

43rd PARLIAMENT, 2nd SESSION

# Standing Committee on Canadian Heritage

**EVIDENCE** 

## **NUMBER 018**

Monday, March 8, 2021

Chair: Mr. Scott Simms

# **Standing Committee on Canadian Heritage**

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**•** (1100)

[English]

The Chair (Mr. Scott Simms (Coast of Bays—Central—Notre Dame, Lib.)): I call this meeting to order. This is meeting number 18 of the House of Commons Standing Committee on Canadian Heritage.

Pursuant to the order of reference of Tuesday, February 16, 2021, the committee will commence consideration of Bill C-10, an act to amend the Broadcasting Act and to make related and consequential amendments to other acts.

As a reminder, today's meeting is in a hybrid format—virtual and in person—pursuant to the order of January 25, 2021, from the House. The webcast will always show the person speaking rather than the entirety of the committee and will be available on the House of Commons website.

As a final note, screenshots or taking photos of your screen are not permitted. Since we are dealing exclusively with the department today, I don't suppose we'll have that problem. They probably know the rules better than we do.

We have, in our first hour, officials from the Department of Canadian Heritage.

We're going to be taking a brief intermission, for technical reasons, to hook up with Minister Guilbeault, who will join us in the second hour.

Right now, we have Jean-Stéphen Piché, senior assistant deputy minister of cultural affairs. We have Thomas Owen Ripley, director general of broadcasting, copyright and creative marketplace branch. We have Kathy Tsui, manager of industrial and social policy, in the broadcasting, copyright and creative marketplace branch.

We're starting out with a 15-minute statement.

 $[\mathit{Translation}]$ 

Mr. Piché, you have the floor for 15 minutes.

[English]

I'll let you decide if you want to hand it to someone else.

Monsieur Piché, the floor is yours.

Mr. Jean-Stéphen Piché (Senior Assistant Deputy Minister, Cultural Affairs, Department of Canadian Heritage): Thank you, Mr. Chair and committee members. It's a pleasure to be in committee once again.

I want to take this opportunity to wish you all a happy International Women's Day.

We're talking to you from the national capital region's ancestral territory of the Algonquin Anishinabe peoples.

[Translation]

As you said, Mr. Chair, I am accompanied by Thomas Owen Ripley and Kathy Tsui. They are both experts in the area of broadcasting and have made major contributions to the development of bills and digital projects.

Mr. Chair and members of the Committee, thank you for inviting us here today to help you with your study of Bill C-10. I would like to take this opportunity to thank the committee for the work it has been doing on the bill and for having undertaken to commence its work so expeditiously.

Bill C-10 makes important amendments to the Broadcasting Act that will benefit artists, broadcasters, and Canadians.

It is expected to result in more opportunities for Canadian producers, directors, writers, actors, and musicians to create high quality music and audiovisual content and to reach Canadian audiences.

It will establish a fair and flexible regulatory framework where comparable broadcasting services are subject to similar regulatory requirements.

It will make Canadian music and stories more available through a variety of services, and it will create a more diverse and inclusive broadcasting system that is reflective of Canadian society.

• (1105)

[English]

This bill renews the Broadcasting Act for the digital age. The changes that it makes are well overdue. It is one of four initiatives currently under way at Canadian Heritage that will modernize our federal communications legislative framework for the online world.

We're also developing a proposal to address online harms such as hate speech, violent and extremist content, terrorist propaganda, child sexual exploitation and non-consensual distribution of sexually explicit images.

We're working with Innovation, Science and Economic Development Canada to amend the Copyright Act.

Then there is the matter of ensuring that Canadian news services are fairly compensated for the use of their material by online services. This work, too, is currently ongoing at Canadian Heritage.

Together, these initiatives will establish rules that will make the online world a more equitable, inclusive and safe place while also ensuring that it remains a fertile ground for innovation and freedom of expression.

Bill C-10, which is focused on broadcasting, is the first piece of this puzzle.

