, and to both ministers, thank you for appearing here today.

Minister Bains, I'm sorry I missed your Bill C-11 announcement in the House, given the conflict with this committee, but we'll see you this afternoon.

I want to start with you. It's a simple question.

In your opinion, has the LEEFF program been successful?

Hon. Navdeep Bains: As you know, we had a range of programs designed to support Canadians, designed to support Canadian businesses. We wanted to make sure that these programs were available, because we are dealing not only with a health crisis but also with economic fallout, and we needed to have a range of programs, including LEEFF, to assist businesses during these challenging times.

Mr. James Cumming: More specifically, there are two Canadian companies that have received loans under this program. Would you define that as successful?

Hon. Navdeep Bains: It's important to note that success is about protecting Canadian jobs. It's about helping Canadian workers. It's looking at the different regional impacts of the economic fallout and making sure that we are in a position, moving forward, as we restart the economy, to have a strong economic rebound. Therefore, we recognize that we need to have a range of programs, which includes LEEFF as well, to protect workers and to protect different businesses in the regions across the country.

Mr. James Cumming: Minister Bains, there are two loans, and \$4.5 million has been spent in consulting fees. Do you think that is a good return on investment, given that there have been just two loans?

Hon. Navdeep Bains: It's important to recognize, when we design these programs, that we have the appropriate due diligence in place, that we recognize there is rigour in dealing with taxpayers' money. It's important that we move in a manner that speaks to the program design, which was about being the lender of last resort and being there to help with any bridge financing that was needed to protect Canadian jobs, to protect Canadian workers. This is about making sure that during these difficult times, particularly in a pandemic, we have these tools in place to support our workers across the country.

Mr. James Cumming: I want to move on to a couple of other things.

On the Connect to Innovate goal, in the \$500-million announcement you promised to connect 300 rural communities in Canada. How many are connected to date?

Hon. Navdeep Bains: I'm so glad you talk about the Connect to Innovate program. It was a program designed with the public-private partnership model. We as a government invested \$500 million. The private sector matched that dollar for dollar.

We set out an original goal of connecting over 300 communities. I can tell you right now that we're going to exceed that number substantially, and particularly, we're going to be able to assist our indigenous communities as well. Projects are well under way, and we're working with different providers and communities across the country, particularly in rural and remote areas.

Mr. James Cumming: We had Minister Monsef here speaking to this program. She directed me to a website and said that if I wanted some accountability, I should look at that website. Currently that website would say that only 47 communities are connected. There are various stages of where they're at. When can we expect the balance of the 253 communities to be operational?

Hon. Navdeep Bains: We are focused on connectivity. Access is the first principle in the digital charter. Today, as you indicated, in the House I also talked about the digital charter implementation act, which talks about the other aspects and principles in that. It's important that we move forward with these projects. That is why we had to have that public-private partnership to enable us to connect with those communities.

As I've indicated, projects are well under way. We've also supplemented that program with the universal broadband fund, as well as investments in low-earth orbit satellites to provide additional support for communities so they can get access to high-speed Internet connectivity.

• (1125)

Mr. James Cumming: Minister Bains, if you look at this—and given that I was directed to the site—only 47 communities are connected. That's 253 to go, with your target of 2021. Is it realistic that we're actually going to see that target achieved?

Hon. Navdeep Bains: It is important to note that in the program design, we've overcome all the major hurdles of making sure we

have a process in place whereby companies are able to apply to that program and then get approval. Now we're focused on implementation. We're conscious that we're moving in the right direction. We're focusing on and targeting those key communities that need access to high-speed Internet connectivity.

Mr. James Cumming: For the universal broadband, on the first range of planning—the first \$1 million—what percentage of that funding has actually been allocated to date?

Hon. Navdeep Bains: The universal broadband fund has a couple of components. One is the rapid response initiative, which is designed for short-term projects to help support the communities most in need, and the program design creates flexibility. My colleague Minister Monsef is in charge of that fund, and she made a very clear commitment that the goal is to get those monies out as soon as possible so that we can support those communities.

Mr. James Cumming: We have funds that were started earlier in your mandate and we have new funds announced. I think there are currently five funds that are dealing with broadband, and in particular with rural broadband. Would it not make some sense to have a more comprehensive strategy under one fund so that you could monitor results, make sure that Canadians are getting the connectivity that they want and simplify it for those suppliers?

The Chair: Be very quick.

Hon. Navdeep Bains: The goal is to leverage the different tools we have in our toolbox.

You are right that the CRTC has a fund in place. The Canada Infrastructure Bank is looking at this. We've put forward two meaningful programs. We've also made changes to the accelerated capital cost allowance to further accelerate investment. I'm confident that all of these initiatives together will enable us to reach the ambitious goals we've set and deal with the digital divide.

The Chair: Thank you, Minister.

I will remind MPs to please keep an eye on the cards. I want to make sure everyone gets their time.

Our next speaker is MP Duguid. You have the floor for six minutes.

Mr. Terry Duguid (Winnipeg South, Lib.): Thank you, Madam Chair.

I want to thank the ministers for their excellent presentations and for being with us today.

My questions are for Minister Joly. As she will know, I'm a very proud westerner from Manitoba. No region of the country has been hit harder than the west—the provinces of Manitoba, Saskatchewan, Alberta and British Columbia.

I wonder if the minister could amplify on the RRRF, which she talked about in her presentation, and how it has helped our region specifically. I have been on calls with her with hundreds of businesses and many chambers of commerce. Could she talk about the RRRF funding, particularly as it relates to the west, and the double whammy and the triple whammy? I think she knows what I'm talking about.

Hon. Mélanie Joly: Thank you, Terry. It's great to see you. Thank you for the question.

Obviously, we know that the western economy has been impacted by the pandemic and also by the drop in oil prices. We call that the double whammy. We're very much aware of what's going on right now.

Based on that, we decided to really work with western economic diversification. Through the great work of my dear colleague Terry Duguid, who is my parliamentary secretary, and many of our colleagues, we have been able to double the budget of western economic diversification because we saw that there was a clear need to do more.

In that sense, we tried also to work with the Community Futures organizations, the CFDCs all across the west to make sure the money was not only going to businesses that needed support in major cities, but also to businesses in the smaller towns across the rural parts of the west.

I also think that the west is not a monolithic bloc. It is not all the same. There are clear specific needs in the Prairies and there are clear specific needs in B.C. That is what we've been trying to do—to go closer to the ground, to do the right partnerships, and really to make sure that we protect jobs all across the west.

Based on that, we have been able to protect more than 23,000 jobs within a couple of months by making sure there would be interest-free loans to support these small and medium-sized businesses across the west through western economic diversification.

• (1130)

Mr. Terry Duguid: Thank you, Minister. I know you've been a champion for the west, even though you're a proud Montrealer. You look at the whole country and all of the regional development agencies.

You've also been a champion for tourism. Tourism in the previous Parliament didn't have the highest profile, frankly. You raised it up. You were able to argue for and procure a budget for tourism, but we know that tourism is the sector that has really been hit the hardest.

I wonder if you could talk about the tourism journey that you've been on and why tourism is so important to our country, as well as what you are doing now. I know there have been some sector-specific initiatives in Ontario, and perhaps you're looking at other regions of the country as well.

Hon. Mélanie Joly: Thank you, Terry.

In 2019, we went through our best year ever when it comes to international tourism. I had the chance to be the minister in charge of the best year, but also now of the worst year since the Second World War. In 2019, we had 21.1 million international tourists com-

ing to Canada, and that supported 1.8 million jobs, 4% of all the jobs across the country.

We know this sector has been really impacted by the border closures, which are not only affecting our downtown cores in Winnipeg, Toronto and Montreal but also a lot of towns across the country, from the Windsor-Essex region to beautiful Atlantic Canada and out to B.C.

We've made sure that these businesses have access to wage subsidies until next June. There is the CEBA, the \$40,000 loans, which are now \$60,000 loans, with a part forgivable. Also, there are rent relief and fixed-costs supports, awarded through the Bill C-9 legislation, which is now in force thanks to all our colleagues. Also, the regional relief and recovery fund, the RRRF, has been extremely helpful for businesses, and we've been able to support many across the country.

Actually, very many businesses in the tourism sector came to see us because sometimes they were falling through the cracks, and we wanted to help them. Just to give you an example, in the tourism sector in western Canada we've been able to support 15,000 jobs in that sector alone.

Mr. Terry Duguid: My final question, Minister, because we're running out of time, is regarding the RRRF, again, and the second round of funding. I was very honoured to announce \$2.8 million in RRRF funding for business ecosystem support on your behalf. It's supporting 5,600 jobs. How is that funding a little different than the first round?

The Chair: Unfortunately, you are completely over your time, MP Duguid—my apologies. Hopefully, the minister will be able to answer that question in a subsequent round.

[*Translation*]

Mr. Lemire, you have six minutes. You may go ahead.

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

Thank you to the ministers for being here.

I have a question for Minister Bains about competition.

A number of agricultural and agri-food groups have come out publicly against the fees supermarkets and retailers like Walmart have imposed, so the Bloc Québécois wants you to know it is concerned.