I will now turn things over to Owen Ripley, who will outline the need for Bill C-10 and its primary objectives.

Owen.

[Translation]

Mr. Thomas Owen Ripley (Director General, Broadcasting, Copyright and Creative Marketplace, Department of Canadian Heritage): Thank you, Mr. Piché.

Thank you for the opportunity today to address the committee and discuss Bill C-10 and how it modernizes the Broadcasting Act.

Before diving into the details of the proposed legislation, I would like to briefly tell you about the Broadcasting Act and the current regulatory framework. It is important to understand the current system, because it is the foundation on which Bill C-10 is built.

The bill aims to modernize our legislation for the digital age; but it also aims to preserve and strengthen key elements of our system that have served us well for many decades. These include our independent communications regulator, our Canadian broadcasters, support for Canadian music and storytelling, and the objective of ensuring that diverse voices, including those of Indigenous peoples, are heard across Canada.

The Broadcasting Act is a key piece of legislation for the sector. It defines broadcasting, outlines policy objectives that serve as guiding principles for developing specific regulations, and sets out the mandate and powers of the Canadian Radio-television and Telecommunications Commission, the CRTC. The CRTC's independence from government is important.

The CRTC makes rules and regulations that govern the media sector. The sector is obviously central in supporting freedom of expression and fostering cultural expression. In a democracy like Canada, it's important that there be a healthy distance between the government of the day and the media sector. Countries such as Australia, the United Kingdom and France all rely on an independent regulator to oversee the media sector.

The CRTC also has the expertise and experience to make technical regulatory decisions, while balancing many policy considerations. This independence and expertise have served Canadians well.

Ultimately, Bill C-10 preserves an oversight role for the CRTC and for the government. The CRTC has the mandate to oversee the system on a day-to-day basis, while the government's mandate is to ensure that the CRTC operates as it should.

[English]

One way that the CRTC has supported Canadian culture is by ensuring that broadcasters support the creation and presentation of Canadian content. Currently, as a condition of licence, TV programming services are required to spend a percentage of their revenues on Canadian content each year. Cable and satellite companies are required to contribute a percentage of their revenues to production funds and local programming to support the development and production of Canadian content. Commercial radio broadcasters and satellite radio carriers contribute a portion of their annual revenues to support Canadian content development initiatives. These contributions totalled \$3.34 billion in 2019.

However, digital disruption and competition from online broadcasters threatens this support. Increasing competition is leading to diminishing revenues, with traditional broadcasting revenues declining by 1.4% from 2018 to 2019. Ultimately, this will lead to less funding for Canadian music and programming.

Compared to 2019, recently released aggregate returns data from the CRTC show a 7% decline in broadcasting revenues for large ownership groups in 2020. Aggregate returns include the largest broadcasters and vertically integrated companies but exclude the smaller companies, and as they represent the majority of industry revenues, they are expected to reflect overall industry trends for 2020.

Streaming services obviously aren't new to Canada and have operated in parallel to the traditional broadcasting system for many years now. Their operation in Canada has been facilitated by a regulatory instrument, the digital media exemption order, which exempts online broadcasters from having to seek a licence to operate in Canada, as well as the obligations placed on traditional broadcasters, such as supporting Canadian content.

**●** (1110)

The DMEO has essentially allowed foreign online broadcasters to operate in Canada outside of the traditional closed system. The DMEO was originally issued in 1999 to promote the growth of the nascent online broadcasting sector. Since then, the sector has greatly increased in size and commercial viability.

For example, in 2011, only 10% of Canadians subscribed to Netflix. By 2020, this had increased to 67% of Canadians. Online broadcasters are now thriving and no longer need to be shielded from regulation. They are well positioned to make an important and meaningful contribution to supporting Canadian music and storytelling. Bill C-10 aims to bring them into the regulatory framework, so that all broadcasters operate on a level playing field.

There's no denying that the digital age has brought many benefits. More services provide more choice for Canadians and more opportunities for creators and producers. Bill C-10 isn't about denying these benefits, but rather about carving out a space for Canadian voices.