The Bloc Québécois is formally requesting that you instruct the Competition Tribunal to investigate the various barriers being imposed on suppliers and the power imbalance in business negotiations. I am referring to a joint email that I and my fellow member Yves Perron sent you on August 11; you have yet to reply.

[*English*]

Mr. Taylor Bachrach (Skeena—Bulkley Valley, NDP): I believe you're too fast for the interpreters, Sébastien.

Mr. Terry Duguid: I have a point of order, Madam Chair.

The Chair: Yes, MP Duguid, you have a point of order.

Mr. Terry Duguid: Madam Chair, the interpreter is saying that my honourable colleague is speaking too fast for interpretation. You might want to start the clock again, because there was no interpretation the entire time.

• (1135)

[*Translation*]

The Chair: Mr. Lemire, could you please slow down?

Mr. Sébastien Lemire: Of course. I'm glad that my English-speaking counterparts are getting a taste of what I experience every day with interpretation. I should take this opportunity, by the way, to thank the interpreters for their excellent work.

Shall I start over, Madam Chair?

The Chair: Yes, please.

Mr. Sébastien Lemire: Minister Bains, a number of agricultural and agri-food groups have come out publicly against the fees supermarkets and retailers like Walmart have imposed, so the Bloc Québécois is formally asking you to instruct the Competition Tribunal to investigate the situation. I am referring to the various fees being imposed on suppliers and the power imbalance in business negotiations. My fellow member Yves Perron and I sent you that request jointly, by email, on August 11, and you have yet to respond.

Do you intend to instruct the Competition Tribunal to investigate the matter?

Hon. Navdeep Bains: Thank you for your question, Mr. Lemire.

I understand how challenging and complicated the situation is. I also understand your frustration.

I am going to switch to English.

[*English*]

I know there was some difficulty in the translation as well, so I'll speak in both official languages.

I understand the frustration and the concern raised by the honourable colleague. It is absolutely disappointing to see grocers impose these costly fees, which fall on thousands of Canadian food producers who are working hard to feed Canadians and support the communities during these challenging times.

Food producers and processors and their workers have played a critical role. I've said this on numerous occasions in the House of Commons during the pandemic. These are essential workers who are providing critical support. We recognize the issues raised by the members opposite and we share the concerns about fair market practices that should exist.

[*Translation*]

Mr. Sébastien Lemire: I gather, then, that you don't have a straight answer to the question we sent you by email two months ago.

I'll move on to another topic. The Yale report recommends that the industry minister—you, Mr. Bains—report to Parliament annu-

ally on the progress being made to deploy broadband services, including in rural and remote indigenous communities.

Are you planning to table a report soon, especially since you just spoke about leveraging the public-private partnership model? From what I have seen, the public-private investment model has not proven cost-effective in Abitibi-Témiscamingue, and that is why, come 2026, we could be among the last 2% of the population that is still without broadband connectivity. The fact is that delivering last-mile connectivity to the last citizen will never be cost-effective for the industry.

Do you plan to do anything about that?

[*English*]

Hon. Navdeep Bains: The tribunal is independent. The Competition Bureau is independent. They will look into the matter as they see fit.

[*Translation*]

I understand the problem around access to high-speed Internet. That is why we made investments in the connect to innovate program and other initiatives to help connect people all over the country, especially in Quebec's regions. We will keep working every single day to find solutions and make things better for people. High-speed Internet service is not a luxury; it is a necessity. It is a top priority for our government.

Mr. Sébastien Lemire: I'm happy to hear you say that.

During an economic downturn, businesses usually forgo investments in research. That means significantly less funding is available for collaborative research that brings together businesses, universities, CEGEPs and other partners. This could represent a loss of up to a third of the funding for a research program. That impact will be especially felt in Quebec's regions.

Would your government consider establishing a dedicated regional fund for collaborative research?

Hon. Navdeep Bains: That's a great idea.

That is precisely why we have invested in science, natural resources and development, as well as numerous programs and initiatives that help bring business and academia together to support collaboration.

We will keep looking for ways to advance the economic recovery. Having a strategy to stimulate economic recovery is key.

Thank you for your suggestion.

• (1140)

Mr. Sébastien Lemire: Thank you, Minister.

Ms. Joly, the federal government provided funding for community-based organizations, as well as the cultural, innovation and environmental sectors. That falls under the mandate of CFDCs.

Aren't CFDCs the best ones to deliver that initiative and further support stakeholders in those sectors as they develop their projects?

When will you be able to enhance the funding specifically for the community, cultural, innovation and environmental sectors?

Hon. Mélanie Joly: Thank you for your questions, Mr. Lemire. I would be happy to answer.

It goes without saying that CFDCs play an important role. That is why, since taking office, our government has quadrupled the funding for CFDCs, which now totals more than \$120 million.

Our investments have better equipped CFDCs to fulfill their role, and that will be one of the positive legacies of the pandemic. We can certainly have fruitful discussions with the CFDC network to determine how we can expand their reach, not just economically, as you mentioned, but also at the community level. I welcome the opportunity to discuss that with them, as well as with you.

As we gradually emerge from the pandemic, we want to support green and inclusive growth through the economic recovery, and CFDCs definitely have a role to play.

The Chair: Thank you, Minister.

[English]

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

Mr. Taylor Bachrach: Thank you, Madam Chair. Thank you to the ministers for the opportunity to ask some questions. I'm sitting in for Mr. Masse, who has to be in the House right now. He's provided with me some questions, but I'd like to ask some questions of Minister Bains with regard to rural broadband.

The region that I represent in northwest B.C. is profoundly rural, with very small communities and many people living in remote settings. I was very interested in this report on telecommunications that was completed back in January. I believe you're familiar with it. I think the title is "Canada's Communications Future: Time to Act". There's a portion in it under the broadband section, and I'll read it.

It says, "Further, despite the many programs working toward the goal of universal connectivity at the federal level, no Minister is specifically accountable to Parliament for the achievement of this objective."

I asked this question of Minister McKenna at the infrastructure committee. She went on about coordination and a bunch of other stuff. I did ask her if she was in charge, and so I will extend the same question to you. Are you in charge of accountability and delivering on the promise that 98% of Canadians are going to have broadband by 2026?

Hon. Navdeep Bains: Thank you very much for your question.

With regard to accountability and responsibility, it's important to note there are several ministers who have different initiatives and programs. We're coordinating with one another. It's a whole-of-government approach.

We recognize that we have different levers and different abilities to have a positive impact. We're using all the necessary resources

we need to make sure that we deal with the connectivity issue. We're leaving no stone unturned.

That is why I'm very proud of the fact that when my colleague Minister Monsef announced the universal broadband fund, I also was able to highlight our support for low-earth orbit satellite solutions, which are critical for those remote northern communities, to deal with the latency issue. This technology enables these satellites, which are only about 2,000 kilometres away from the earth's surface, to provide that high-speed Internet connectivity.

We think we have a range of solutions and a range of programs to deal with this. We're focused now on implementation and dealing with that digital divide. As you alluded to in your question, right now more than ever, Canadians need access to high-speed Internet connectivity because they're working online and learning online more than they ever have before. This is essential for their success.

Mr. Taylor Bachrach: Well, Minister, through the chair, I didn't hear the answer to my question in there. I guess that the only minister left to ask is Minister Monsef. I look forward to doing so at the earliest opportunity.

Could I ask if you recognize this deficiency that's been highlighted in this report? I can read further. It says:

...there are a number of different programs and funds addressing gaps in broadband coverage.... At the federal level, there is potential duplication of effort among the CRTC, ISED, and other government departments.

It speaks specifically to the fact that there is no single minister specifically accountable for these promises. Do you agree this is a problem in achieving the objectives?

● (1145)

Hon. Navdeep Bains: I think it's absolutely essential to recognize that different ministers in different departments have different tools and levers and programs at their disposal. We need to leverage everything to the fullest potential. This is why it's a whole-of-government approach. We are focused on coordinating with one another.

I do recognize that we have stepped up in a big way by not only introducing programs but also by providing the resources. The universal broadband fund is \$1.75 billion. The low-earth orbit satellite constellation service access is \$600 million. These are significant amounts that will enable us to achieve the goal of high-speed Internet connectivity in rural and remote communities. We're going to continue to coordinate and work with one another. I take pride in working with Minister Monsef, Minister McKenna and others who understand the importance of high-speed Internet connectivity.

Mr. Taylor Bachrach: I appreciate that, Minister. The problem is that when no one is in charge, there can be no accountability. I look forward to asking Minister Monsef if she is in charge of this file.

My other question around rural broadband is really around the approach. Essentially, the approach we have right now is that there's a pool of money made available by the federal government. The federal government looks to private companies to come forward with proposals for serving rural residents with broadband. Those proposals are always proposals in which the company can put together a viable business case. However, there are many sparsely populated areas in which it is extremely difficult to put together a business case.

How are we going to serve those residents in sparsely populated remote areas where it's difficult to put together a profitable model for delivering broadband?

Hon. Navdeep Bains: There are two components to your question that I will speak to. Again, I just want to underscore the fact that the ISED department shares the working group with the different departments and ministers to coordinate the efforts around rural connectivity. That is leadership, that is accountability, and that is why I'm here to answer your questions.

The model....

Oh, I see the red card.

The Chair: Unfortunately, you're over your time, Minister.

I will remind members that when I show you the 30-second card, it means you do not have time to start asking a lengthy question. I do not want to cut people off at the end of this meeting.

With that, I will go to the second round.

MP Steinley, you have the floor for five minutes.

Mr. Warren Steinley (Regina—Lewvan, CPC): Thank you very much, Madam Chair.

Thank you to the ministers who are present today. I'll be sending my questions in the direction of Minister Joly.

First I want to thank Mr. Duguid and Minister Joly for giving me a glimpse into the psyche of Liberals when talking about western Canada. It's a rare opportunity when I can see two Liberal members have that discussion.

Minister Joly, you were very happy about saving 23,000 jobs in western Canada—except, prior to COVID-19, Alberta and western Canada lost almost 200,000 jobs, so it's really like cheering in a hockey game after scoring your first goal, but you're still down 10 to one.

That's something you guys should keep in mind. Before COVID-19, there was a double whammy in western Canada. It was called Bill C-69 and Bill C-48, the no-more-pipelines bill and the anti-tanker bill. As well, the carbon tax has continued to cripple our economy. You increase the carbon tax every April 1, which is a terrible April Fool's joke on western Canadians.

I'm going to focus some of my question towards the regional economic growth through innovation program. In the estimates now, the spending was supposed to be \$631,000,726. It combines southern Ontario, Quebec, western diversification and northern Ontario economic diversification. I'm wondering if there's a complete

list of programs that this has funded and if you could table that with the committee.

Hon. Mélanie Joly: Well, thank you, dear colleague. It is a pleasure for me to have the chance to talk to you, for the first time directly, about what we're doing for the west.

Obviously I've had the chance to talk to many business people in the west, including the different members of the Alberta chambers of commerce, the Calgary and Edmonton chambers of commerce, the Saskatchewan chambers of commerce, the Saskatoon and the Regina chambers of commerce, the Manitoba chambers of commerce, the Winnipeg chamber of commerce, and the same for B.C. Clearly, I'm very much aware of not only the anxiety that is going through people in the west, many of whom live off the fossil fuel sector; I'm very much aware that the reality is also different in British Columbia.

Since the beginning of our mandate, we've done a lot in the regional economic development file to support Western Economic Diversification. It had been cut by \$50 million under the Harper government, which was sad, as the west was already going through a difficult time. We increased the budget before the pandemic. That was under the responsibility of my dear colleague Nav Bains, who is here with us. As well, now we've doubled the budget of Western Economic Diversification.

• (1150)

Mr. Warren Steinley: Thank you very—

Hon. Mélanie Joly: Do we need to do more? We need to do more.

It will be a pleasure for me to be working with you. Of course, we will table the documentation that you're asking for.

Mr. Warren Steinley: Thank you very much, Madam Minister.

Do you know that record spending isn't a government policy goal and that it should be something whereby you're creating jobs, not just spending more money?

To the original question, can I have a list, through this committee, please, of all the programs done through the regional economic growth through innovation program?

Hon. Mélanie Joly: Of course it is important for us to be providing that information for you as members of the opposition, but also to the public.

I know my esteemed public servants are on this call. Simon Kennedy, my deputy minister, is with us, as well as the CFO for ISED. Of course we will be providing that information.

Mr. Warren Steinley: Thank you very much.

In the revised estimates, there's going to be \$200 million more spent through this program. Could I also get an update for this committee on that extra \$200 million?

Hon. Mélanie Joly: The idea of supporting more businesses came about because what we saw through Western Economic Diversification was that there was really an uptake in the program. Many businesses needed more support, more than in other parts of the country. That's why we increased the budget, and therefore we've been providing more money to Western Economic Diversification than other agencies to deal with some of the backlog that we were facing. That's why there's more money and that's why we'll be providing—

Mr. Warren Steinley: Thank you so much. I have one more quick question.

Is there a connection between the regional economic growth through innovation program and the RRRF program?

The Chair: Mr. Steinley, unfortunately you're out of time. Hopefully in another round the minister will be able to answer that question.

We now turn to MP Lambropoulos.

You have the floor for five minutes.

[Translation]

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

My questions are for Minister Bains.

Mr. Bains, thank you for being here today to answer our questions.

As you know, the committee is studying the accessibility and affordability of broadband connectivity and wireless Internet service. On the issue of affordability, you clearly stated that Innovation, Science and Economic Development Canada intended to lower the rates for cell phone service by 25%. That is excellent news because Canadians pay the highest rates for cell phone service in the world.

Could you provide some detail on how you measure progress in that area? Could you also tell us about the tools the department uses to promote affordability?

Hon. Navdeep Bains: Thank you for your question.

You are right. Having a strategy to reduce cell phone plan prices is absolutely essential, and that is why we put forward a plan. Three months in, we discussed the progress that had been made and we shared that information. As time goes on, I hope the situation improves in every region of the country.

As you mentioned, we also have the connect to innovate program, which aims to provide access to high-speed Internet service. I wanted the government to have a strategy, so I am working with my fellow ministers, Maryam Monsef and Catherine McKenna, to that end. I am certain that, working together, we will find the solutions that will make things better for all Canadians.

• (1155)

Ms. Emmanuella Lambropoulos: Thank you.

Can you talk about the role of the government, broadly, and of your department, specifically, in improving access to high-speed Internet service? What more can we do to help Canadians?

[English]

Hon. Navdeep Bains: There are a few elements to your question.

I think it's important to note that we need to have more competition and more choice. That is why we've used this spectrum auction as a means to create carve-outs for regional players. This will enable more competition, which will reduce the prices. We've had a very clear strategy when it comes to 600 megahertz, 3,500 megahertz, or the 3,800 that we're currently in consultations for. All demonstrate the importance of using spectrum strategically to promote more competition. We believe this will help reduce prices.

When it comes to cellphone prices, we have a quarterly report that tracks the mid-range plans. We've seen, traditionally, some reduction in prices in the lower-end plans and some in the higher-end plans, but for those mid-range plans the prices were not going down, were not decreasing. We set a very clear target of making sure that between the two- to six-gigabyte space, those plans should go down by 25%.

For greater accountability and transparency, we're providing quarterly updates and quarterly reports to Canadians to demonstrate progress in different regions across the country when it comes to those cellphone plans. We feel that's putting pressure onto the marketplace for the telecommunication companies to deliver on that. They recognize that if they fail to do so, we will deploy other tools to promote more competition. Right now we're starting to see some progress in that area. We're confident that in the coming months Canadians will see a further reduction in their cellphone bills because, again, of our focus on competition and choice, as well as greater transparency with the quarterly reports that Canadians can go online to see.

Ms. Emmanuella Lambropoulos: Thank you very much.

We actually met with the telecom companies a little bit earlier on, during the summer. They seemed quite reluctant—I have to be honest—to reduce their prices. They were saying that if we expect them to increase Internet access, we should lower our expectations. What's your response to this?

Hon. Navdeep Bains: They know affordability is our number one priority. We have to strike that right balance, of course, with investment. That's going to be critical, but we need to see prices go down.

As I indicated, high-speed Internet connectivity is not a luxury; it's essential. It's important that Canadians have access to good-quality networks at affordable prices.

The Chair: Thank you, Minister.

Ms. Emmanuella Lambropoulos: Thank you so much.

[Translation]

The Chair: We now move on to the next round.

Mr. Lemire, it is your turn for two and a half minutes.

Mr. Sébastien Lemire: Thank you, Madam Chair.

Further to your previous answer, Ms. Joly, I would say the funding for the community sector is not always established with regional development in mind; it tends to be based on service delivery. I think that requires a rethink. CFDCs could be directed to help organizations adopt transformative visions.

Would it be possible to take the RRRF funding allocated under phases one and two, and turn it into recurrent funding for the joint CFDC fund, thereby increasing the corporations' core funding?

Hon. Mélanie Joly: Thank you for your question, Mr. Lemire.

When I said that we had quadrupled the funding for CFDCs, I also referred to a legacy. I said that because, when businesses repay the CFDC funding they obtained, the CFDCs are going to keep that money; they won't have to give it back to the Government of Canada. Practically speaking, then, CFDC funding will increase.

CFDCs will be able to distribute the funding they receive however they like.

I would be glad to work with you on the way forward, because we know the vast majority of those loans will be repaid. Therefore, as part of the recovery, that CFDC-delivered funding will have a very significant impact on Quebec.

• (1200)

Mr. Sébastien Lemire: I want to thank you for the RRRF program, as I mentioned before. I'm glad to hear that you won't be reducing the funding allocated to CFDCs, strictly speaking.

The Bloc Québécois believes that regional development has to be administered by the regions. Decisions affecting the future of Quebec's regions have to be made in Quebec. As we have previously stated, our position is as follows:

Canada's role is limited to what is laid out in the Constitution: transferring funding to Quebec for matters under Quebec's jurisdiction and deferring to Quebec's proximity and effectiveness in areas of shared jurisdiction.

I'd like to talk about support for innovation within Quebec's borders. Where do you stand on setting up a regional development and economic diversification fund to support the processing of natural resources in Quebec? The fund could be administered by and for the regions, through regional round tables made up of economic and organizational stakeholders, in co-operation with the Quebec government.