#### [Translation]

To facilitate the inclusion of online broadcasting in the regulatory framework, Bill C-10 adds a new category of broadcasting undertaking to the Act: online broadcasters. This change will ensure that the CRTC can require services such as Crave, Netflix, Amazon Prime, QUB Musique and Spotify to contribute to Canadian stories and music.

Canadian Heritage estimates that, by 2023, the inclusion of online broadcasters could lead to contributions of \$830 million annually to Canadian content. This is not a target, and ultimately the final figure will depend on how the CRTC decides to implement the new regulatory framework. Nevertheless, this estimate illustrates the significant and tangible results that Bill C-10 seeks to achieve for Canadian creators.

Some of the discussion regarding Bill C-10 has focused on the Bill's treatment of social media platforms. These platforms will be subject to regulation, but only in so far as they display content commissioned by the platform itself, or its affiliates.

However, the users of social media platforms and content posted by these users will not be regulated. Social media is an important form of expression for many Canadians, and, as Mr. Piché noted, a separate proposal is being developed to address the impacts of harmful content posted to social media.

## • (1115)

## [English]

To account for the inclusion of online broadcasters, we need a renewed approach to regulation. Bill C-10 shifts away from relying on the rigid system of licensing to a more flexible conditions of service model. This model will allow the CRTC to seek financial contributions from all players and to impose other conditions, such as discoverability requirements, programming standards and information reporting requirements.

The CRTC will hold public processes seeking input from stakeholders and Canadians in order to inform its regulatory choices. Once it has gathered this information, the CRTC will be able to tailor conditions of service to specific broadcasters. We want to avoid an overly rigid approach that results in an undue regulatory burden on broadcasting services and increased costs for Canadians.

Lastly, the broadcasting policy objectives are being updated to ensure that the broadcasting system serves the needs and interests of all Canadians in their diversity. This means ensuring that Canadian voices, including indigenous creators, official language minority communities, racialized and ethnocultural communities, LGBTQ2+ communities and persons with disabilities, are present in the media we consume. That's why Bill C-10 includes stronger support for diverse Canadian content and its creators.

However, Bill C-10 does not include quotas or targets for supporting certain varieties of content such as French-language con-

tent. Quotas and targets risk becoming de facto maximums. The CRTC is better placed as the independent and expert regulator to make decisions on how to best support all types of content and to have it evolve over time.

After Bill C-10 receives royal assent, the minister intends to propose to the Governor in Council to issue a policy direction to the CRTC on how the new regulatory tools granted in the bill should be used. Seven priorities are sketched out in the technical briefing presentation.

We know that the committee has requested a draft copy of the policy direction to better understand concretely how these priorities would be communicated to the CRTC and we are working to fulfill this request.

While an important step, we know that Bill C-10 doesn't address all of the issues in the broadcasting sector, such as the future role of CBC/Radio-Canada and the governance structure of the CRTC.

Bill C-10 is intended as a first step on the most pressing policy issues. It makes critical changes that will ensure that Canada's broadcasting system is fair and that it will sustain Canadian music and storytelling into the future. We also have an opportunity to make the system more accessible as well as more inclusive by supporting creators and producers who historically have been marginalized. This bill provides a much-needed update to Canada's Broadcasting Act.

We would now welcome your questions on the bill.

The Chair: Thank you, Mr. Ripley. We appreciate that.

We now go to questions.

We're going to go to the Conservative Party, Mr. Shields, for six minutes.

Mr. Martin Shields (Bow River, CPC): Thank you, Mr. Chair. I appreciate the witnesses.

It's good to see some of you again.

Mr. Piché, I heard different words used—about freedom of expression and legislation to control some kind of speech—but then mention of how the CRTC interprets the regulations, and then not over-regulated and then policy direction to the CRTC. I'm just listening but it sounds as though there is some differentiation right in those statements and they don't quite match.

Do you want to respond to that, Mr. Piché?