Hon. Mélanie Joly: The vision of the Government of Canada and, of course, the Liberal Party has always been to support a by and for the regions approach through the economic development agencies. That is precisely why they were created and why Canada Economic Development for Quebec Regions, or CED, has such an extensive reach.

We decided to go even further by providing more direct support on the ground and promoting a network of CFDCs in the regions.

I would be pleased to discuss your idea of creating a regional fund. It speaks to a philosophy we share and that is to keep doing more for the regions.

The Chair: Thank you, Minister.

Mr. Bachrach, it is your turn.

[English]

You have the floor for two and a half minutes.

Mr. Taylor Bachrach: Thank you, Madam Chair. My apologies for not seeing the red card in my last round of questions.

I have a few more broadband questions for Minister Bains.

Minister Bains, one important dimension of this really vital need for broadband in rural areas is affordability. My understanding is that your government's key strategy for delivering broadband affordability is competition, yet in many rural areas the market simply isn't big enough to support multiple competitors. What is your government's approach to ensuring affordable broadband in rural and remote parts of Canada?

Hon. Navdeep Bains: Thank you very much for your question.

Your question underscores the strategy that we are deploying, which is how to promote competition. How do we create more regional players that can provide cell service as well as high-speed Internet connectivity options? How do they service rural and remote communities?

We're working to partner up with local Internet service providers. We're looking at all possible options of promoting more competition and supporting local companies that can provide this solution so that consumers can have more choice.

The objective is that when we have more competition, we are confident that the prices will go down. The balancing act is making sure that the prices are affordable for consumers and at the same time that we have an environment in which we continue to see meaningful investments.

That is why we've put forward these programs to help de-risk some of those investments, particularly for those rural and remote communities that need high-speed Internet connectivity.

Mr. Taylor Bachrach: The problem, Madam Chair, is that when you support these small, independent Internet providers, often, as soon as they're successful, they get bought out by Telus. This isn't working. We don't see that competition.

I wonder if the minister can respond to that.

Hon. Navdeep Bains: One way we're looking at addressing competition is by having a set-aside through our spectrum auction. We know spectrum is critical for telecommunication companies. When we have set-asides for spectrum, we know that this will create stronger regional players, enable them to get more market share and enable them to provide more affordable options. We know that's good for Canadians and consumers across the country.

The Chair: Thank you very much, Minister.

We now go to MP Dreeshen. You have the floor for five minutes.

Mr. Earl Dreeshen: Thank you very much, Madam Chair. I'm happy to have a chance to speak to the ministers this morning.

I have one little comment, Mr. Bains, on the United Nations Office for Disaster Risk Reduction and its build back better plan. We lost that bid for the Security Council seat. Maybe now we could be concentrating on what is needed for Canadians and concentrate on that. Again, going back into the black-hole-of-government approach has not been helping us.

One comment that was made by Ms. Lambropoulos had to do with the discussions that had taken place and the lobbying efforts. Minister Bains, what information did you rely on to issue the government's order in council from August, effectively calling into question the CRTC's decision in 2019 on final wholesale access rates that would have substantially slashed the rates that consumers pay for Internet service?

The reason I'm asking for that information is that the CRTC spent six years arriving at its decision. It reviewed thousands of briefs. We know from the lobbyist registry data that there were more than 200 lobbying interactions from large telecom players leading up to the issuance of your order in council. What information did you rely on?

• (1205)

Hon. Navdeep Bains: Thank you very much for the question.

Your question underscores the statement that I made with regard to our overall policy direction. That was highlighted in the policy directive that I provided over a year ago, which is that we need to make sure affordability is at the centre of all the decisions we make moving forward. We need to strike the right balance for investments, as well.

Government sets policy; we don't set the rates. Our guidance is to make sure that our policy direction is very clear when it comes to finding that balance between affordability and investment for high-speed Internet connectivity.

Mr. Earl Dreeshen: Thank you very much for that. I appreciate it. It's an interesting answer, but actually many people would disagree. In fact, one totally independent organization, OpenMedia, which represents no other interest other than monitoring the groups around the Internet, notes in an article that your actions and the order in council undermines, and I quote, "Canada's best chance for affordable Internet". It goes on to say, "On August 15, the government announced that...the CRTC's wholesale Internet rates were too cheap, and might 'undermine investment' from telecom giants." This is what you're saying right now.

Given that the CRTC spent six years studying the matter, what's the basis for coming to that conclusion, once again?

Hon. Navdeep Bains: My understanding is that the CRTC has made no final determination in terms of...but they're continuing to look into this issue. There have been further consultations and a review of it based on some of the feedback that they have received.

I can tell you right now, from my perspective, that affordability is important and making sure that Canadians have access at affordable prices for high-quality networks is important. That's the policy direction we gave. Not only did I say that in my statement for the wholesale rate, but I was very clear about that in the policy directive that I issued to the CRTC.

We made it abundantly clear that we wanted to have affordable prices for Canadians. At the same time, we want to make sure we invest in broadband, that we invest in rural connectivity and that we deal with the digital divide.

Mr. Earl Dreeshen: Minister, again this ties into the 2019 policy directive that you gave to CRTC. You noted that their work and their decisions should lean towards focusing on interests of consumers, which you've spoken about. Will you now be issuing another policy directive to CRTC overturning this and suggesting that they now focus on this new so-called "balancing" agenda, based on the discussions you've had with major telecoms?

Hon. Navdeep Bains: First of all, I work with everyone. I engage with stakeholders across the country, including with small Internet service providers and with advocacy organizations to hear all the different points of view. That has helped shape our policies in the past, and that continues to guide us going forward, with a razor-sharp focus on affordability. That is why we introduced, in our platform, a goal to reduce cellphone bills by 25%, and that is why we're providing quarterly updates for those plans that we committed on. We're seeing progress. That is why, as a government, we're investing in programs to make sure that Canadians have access at affordable—

Mr. Earl Dreeshen: Thank you very much.

I know I just have a few seconds left.

One of the key things that we want is reliability, because we have whole communities now that are online. Many in small businesses are suffering. As we look for cheap, let's also be looking for reliability and make sure that we are getting that out of the suppliers we have.

Thank you, Madam Chair.

The Chair: Thank you very much.

I understand that Minister Bains has an announcement to make, so he has to leave. We do have one last slot of questions for Minister Joly.

Minister Bains, thank you so much for being with us today.

With that, I will turn to MP Amos. You have the floor for five minutes.

• (1210)

[*Translation*]

Mr. William Amos (Pontiac, Lib.): Thank you, Madam Chair.

I very much appreciate Minister Bains and Minister Joly being with us today.

I listened attentively to the discussion between Minister Joly and the member for Abitibi—Témiscamingue about CFDCs.

I recall something oft-repeated by the Bloc Québécois during the 2019 election campaign: “We are Quebec. We are the regions.” Nevertheless, CFDCs are under federal jurisdiction and have been firmly rooted in Quebec’s regions for a long time.

In the Gatineau valley, federally funded CFDCs have been in place for 40 years and have their own board of directors. That means they are firmly rooted in the region.

Minister Joly, by providing this extremely important funding to CFDCs, your department has expanded the opportunities available to small and medium-sized businesses as well as small communities. Could you comment on their appetite for those opportunities?

Hon. Mélanie Joly: Thank you for your question, Mr. Amos.

I know that you are a champion of CFDCs. We’ve had many opportunities to discuss the issue, you and I, and we have met with CFDC representatives. Thank you for your work in that regard.

It goes without saying that CFDCs are important, and that is for two reasons. First, always having the ability to support regional development is vital, and that development is only possible when delivered by and for the regions, by and for business owners in the regions.

Second, the federal government has never been so involved in people’s lives, because of the pandemic and because of the suite of services and supports the government is providing.

We have a greater presence on the ground thanks to CFDCs and the support they are delivering to businesses and entrepreneurs, who can have a hard time getting in touch with their banks and credit unions, which are often located hundreds of kilometres away.

During the pandemic, our role has been to make sure businesses in the regions are financially protected. We instructed CFDCs to deliver another type of support; they have started providing microcredit, especially in Quebec’s regions.

Mr. William Amos: Thank you.

I completely agree with you. CFDCs are vital. Three CFDCs are active in the riding of Pontiac: the Pontiac CFDC, the Papineau-Collins CFDC and the Gatineau valley CFDC. All three benefited from an infusion of some \$1.5 million during the pandemic. As you mentioned, it’s a long-term investment given that the funding is being recycled, so to speak, through the region’s small and medium-sized businesses. Currently, they have access to \$40,000 loans, and if they repay \$30,000 by the end of 2022, they will benefit from \$10,000 in loan forgiveness. What’s more,

the \$30,000 that is repaid will be reinvested. I think that’s extremely important.

I want to take this opportunity to thank you, Minister, for being such an ardent supporter of CFDCs. I would also like to thank the entire network of CFDCs in Quebec for their tireless efforts. They do fantastic work, and it just goes to show what an important role the federal government plays in the everyday lives of people in the regions. In the past, we have seen the province scale back regional investments—hence, the significance of this federal support.

Hon. Mélanie Joly: Indeed. We must remember that, in the past, the Quebec government made cuts to regional economic development. This prompted us to invest more in this area and to really equip our CFDCs. We’re taking a historic step, because we just refinanced the CFDCs for the next 50 years. At the start of the pandemic, the CFDC budget was about \$30 million. The budget is now over \$120 million. That’s a huge amount of money. This will ensure that the CFDC network has a strong impact and, without a doubt, much-appreciated leverage.

Thank you for your questions.

Mr. William Amos: Thank you, Minister Joly.

I want to conclude by saying that we, at the federal level, are in our regions, and this makes me happy. Thank you for your work.

• (1215)

Hon. Mélanie Joly: Thank you.

The Chair: Thank you, Minister Joly, for your presentation and for taking the time to speak with us today.

We’ll take a short break so that you can leave the meeting.

[*English*]

Thank you very much, Minister Joly.

We will start with the first round of our second panel. Before we start the rounds of questions, I want to introduce the folks who are with us for the technical portion of this meeting. To save time, I will not read out all the titles. You have them on the notice of meeting.

With us today from the Department of Industry are Simon Kennedy, Paul Thompson, Douglas McConnachie, Mark Schaan, Mary Gregory and Éric Dagenais.

We will start our first round of questions and go to MP Sloan. You have the floor for six minutes.

Mr. Derek Sloan (Hastings—Lennox and Addington, CPC): Thank you, Madam Chair.

I have a few questions for Mr. Kennedy or Mr. Dagenais, whoever would like to answer. I asked some of these questions last week and I just want to dig in a little bit deeper.

There are a few major Internet projects in Ontario, one in southern Ontario called SWIFT and one in my area called EORN, that are looking for over \$200 million from the federal government to complete large-scale Internet programs. The issue that we're seeing is that there's funding that's been announced and there are a couple of different streams, but there's some confusion as to which streams are best. In my area, we're looking for over \$200 million. The rapid funding has a cap of just over \$100 million. The EORN project, of course, is almost like several mini-projects rolled into one, so I just would like some advice, as I'm dealing with the EORN officials, and I know that you guys speak with them as well. What's the best way to navigate these funding streams? There are different deadlines for applications. Is it possible that these funding streams could have been tailored better to some of these large-scale projects?

Would someone give me some comments on that?

Mr. Simon Kennedy (Deputy Minister, Innovation, Science and Economic Development Canada, Department of Industry): Madam Chair, I don't know whether people can hear me. I know there was microphone trouble earlier. Is this working okay?

The Chair: I can hear you, but I'm not sure if translation has the capacity. Perhaps you could make sure the microphone is as close to your mouth as possible.

Mr. Simon Kennedy: Yes. I don't want to eat into the time of the honourable member. Maybe I'll go ahead and translation can let me know if there's a problem.

We are quite conscious of both of those projects. There have been discussions with the proponents of both. I think our position would be that we want to make sure we stream project proponents to the right window. If they're small projects that are—

The Chair: Unfortunately, Mr. Kennedy, we can't hear you. Could you possibly get a little closer?

Mr. Simon Kennedy: How's this? Is this better?

The Chair: It's a little better.

Mr. Simon Kennedy: Okay. I can turn the gain way up. How's that? That's as high as it goes. Is that all right? Okay.

The rapid response stream is really meant for smaller projects. I would characterize them as a bit more opportunistic, projects on which the government can work with the proponent, swing into action and get something built out relatively quickly. It is not designed for large projects in the tens of millions of dollars. Certainly the universal broadband fund can handle projects of that size, and in fact we anticipate there will be projects of that size. I guess the main advice we would give is that we should keep talking with the proponents to just better understand their needs and their ambitions and how the UBF could help support them.

Just to let the member know, we're already talking to both SWIFT and EORN.

Mr. Derek Sloan: Thank you for that.

Do you feel that the universal broadband fund was rolled out with these projects in mind? There's been some concern with some people I've been speaking to that neither of the funding streams is maybe as tailored as it might have been, and these projects of course have been on the table for years.

Mr. Simon Kennedy: What I would say is that we anticipate a wide variety of different types of projects across the country. We may wind up partnering, for example, with the Canada Infrastructure Bank on certain very large projects for which there might be, for example, private financing involved, while there would be much smaller projects sponsored by very small communities. At the end of the day, we have a program that's going to be able to accommodate a diversity of different players operating with different scales.

I think we're fairly confident that we have the flexibility needed to deal with different kinds of projects, provided that they're achieving the outcomes that the government is seeking.

• (1220)

Mr. Derek Sloan: Okay. Thank you for that.

I wanted to ask you a little bit about supercluster funding and where the various clusters are at in terms of utilizing the funding that had been previously announced. Can you give us an update on the superclusters initiative?

Mr. Simon Kennedy: I'd be very happy to do that. I think I'll have to write back to the committee, which I'll be very pleased to do, to give a more detailed accounting.

What I can say is—and it's been noted in the press and certainly noted publicly—that the superclusters took a bit of time to get going. I think in some respects that was anticipated. This is a new kind of policy initiative for Canada. Other jurisdictions around the world have done this, but for Canada this was a relatively new approach and it took some time to build the connections and build the ecosystems.

The funding has really begun to ramp up and the superclusters are committing to projects. The leverage of private sector dollars has actually been higher than the minimum that was anticipated in the program. We feel that these superclusters are producing really good results. There have been some really interesting, important projects that have been done in the context of COVID-19. For example, the NGen supercluster, the Next Generation Manufacturing supercluster, has supported the production of ventilators and face shields and other kinds of needed medical supplies for COVID-19.

Again, I'd be very happy to send that accounting to the committee with details of the current spend.

Mr. Derek Sloan: I have one last question here for you.

Given some of the confusion that is happening in my riding with some of these funding streams, is it possible that some departmental officials might be able to give a briefing to people in my riding about how the UBF works and which funding streams are appropriate?

Mr. Simon Kennedy: I certainly don't see a problem with that in principle. We actually would like to make sure that private sector players know about our programming and are able to access it.

We do have a website, which I'm not suggesting is a substitute for an in-person briefing, but it's where private sector players can go and fill out details. It provides a very good pathfinding service for all the available programs and services that business might benefit from. I would be happy to provide information on that as well.

We're conscious that there are a lot of programs out there. We want to tailor the offering to the businesses, so we have a website that does that.

The Chair: Thank you very much.

Our next round of questions goes to MP Jaczek.

You have the floor for six minutes.

Ms. Helena Jaczek (Markham—Stouffville, Lib.): Well, thank you very much, Madam Chair.

Thank you to the officials for being with us again this week.

Deputy Minister Kennedy, one thing that Minister Bains alluded to was the magnificent effort made by our businesses in terms of re-tooling and producing personal protective equipment so that now, apparently, some 50% is being made domestically. This is something we explored at the health committee this summer. Really, it was a remarkable partnership, in essence, between the businesses and government to ensure that this happened.

Going forward, I'm wondering if you could tell us if there were some lessons learned and how the future looks for increasing the production of made-in-Canada equipment, particularly personal protective equipment, but perhaps with more focus on the domestic market in general.

Mr. Simon Kennedy: I could give some personal reflections as someone who was closely involved in this initiative and saw it unfolding in real time.

I think the first thing would be that I, personally, as a Canadian, am thankful that we have a manufacturing sector, a really capable manufacturing sector, in Canada. It was very instructive to see how quickly these very sophisticated Canadian manufacturing operations were able to pivot their operations to make very different kinds of products in a time of great national need. We haven't really seen anything like that, I think, since the Second World War. It was really interesting to see it up close.

The important lesson for me was that having that kind of national capacity seems like it's important. Successive governments over many years have supported the manufacturing sector, the automotive sector, the aerospace sector. The fact that we actually have some national capability, I think, provided an advantage.

The second thing is that some of the investments—actually, many of the investments—that were made will have, probably, an enduring legacy. If you look, for example, at some of the investments that have been made in N95 respirator production, you will see that those aren't investments for the next year or two; it's a multi-year investment for a company to put that kind of facility in the ground. That will potentially stand us in good stead for the longer term.

The third thing is that I think these are policy decisions that governments will have to reflect on, but clearly there's a lot of discus-

sion now going on across the country about what some of the longer-term legacies might be of the pandemic and the kinds of competencies and requirements Canada might need for the longer term. Those are reflections that are going on now. I think some of the lessons learned from the made-in-Canada project could be very useful in determining a long-term picture.

I hope that's helpful.

• (1225)

Ms. Helena Jaczek: Thank you very much.

Minister Bains also alluded to the potential for vaccine production in Canada. We know that there are many universities and private sector players in Canada involved in looking at potential vaccine production. We also know that through PSPC, Canada has already basically entered into contracts with some seven, I believe, companies, and at least three of them are showing very promising results. I'm not sure if this is appropriate to ask you specifically, but is there an opportunity, through those agreements with companies such as Pfizer, Moderna and AstraZeneca, to actually produce the vaccine here in Canada on some sort of licensing arrangement? I am really intrigued by how this could potentially work.

Mr. Simon Kennedy: I probably won't speak to the specifics of some of the contracts because I'm a little unsure of my footing in terms of what is covered by business confidentiality and what is not. The specifics on those might be directed to Public Services and Procurement.

What I can say is that Minister Bains and the ISED ministry have certainly been involved in this. There has been a great deal of work to build up and support the Canadian domestic biomanufacturing sector. As has already been noted in the media, a number of these leading international vaccine candidates actually have Canadian technology in them. There are actually Canadian players that are kind of part of it.