Mr. Jean-Stéphen Piché: Mr. Chair, positioning the CRTC in that space is extremely important. Creating the right distance between the broadcasters and government is very important. That's why you have an organization, a regulator, like the CRTC, which is at arm's length. That's why we need to find that delicate balance between the ability of government to instruct the CRTC about certain policy changes it wants to have and a very well-determined way to be able to operate that and to leave the CRTC leeway so that it can find the best way to adapt these instructions to the context of broadcasting as it evolves.

That's a delicate balance. That's why the work on the directive is going to be so important, because it does calibrate the ability of government to interject. In fact, we had many issues with the old section 7 in the legislation. It provided those means. It's been used, I think, once or maybe twice in the last 30 years. It's very seldom used, but sometimes when things happen in the ecosystem, government needs to intervene. This way, it has a way to do so while maintaining the distance from the CRTC.

#### • (1120)

Mr. Martin Shields: I understand that, but when I hear someone talk about how the CRTC "interprets" the regulations, that gets me, because we've had witnesses who were very concerned with the powers you're creating. We both well know that the regulations and the interpretation of the regulations are where the power is. We've had witnesses who were very concerned about the powers you are now enlarging for the CRTC here. No matter what policy you're writing or directions you may give them, when you talk about how the CRTC interprets those regulations, you just empower them so that fine balance you're talking about moves over into their world, and that is not controlled by legislation.

Mr. Jean-Stéphen Piché: The important thing is the applicability and how it can be applied. The direction is not an option. The direction needs to be implemented but the "how" component, how it is being applied, is subject to the expertise of the CRTC, which knows the environment, understands how it's evolving and understands the application itself. That is what we're talking about. It's not about not doing what is in the direction. The direction is very clear. It's explicitly directed towards the application by the CRTC but—

Mr. Martin Shields: I got that, but the statement that was made was how they "interpret". That's a different legal term, and we have to be very careful here. Words are important. When you say that it's how the CRTC interprets, that's a different game than what you just said.

**Mr. Jean-Stéphen Piché:** If I used that word, what I mean to say is how it applies. We leave some discretion on the application of that direction.

**Mr. Martin Shields:** Words are important, so when we're having hearings like this and you say those kinds of words, and we have witnesses who are very concerned that those things are going to be in the CRTC's hands, that is a very...it's an enlargement of powers for the CRTC.

I'm going to change to one other question for you. It has been reported many times that the federal government is spending 80% of their advertising dollars on foreign social media. Why so much on foreign for Canadian taxpayers...? Why not Canadian?

**Mr. Jean-Stéphen Piché:** The expenses for advertising are not managed by the Department of Canadian Heritage. This is done by other—

Mr. Martin Shields: I got that. I'm asking your opinion. You want to protect Canadian media. You want to protect Canadian social media. That's what you three people are doing here—

Mr. Jean-Stéphen Piché: Yes.

**Mr. Martin Shields:** —yet you have no opinion. It's just fine with you. It's nothing to do with you, but yet it's a source of revenue for our Canadian content and, without it, we're losing.

Mr. Jean-Stéphen Piché: What I can tell you—

**Ms. Julie Dabrusin (Toronto—Danforth, Lib.):** Mr. Chair, if I may, I have a point of order.

The Chair: Can we just stop the clock for a second?

Ms. Dabrusin, go ahead.

**Ms. Julie Dabrusin:** Members of our public service don't give policy direction and opinions.

**The Chair:** Thank you, Ms. Dabrusin. I appreciate your input, but I'm sure they're quite qualified to defend themselves.

Mr. Shields.

**Mr. Martin Shields:** When we're talking about the protection of a lot of things to do with Canadian content, our media is a huge part of what we're talking about here, and we are supporting foreign media with our taxpayers' money.

Thank you. I'm out of time.

The Chair: Now we go to Ms. Ien.

Ms. Marci Ien (Toronto Centre, Lib.): Mr. Chair, thank you.