The government has made investments in companies such as AbCellera in British Columbia is a good example. It is manufacturing or has discovered and is involved in the production of a leading monoclonal antibody candidate. This has helped deal with the symptoms and the severity of COVID-19. The government has invested in vaccines; domestically, Medicago in Quebec City is perhaps the best example. This technology is very well regarded, and there was a major investment in Medicago.

The government has also invested in the expansion of production capacity, for example, at the National Research Council's Royalmount facility in Montreal to be able to produce a much larger number of doses. That build-out is happening right now.

In concert with the work to secure vaccines from the international sphere, there has been a parallel line of work—quite an aggressive one—to build up Canadian capacity and to invest in promising Canadian candidates and in Canadian manufacturing. Obviously, there's been a lot of international press on the international candidates, but this Canadian side of the story perhaps needs some telling as well. It has been a key feature of our work.

Ms. Helena Jaczek: Thank you.

The Chair: Thank you very much, MP Jaczek.

[*Translation*]

Mr. Lemire, you now have the floor for six minutes.

Mr. Sébastien Lemire: Thank you, Madam Chair.

Mr. Bains repeated himself earlier. I'll ask a question concerning one of the answers that he gave me.

In fall 2018, the Auditor General's report noted significant delays in connecting the regions. At the time, the Standing Committee on Industry, Science and Technology recommended that the gap be addressed.

The Minister of Innovation, Science and Economic Development didn't talk about a strategy. Instead, he talked about a comprehensive approach, which is interesting.

The committee, the Auditor General and the writers of the Yale report suggested that the federal government, provinces, municipalities, public and private sectors, and non-profit organizations be brought together.

Do you think that this co-operation could happen soon, Mr. Kennedy?

If this is the case, I'd like to participate.

Mr. Simon Kennedy: It would be better to ask the minister this question, since it's more political in nature.

However, I can assure the member that we have an issue table and that we're working hard to coordinate with the key players when it comes to connecting the Internet and our communities. I'm confident that we have a good plan and a good system in place that will ensure coordination among the various players in this area.

• (1230)

Mr. Sébastien Lemire: In 2016, Internet access was declared an essential service.

Why is broadband Internet in the hands of the private sector in a public-private partnership, as Minister Bains reiterated? We're seeing failures in this system. It's hard to connect the last resident in the last mile.

Mr. Simon Kennedy: Again, you would have to ask the minister this question.

Across Canada, the Internet service providers on the ground include major players, but also small players. The decision was made to proceed in this manner. We believe that it's better to move forward based on this reality in Canada.

At the international level, there are certainly examples of countries that chose a different way of doing things. However, we must acknowledge that each option has advantages and disadvantages.

In Canada, we're working with the players on the ground. We believe that this approach will be successful. We expect to provide 98% of Canadians with broadband Internet by 2026, which is a fairly short time frame.

Mr. Sébastien Lemire: That isn't exactly what I would call a short time frame. However, I can understand that, for you, this is a realistic goal under the circumstances.

Since 2009, one program after another has been developed. Yet the remaining homes are being connected at a snail's pace. Isn't it fair to believe that broadband owners and most distribution infrastructure are deliberately delaying the deployment to get the most out of taxpayers' money? These taxpayers, who pay top dollar for the service in addition to funding the infrastructure, have been denied the right to a connection all this time.

This is exactly what's happening in my region. Here, a giant with three heads holds the monopoly: Bell, not to name names, Télébec and Cablevision du Nord de Québec. That last distributor obtained a subsidy from your department to install a backbone in the small municipality of Moffet in 2017. It has until 2021 to do the work.

We know that, with a backbone, the Internet service reaches the municipality, but not the homes located in the last mile. However, fibre optics does reach this municipality. In fact, fibre optic Internet service has been running since 2007, in other words, for 13 years. Assuming a provider is willing to roll out its own fibre, it would need to cover a network of about 50 kilometres.

Why does it take four years to roll out 50 kilometres of fibre?

A giant such as Bell, in my region, is strong enough to fund the project, even though not all the subsidies have been received yet.

Why can't programs designed to connect everyone be completed quickly, in this case, within five years?

Mr. Simon Kennedy: I'll ask my colleague to talk about this project, since I don't know the details. Projects related to Internet access are usually quite complicated infrastructure projects, which don't come to fruition in six months. Mr. Dagenais, who is responsible for the program, may be able to tell you more.

Mr. Éric Dagenais (Senior Assistant Deputy Minister, Spectrum and Telecommunications Sector, Department of Industry): Thank you for the question, Mr. Lemire.

You probably know that Quebec created an issue table on access to passive infrastructure, and we're participating in this table. The Canadian Radio-television and Telecommunications Commission, or CRTC, is also looking at the issue right now.

Regarding the project that you're talking about, which concerns the municipality of Moffet, I'd be pleased to review the project in detail to see whether any specific obstacles are impeding its progress and whether an investigation is warranted.

Mr. Sébastien Lemire: The program is running on schedule. However, it's progressing very slowly. At this point, it would be good to know the strategies, the service standards, the timelines, the estimated resource requirements, and the audits that you as a department are conducting to ensure that the connections are made as quickly as possible.

Let me make a suggestion. Could money be withheld or bonuses be given based on the speed of the work?

The Chair: I'm sorry, but your time is up, Mr. Lemire.

[English]

I will now turn to MP Masse.

You have the floor for six minutes.

Mr. Brian Masse (Windsor West, NDP): Thank you, Madam Chair, and thanks to our guests for being back today.

I'm going to follow up on something and correct it as well. I was using a term last time, "overturn", which was incorrect. I stand corrected, and I appreciate it. What I was really looking at was the meddling—which is the word I should have used—with regard to the CRTC's decision.

It also resolves a statement from the Governor in Council that said:

Whereas, in considering the petitions and all of the information and advice received in respect to them, the Governor in Council considers that the final rates set by the decision do not, in all instances, appropriately balance the objectives of the wholesale services framework recognized in Order in Council P.C. 2016-332 of May 10, 2016 and that they will, in some instances, undermine investment in high-quality networks

My question from that is, what is the department's response to this having taken place? We've seen some market changes related to it.

• (1235)

Mr. Simon Kennedy: Madam Chair, I'm happy to provide thoughts, generally, about this issue of balancing, as the minister discussed. I won't add any colour commentary to the Governor in Council statement because I think the statement, obviously, stands on its own. The CRTC is undertaking its own reconsideration, if you like, of the matter.

In terms of balancing, certainly as a department we are obviously seized with the issue of affordability. We have a variety of programs to support affordability. We want to make sure that Canadians, no matter where they live, get access to high-speed Internet. We certainly understand that this is a very, very important service to be made available.

With regard to wholesale Internet rates, I'll generalize. The issue is that while you want to have rates that are affordable and rates so that people will be able to get access to the service, there continues to be a question of areas in the country where there is no service built out yet, so you need a facilities-based provider to actually go in there and lay fibre to build out service and make the actual capi-

tal investment to actually build the network. Then there are areas—and one of the honourable members mentioned it earlier—with regard to reliability. You have areas where you have a network, but you need to make investments to maintain the network and upgrade it.

There is, I guess I would say, generally a concern that we make sure that the wholesale rates are such that they achieve the affordability objective but also don't inadvertently discourage the continued maintenance of the existing network so that it falls further and further behind because the business case to maintain it is perhaps not there, and we also don't want to discourage the build-out in the areas where there is no service. This is not an abstract issue. If I were to be absurd, if you set the rates at zero, there would be zero incentive to build out the network. Balancing—

Mr. Brian Masse: Right, but what the decision spoke to, though, were the rates in competition in urban and suburban areas. This is conflating that to rural and remote areas. How is that justified in terms of a preamble like that and confusing the market? It led to some alterations. Then it related to suburban and urban capacity. Now it's being attempted to be bridged to rural and remote. I don't see the benefit to consumers in terms of competition and affordability.

Mr. Simon Kennedy: We're going to wait to see what the CRTC does in its reconsideration of the matter. As I said, I think the GIC statement probably has to stand on its own.

Mr. Brian Masse: Okay, that's fair enough. Thank you for that.

I do want to move to auto policy. How much is left in the auto...? There used to be a separate auto innovation fund. That was merged to the larger fund. How much of that fund is left for auto investments? There have been some progressions—most thanks to Unifor in contract negotiations—that have secured more investment. Unfortunately, Canada's still one of those countries without a national auto policy, especially during almost a platinum age of auto manufacturing as we move to the green and clean and more competition. If you look at Detroit right across from where I'm at, they've had upwards of \$12 billion of investment. We've had far less than that.

How much is left in the funds from the commitments that were most recently made? Do we have those numbers, perhaps?

Mr. Simon Kennedy: Madam Chair, I don't have the specific numbers available. What I can say is that we're in active discussions with the automotive companies. The government is clearly committed to the future of the automotive sector. I think that message has been given loud and clear. In terms of the specifics of what is currently in the fund, I don't have those available, but I can certainly provide them.

• (1240)

Mr. Brian Masse: Yes, could you? I'd be interested in those. I know it's been amalgamated with other funds. There have been a series of other announcements, too, even some aerospace.... Getting an updated version of what's there would be very helpful.

With that, too, and in terms of the monies for innovation available for the hybrids and other things, I fought to get the Windsor minivan included in the \$300-million program for auto incentives. Do we know what money is left in that fund? It was for three years at \$100 million. Can we get a breakdown as to what vehicles were purchased with those funds and what's available still?

Mr. Simon Kennedy: I see that—

The Chair: Unfortunately, yes, you are out of time. I'm not sure if it's possible, but perhaps you can maybe circulate that information to the clerk, who can circulate it to the committee.

Mr. Simon Kennedy: I can follow up on that—

Mr. Brian Masse: Thank you, Madam Chair. Thank you to the witnesses.

The Chair: Thank you very much.

With that, we will now start a second round. We will not be able to complete the second round, as we have votes with respect to the main estimates.

I will start with MP Nater. You have the floor for five minutes.

Mr. John Nater (Perth—Wellington, CPC): Thank you, Madam Chair. Thank you, Mr. Kennedy, and the other departmental officials for joining us today.

I want to follow up very briefly about something the minister said last week. I asked her how quickly the applications through the rapid stream would be adjudicated. I'd suggested four to six weeks, and she said that it would hopefully be less than that. I was hoping you could provide some clarity on how quickly those applications will be adjudicated.

Mr. Simon Kennedy: We obviously aim to go as quickly as possible. I think it will depend to some extent on how quickly we get applications in and the quality of the applications when they come in.

As the minister noted at the last meeting, there is a pathfinding service whereby we work with applicants to help them out with the application process. There are some dependencies in there, but we would aim to go as quickly as possible.

Mr. John Nater: To that end, you mentioned how quickly applications come in. To date, have any applications come in?

Mr. Simon Kennedy: Maybe I'll turn to my colleague Éric, who runs the broadband program, just to see whether or not we received any. Again, I'm not aware one way or the other.

Mr. Éric Dagenais: Yes, I checked, and they think we've received a couple, but they hadn't even opened them when I checked this morning. They are starting to come in, and there's certainly a lot of interest by a number of ISPs to send in applications under the rapid response stream.

Mr. John Nater: Okay, thank you for that. Perhaps we can circle back at some point in the future to determine how many applications do come in on that and how quickly those are all turned around.

One of the concerns that we've had in the past is that a lot of the funding will get eaten up by the major telecoms. In the review of these projects, will there be consideration focusing on the smaller

independent Internet service providers in providing funding through the rapid stream program?

Mr. Simon Kennedy: Just as a general reflection, we're very conscious of that as a concern that parliamentarians and communities have. That's something we can certainly pay attention to.

We would certainly envisage projects that would be supported by the large telcos. Indeed, some of the very large projects typically would have a larger telecom provider, but there are also a lot of projects that are advanced by smaller organizations and smaller communities. Those are very important too. I think you're likely to see some mix, but we're alive to that as a concern that people have.

Mr. John Nater: Great. Thank you for that. To that end as well, what sort of consideration is being provided in the adjudication process to a regional approach, in terms of ensuring that the different regions of the country all benefit from not only the rapid stream but also the universal broadband fund?

Mr. Simon Kennedy: I think the objective with the funds that have been put in place today is to cover, for all intents and purposes, the entire country, except for the areas that are extraordinarily difficult to reach, that remaining 2%. I think at the end of the day the objective is going to be, in effect, to make sure every region gets covered. The limiting factor will be some of those very, very remote areas that might require a satellite or some other kind of technology.

In terms of speed, I think we want to go as quickly as possible. As for how exactly that breaks out region by region, I must admit that I don't have that at my fingertips. Maybe Mr. Dagenais could give a reflection on the issue of regional allocation, but in a way, that's not really how the program's running, because we want to actually do the whole country.

● (1245)

Mr. Éric Dagenais: As Mr. Kennedy said, with a 98% connectivity target, no region will be left behind. I think it's mathematically impossible. As long as there are good projects, no region will be left behind.

In terms of speed, a lot of that will be determined by the applications we get. Of course, if we have two applications that come in for the same region with similar technologies, but one is proposing to go a lot faster, we will see. We will allocate bonus points, if you will, to that, and the minister may choose to select that project on the basis that it can go faster. It's one consideration.

Mr. John Nater: Thank you for that. When you say the minister will choose, which minister are we talking about, in that sense?

Mr. Éric Dagenais: Minister Monsef is responsible for adjudicating on the universal broadband fund projects.

Mr. John Nater: To that end as well, will Minister Monsef be signing any contribution agreements with the proponents?

Mr. Éric Dagenais: Contribution agreements are actually usually signed by public officials, but after the minister has selected the project.

Mr. John Nater: I think I have time for one brief question.

As of February of this year, there were a few outstanding applications to the Connect to Innovate program that had not yet been adjudicated four years on.

Have those since been adjudicated?

Mr. Éric Dagenais: All the projects for the Connect to Innovate program have been selected. There are a couple that may be outstanding as a result of a recent project being pulled back in Manitoba. Everywhere else, they've been selected.

The Chair: Thank you, Mr. Dagenais. We'll now turn to MP Jowhari.

You have the floor for five minutes.

Mr. Majid Jowhari (Richmond Hill, Lib.): Thank you, Madam Chair. I'll be splitting my time with MP Erskine-Smith.

I have a quick question for Mr. Kennedy.

Mr. Kennedy, the main estimates indicate that ISED is requesting about \$742 million for the SIF program, the strategic innovation fund. This is about \$170 million more than the previous year and double the amount from two years ago.

I looked at the website. It talks about the program's having announced 65 projects and \$2 billion in contributions and says it has created and maintained about 67,000 jobs.

Can you tell me how much of this fund is left, out of the original fund, and what the \$169 million being asked for is focused on?

Mr. Simon Kennedy: Madam Chair, I shall probably have to get back to the honourable member with a table or something. Money has been provided to that program for medical countermeasures as part of the response to COVID-19, and there's funding in there for other projects—automotive is an example that one member mentioned.

It will be very difficult, I think, to just do the accounting out of my head, but I'm very happy to come back to the member with a chart or table.

Mr. Majid Jowhari: Okay.

I believe the original fund was about \$2.5 billion. Given that \$2 billion has been used, are we stating that about \$500 million is left and that we are asking for another \$170 million on top of that?

Mr. Simon Kennedy: Well, Madam Chair, the strategic innovation fund amalgamated.... It's a new fund, but it took over, if you like, a number of existing previous programs.

The fund consists of both permanent funding and time-limited funding. When the government has an urgent priority, the government can provide money in on a time-limited basis. There's thus ongoing permanent money and temporary money.

You can't really think of the fund as though there was an initial amount and that we draw it down and it gets to zero. There's actually a recurring amount every year that is added as part of its base budget.

I'd have to come back, I think, to the committee with a table or something that gives a bit more detail on what the long-term picture looks like.

Mr. Majid Jowhari: Okay. Thank you.

I yield the rest of my time to my colleague.

Mr. Nathaniel Erskine-Smith (Beaches—East York, Lib.): Thanks, Majid.

While 95% of Canadians in the highest income quartile are connected, just 62% in the lowest income quartile have Internet access. In March 2018 the CRTC concluded that there was a gap in the wireless market for lower-cost data-only plans.

Unfortunately, I think what they're really looking at is very low data amounts. Have you and your team looked instead at ensuring that Canadians have access to, say, two-gigabyte or three-gigabyte plans, data only, at a very low cost?

Mr. Simon Kennedy: Madam Chair, as part of the work we've done on affordability, we have certainly taken a pretty close look at all the plans in the market.

I believe my colleague Mark Schaan, who is one of the assistant deputy ministers in strategic and innovation policy and who played a key role in telecom policy, might be able to speak to this in more detail.

I don't know whether Mark is available. I believe he is.

• (1250)

Mr. Mark Schaan (Associate Assistant Deputy Minister, Strategy and Innovation Policy Sector, Department of Industry): Thanks, Mr. Kennedy. Thank you, Madam Chair.

We scanned across all plans. Obviously, the wireless commitment looked at two-, four- and five-gig plans as one of the services in which we were looking for prices to be reduced by 25%.

We have been tracking those prices as part of the overall effort to look at prices writ large. We look, then, at all of those price plans and have continued to monitor and track them.

Mr. Nathaniel Erskine-Smith: Okay, thanks.

I guess I have three suggestions, with limited time.

One is to really lean into low-cost data-only plans. There is a gap. CRTC has recognized it, but we haven't filled the gap yet.

Two is that in Toronto at least, TCHC, our largest social housing provider, offers an example whereby, through the connecting families program, we could extend that program by working with large social housing providers through bulk purchase agreements. I encourage you to connect with TCHC and look into that.

The third is that when it comes to living at home, in many cases we're paying for significant unused data. Other countries ensure that unused data is rolled over into future months. I would encourage you to look at that option.

My last simple question is on the wholesale rate issue. Cable carriers refused to provide company-specific information to the CRTC.

Mr. Kennedy, are you confident that they are providing that company-specific information? If not, what are we going to do about it?

Mr. Simon Kennedy: Madam Chair, I think that probably is a question that has to be directed to the CRTC, given its role and given that it is kind of in the middle of these proceedings, so maybe I will just make that suggestion.