This question is for Mr. Piché, Mr. Ripley or Ms. Tsui. I just want to know how this bill is going to level the playing field, but with a perspective, a lens, on community or local broadcasters.

We heard from several witnesses who were concerned that community broadcasters were left out. They talked a lot about media deserts, about news deserts in rural areas, areas where the large broadcasters aren't. I'm wondering how this bill will level the playing field with regard to those things, given a community lens.

• (1125)

Mr. Jean-Stéphen Piché: I will start.

This bill will act on two objectives. Of course, levelling the playing field is very important in terms of bringing the web giants, the large online audiovisual enterprises, into the broadcasting system. That's a large component of it, but also within the objectives of the act is a modernization of the language around inclusiveness in terms of ensuring that the communities are well represented. Don't forget that the act has not been modernized in 30 years, so we need to adapt the language to reflect a better distribution, a better understanding of Canada. That, in and of itself, will also be reflected in the objective of the legislation to provide better access.

To outline a bit more on the objectives, I will ask Owen to elaborate on those specific points.

**Mr. Thomas Owen Ripley:** As you may know, community broadcasting is already recognized as one of the pillars of the broadcasting system. You have public broadcasting, private broadcasting and community broadcasting, so it's a very important element of the system and one that the government certainly recognizes.

I highlight, for example, that we are working with community broadcasters, in the context of the local journalism initiative, to provide support for journalists working in underserved and remote areas.

We have certainly heard from community broadcasters that they feel Bill C-10 should go further in the sense of recognizing the contributions that they make to the system.

It's a complex question, partly because the support for community broadcasters is also tied up in terms of how cable and satellite companies support the system. Cable and satellite companies—cable in particular—often work very closely with community broadcasters to provide service to their communities.

It is certainly a question that is on our radar and one that we're looking at. We certainly recognize the important contributions that Canadian broadcasters make.

**Ms. Marci Ien:** With regard to the digital giants, Netflix being one of them, we have heard from several witnesses, and they made the point that they already contribute in their minds. Many of them have head offices here. They hire Canadians—Canadian producers, Canadian talent, Canadian writers—so when it comes to asking them to contribute more, we could very much be at a crossroads.

Could I get a comment or two about the giants who say they're already giving Canada lots?

#### Mr. Jean-Stéphen Piché: I can start.

It is true that by operating in Canada, the web giants have activities in Canada that benefit Canadians as well. The issue here—and the keyword—is a level playing field.

In terms of the framework we have in Canada, in the traditional system, in exchange for a licence, you needed to contribute either to a fund or to an expenditure requirement towards a creation of Canadian content. What this legislation seeks to achieve is to make sure that we direct those investments toward the creation of Canadian content.

Of course, the employment components are very important, but it's to make sure that we have a net benefit that is aligned with what Canadian broadcasters need to do, as well, within that context. That's why it's really about having common measures to ensure we have a level playing field in that space.

#### (1130)

There will be a lot of work done within how it's supplied. A lot of the "how" will be determined in the subsequent phase with the CRTC, in the implementation phase of what those measures will be.

Ms. Marci Ien: Thank you.

The Chair: Thank you, Ms. Ien.

[Translation]

Mr. Champoux, the floor is yours for six minutes.

Mr. Martin Champoux (Drummond, BQ): Thank you very much, Mr. Chair.

My thanks to the witnesses for joining us today. Their testimony is very enlightening.

Mr. Ripley, I would like to go back to your comment that the Department of Canadian Heritage estimates additional revenue of \$830 million. You said that this was an estimate and that the amount would depend on the way in which the CRTC decides to develop or implement the regulations. As I understand it, that estimate of \$830 million is a little vague. It's perhaps even a little fanciful. Basically, it could very well turn out to be \$200 million. As you say, it's an estimate, so mine is just as good as yours.

Don't you feel that the Canadian cultural industries and Canadian broadcasting might need a few more guarantees at the moment? We are really talking about their survival in an extremely changeable and competitive market.

I would like to hear your opinion on the matter of the \$830 million in revenue. To many members of this committee, it's a concern, frankly.

[English]

Mr. Jean-Stéphen Piché: Owen.

[Translation]

**Mr. Thomas Owen Ripley:** Thank you for the question, Mr. Champoux.

It's certainly the case that the proposed model is based on the current model, because we have no other points of reference at the moment. We therefore focused on the way in which broadcasters have to contribute to Canadian content right now. In some cases, they are required to invest a certain portion of their income in Canadian content. In other cases, the contribution goes to production funds, like the Canada Media Fund, or with music, to funding development initiatives.

We looked at determining what each of the services, such as Netflix, would match with. In some cases, it really wasn't easy to determine. For example, is Spotify a traditional radio broadcaster or a gatekeeper that has to contribute to a production fund? So we came up with 16 scenarios to cover all possibilities. The \$830 million we mentioned is the average. The lowest estimate was \$750 million and the highest was around \$900 million.

The important point with this model is that we can look at significant contributions to Canadian content. Of course, we have no guarantees as to the way in which the CRTC is going to implement the new regulatory framework, but it gives us an idea of the revenue that we are looking at raising.

Mr. Martin Champoux: On the one hand, we have the current broadcasting companies who are looking for deregulation and their own obligations to be lessened. On the other, we have online broadcasters and the foreign giants who will come in and make representations to the CRTC. All those companies are probably going to be asking for the same thing: some will want a lighter financial burden and the others will clearly want to pay as little as possible. On the other side of it all, the cultural industry will likely be getting much less in the way of resources from those companies.

How do you feel that the CRTC will be able to make sense of things if the act itself does not establish extremely clear, specific objectives with a view to finding a balance between all the players in the market, especially those who create content?

#### • (1135)

Mr. Thomas Owen Ripley: The starting point is that those players have to make a significant, but appropriate contribution. The challenge in 2021 is that business models are more and more diversified. In the past, we had a broadcasting model that was more or less uniform. We had networks that broadcast dramas, news, sports, and so on. We know that this is no longer the case. Streaming services have many different models.

I recognize that it will be a challenge, but the CRTC will have to find a way to create a fair regulatory framework that continues to require a major contribution from Bell Media and Québecor Média, while now requiring a major contribution from players like Spotify and Netflix. It's a matter of determining the contribution that each can make to Canada's media sector.

**Mr. Martin Champoux:** The current Bill C-10 removes the option of going to the Governor in Council.

Given the discussion we are having at the moment, do you not feel that we would be justified in putting that option back?

Mr. Thomas Owen Ripley: Of course, we have heard concerns about this change from some stakeholders. However, the change is because we are looking at moving from the current model, where each company holds a licence to conduct activities in Canada, to a model that is much more regulated.

For the most part, the CRTC will be making the regulations, which will be public and transparent. It will also issue orders, which will also be public and transparent. The whole thing will clarify the rules for companies with activities in Canada.

The Chair: Thank you very much.

[English]

Madame McPherson, go ahead for six minutes, please.

Ms. Heather McPherson (Edmonton Strathcona, NDP): Thank you, Mr. Chair.

Thank you to the witnesses for joining us today. Happy International Women's Day.

I have a few questions I thought I'd start with. One is that the current act states that the broadcasting system in Canada must be under Canadian ownership, but the bill removes this reference and opens the door for broadcasting systems to be under foreign ownership as well. I want to understand the motivation for this proposed change and whether it could facilitate the acquisition of our broadcasters by American companies, for example.

I'll pass that to anyone who wants to take it one on.

Mr. Jean-Stéphen Piché: I will start, and Owen will complete it.

One thing that is important is that if we have international new players, foreign players, in the system, we need to find a way to recognize the fact that they are operating in Canada while we protect Canadian ownership. We are seeking that balance between recognition of the fact that they are operating and protection of Canadian broadcasters in that framework.

Owen.