Mr. Nathaniel Erskine-Smith: I appreciate that, but if they don't provide it, then let's not let them get away with it, as far as it goes.

Thanks, Mr. Kennedy.

The Chair: Thank you very much.

With that, we'll now turn to MP Lemire.

[*Translation*]

Mr. Lemire, you have the floor for two and a half minutes.

Mr. Sébastien Lemire: Thank you, Madam Chair.

I have two comments. First, in terms of Internet access, the solution depends on having more competitors. In my opinion, the programs currently in place are a failure, particularly in remote areas. I sincerely urge you to make changes to the structure of the programs to ensure that all Quebecers and Canadians will be connected well before the 2026 deadline.

Next, I want to ask my colleague Mr. Amos to pass on a message to Minister Joly. In the regions of Quebec, funding isn't provided solely by the CFDCs, but also by many Quebec economic partners. Most funded projects come from the Quebec government. I'd add that this isn't trivial information. The fact remains that, since our taxes are divided between the two levels of government, the budgets allocated by and for the regions for their development must also come from both levels of government, in a decentralized way.

We know that 15 major universities receive almost 100% of research funding. In my view, this concentration should be eliminated through decentralization, again, by channelling funding to universities and colleges in the regions.

Last August, we met with representatives of the Université du Québec network. They told us that the federal government should provide major funding to support the universities' economic recovery efforts; to support the salaries of staff in research offices; to support distance learning for students, particularly international students; and to support paid internships in companies for students. In addition, they said that the management of federal funding should be entrusted to the provinces.

My questions are the following. Have you set aside funding since August to increase the amounts allocated to research, particularly for economic recovery purposes?

Will this funding be more decentralized?

Mr. Simon Kennedy: I just want to say that the government allocated—I forget the exact amount—about \$450 million to research institutions and universities to ensure that, during the pandemic, they can continue their work in this important area of research re-

lated to COVID-19. I'd be pleased to share this information with you, if you want me to do so.

There are other research programs. The government manages these programs related to research on topics other than COVID-19.

Mr. Sébastien Lemire: Thank you, Mr. Kennedy. It's always a pleasure to talk to you. I want to thank you and all the members of your team.

I'll be waiting for this information.

[*English*]

The Chair: Thank you very much. We'll now move to MP Masse.

You have the floor for two and a half minutes.

Mr. Brian Masse: Thank you, Madam Chair.

Something that hasn't been raised a lot is Buy America and Buy American, and then also our own domestic procurement that has gone directly to multinational corporations from the United States and to others.

Prior to COVID-19, there was always this idea that because of free trade, you can't do this and you can't do that. What has been circumventing that for these direct procurements for, say, some of the different partners we've had for PPE? What specifically have we been using to lock those contracts in without going to any type of competition bidding and going to American supply routes?

• (1255)

Mr. Simon Kennedy: I think I would suggest that the honourable member direct that question to Public Services and Procurement Canada because, frankly, most of the procurement action has been done by PSPC.

What I can say very briefly to answer the member's question as it regards ISED is that when it comes to the work that we do through the strategic innovation fund and the kinds of investments we have made through the SIF, I can assure the member that there's quite a bit of work done to protect Canadian interests and Canadian intellectual property within the contractual arrangements we reach.

However, with regard to contracting and procurement, I think it has to be PSPC that provides the specifics on those aspects.

Mr. Brian Masse: Okay. No, that's helpful.

However, say, for example, that you're going to do a contract with Ford for, say, the masks and the shields that were done down here in Windsor. Do you have to get final sign-off, with a review for trade and regulatory agreements with Public Services and Procurement Canada or with a trade assessment?

Mr. Simon Kennedy: Without speaking of a specific contract, because again, I want to be mindful of that—

Mr. Brian Masse: Okay, that is fair enough.

Mr. Simon Kennedy: Generally speaking, to the member's question, absolutely, trade is a consideration. Certainly the lawyers look at the agreements that are signed. We want to make sure Canadian interests are protected.

I'm not speaking about any specific contract, but there are certainly exceptions for things like national security and emergencies and those sorts of things. While as a general rule we are concerned about Buy American and we want to make sure everybody plays by the rules, there are clear cases in which you can move quickly in the national interest. I would say that is the case generally, but we look at each one of those from that lens to make sure we're not doing something wrong or putting our foot wrong.

Mr. Brian Masse: That is great. Thank you.

The Chair: Thank you very much.

With that we will have to end our questioning, because we have to move into the votes for the main estimates. I'd like to thank our witnesses again for their time today, and their testimony. If any follow-up is required.... I know there was some documentation requested of the deputy minister. Could you please make sure that it gets to the clerk so that he can circulate it to the committee members?

With that, before us we have the various votes under the main estimates. I believe there is some agreement here, but I would like to ask the committee if there is consent to carry all the votes on division and report the same back to the House.

Some hon. members: Agreed.

The Chair: That is perfect. Thank you.

ATLANTIC CANADA OPPORTUNITIES AGENCY
Vote 1—Operating expenditures.....\$68,395,032
Vote 5—Grants and contributions.....\$223,992,801

(Votes 1 and 5 agreed to on division)

CANADIAN NORTHERN ECONOMIC DEVELOPMENT AGENCY
Vote 1—Operating expenditures.....\$17,365,446
Vote 5—Grants and contributions.....\$45,339,219

(Votes 1 and 5 agreed to on division)

CANADIAN SPACE AGENCY
Vote 1—Operating expenditures.....\$195,845,837
Vote 5—Capital expenditures.....\$51,745,453
Vote 10—Grants and contributions.....\$67,965,000

(Votes 1, 5 and 10 agreed to on division)

CANADIAN TOURISM COMMISSION
Vote 1—Payments to the Commission.....\$95,665,913

(Vote 1 agreed to on division)

COPYRIGHT BOARD
Vote 1—Program expenditures.....\$3,834,507

(Vote 1 agreed to on division)

DEPARTMENT OF INDUSTRY

Vote 1—Operating expenditures.....\$459,957,408
Vote 5—Capital expenditures.....\$7,433,000
Vote 10—Grants and contributions.....\$2,389,191,705
Vote L15—Payments pursuant to subsection 14(2) of the *Department of Industry Act*.....\$300,000
Vote L20—Loans pursuant to paragraph 14(1)(a) of the *Department of Industry Act*.....\$500,000

(Votes 1, 5, 10, L15 and L20 agreed to on division)

DEPARTMENT OF WESTERN ECONOMIC DIVERSIFICATION

Vote 1—Operating expenditures.....\$42,274,210
Vote 5—Grants and contributions.....\$228,161,383

(Votes 1 and 5 agreed to on division)

ECONOMIC DEVELOPMENT AGENCY OF CANADA FOR THE REGIONS OF QUEBEC

Vote 1—Operating expenditures.....\$40,468,977
Vote 5—Grants and contributions.....\$255,628,788

(Votes 1 and 5 agreed to on division)

FEDERAL ECONOMIC DEVELOPMENT AGENCY FOR SOUTHERN ONTARIO

Vote 1—Operating expenditures.....\$30,390,354
Vote 5—Grants and contributions.....\$218,183,579

(Votes 1 and 5 agreed to on division)

NATIONAL RESEARCH COUNCIL OF CANADA

Vote 1—Operating expenditures.....\$454,716,057
Vote 5—Capital expenditures.....\$56,400,030
Vote 10—Grants and contributions.....\$461,135,770

(Votes 1, 5 and 10 agreed to on division)

NATURAL SCIENCES AND ENGINEERING RESEARCH COUNCIL

Vote 1—Operating expenditures.....\$54,411,479
Vote 5—Grants.....\$1,304,972,077

(Votes 1 and 5 agreed to on division)

SOCIAL SCIENCES AND HUMANITIES RESEARCH COUNCIL

Vote 1—Operating expenditures.....\$34,825,266
Vote 5—Grants.....\$938,395,419

(Votes 1 and 5 agreed to on division)

STANDARDS COUNCIL OF CANADA

Vote 1—Payments to the Council.....\$18,321,000

(Vote 1 agreed to on division)

STATISTICS CANADA

Vote 1—Program expenditures.....\$539,369,331

(Vote 1 agreed to on division)

The Chair: Thank you so much, everyone. I look forward to seeing you on Thursday.

With that, the meeting is adjourned.

Published under the authority of the Speaker of
the House of Commons

SPEAKER'S PERMISSION

The proceedings of the House of Commons and its committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the Copyright Act. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the Copyright Act.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Also available on the House of Commons website at the following address: <https://www.ourcommons.ca>

Publié en conformité de l'autorité
du Président de la Chambre des communes

PERMISSION DU PRÉSIDENT

Les délibérations de la Chambre des communes et de ses comités sont mises à la disposition du public pour mieux le renseigner. La Chambre conserve néanmoins son privilège parlementaire de contrôler la publication et la diffusion des délibérations et elle possède tous les droits d'auteur sur celles-ci.

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la Loi sur le droit d'auteur. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre des communes.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la Loi sur le droit d'auteur.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

Aussi disponible sur le site Web de la Chambre des communes à l'adresse suivante :
<https://www.noscommunes.ca>