Mr. Thomas Owen Ripley: The challenge we face with the current wording is that it says the system shall be owned and controlled by Canadians. The tension, obviously, comes from the fact that that is just not true anymore. The whole impetus for Bill C-10 was to bring streaming services—Netflix, Crave and Spotify—into and include them in the broadcasting system. The reality is that many of those services are not Canadian owned and controlled. That is why we reformulated that policy objective to talk about having all of them make an appropriate contribution as the foundation of the system moving forward.

In terms of your question as to whether that means that Canadian broadcasters could be sold off, the answer is no. Right now there is a directive to the CRTC that provides restrictions on foreign ownership with respect to licensed entities. The reality is that our overthe-air broadcasters and our cable and satellite companies cannot be put under foreign ownership and control as long as that direction remains in place.

**•** (1140)

**Ms. Heather McPherson:** Just to clarify, Mr. Ripley, that directive is binding? It is not something that can be changed by the CRTC?

Mr. Thomas Owen Ripley: It cannot be changed by the CRTC.

Ms. Heather McPherson: Okay. Perfect. Thank you.

I'd also like to know, for the fiscal year 2019-20, how much your department spent on advertising on web giants like Facebook and Google compared to how much was spent on traditional media. Is it possible to provide some of those statistics to the committee?

Mr. Jean-Stéphen Piché: Yes. I don't have them now, but we could forward them to the committee, no problem.

In terms of the spending by the department, as I said, there is often.... I've heard it said many times that Canadian Heritage does not centrally manage advertising for the Government of Canada. It's PSPC that does that.

We can provide data that is more specifically under our control as it relates to the department itself.

**Ms. Heather McPherson:** Mr. Piché, would it be possible to provide that data, broken down by year, maybe from 2015?

**Mr. Jean-Stéphen Piché:** Yes, we can break it down by year and by types of advertising, and by who.

Ms. Heather McPherson: That would be wonderful.

Mr. Ripley, I have another question for you, if I may.

Bill C-10 explicitly and completely exempts Facebook, YouTube, Pornhub and other services dealing in user-generated content from the Broadcasting Act. Were you instructed by Minister Guilbeault or his staff to do this, or how did that come to happen? How was it that Facebook and YouTube were excluded from Bill C-10?

Mr. Thomas Owen Ripley: I'll begin by saying that they are not necessarily excluded from the scope of the act. We are walking a line where certain of their activities will be subject to regulation, to the extent that they act like a broadcaster. In other words, to the extent that Google and YouTube have services where they are commissioning content, controlling that content—its affiliates are controlling that content—it will be captured. It's the same thing with respect to Facebook.

At the same time, we wanted to recognize that many Canadians obviously use these activities for user-generated content. That is a difficult line to walk, and that's the one we've tried to walk in the bill by excluding them, to the extent that they are acting as repositories for user-generated content, while pulling them in to the extent that they are controlling the curation of content on their services.

In practice, that may mean that certain services like Facebook Watch or YouTube Music will be subject to CRTC oversight with respect to broadcasting. That's the bill the government ultimately put forward, and so that's the government's position on that matter.

As Jean-Stéphen alluded to, that doesn't mean we aren't cognizant of the fact that those activities—those user-generated content spaces on those platforms—may need regulation. We are working on a bill with respect to online harms that will look at those issues.

From our perspective, broadcasting regulation is different from the kind of regulation that should apply with respect to user-generated content.

The Chair: Thank you.

We have Mr. Aitchison, for five minutes, please.

Mr. Scott Aitchison (Parry Sound—Muskoka, CPC): Thank you, Mr. Chair.

My first question will be for Mr. Piché.

I feel like I'm hearing—and I'm wondering if you can clarify for me—that Bill C-10 doesn't completely encapsulate all the changes that need to be made to make the playing field in this new media landscape fair.

Is that a fair statement of where we're at?

• (1145)

Mr. Jean-Stéphen Piché: The act gives all of the tools to achieve that fairness.

Some of the applications will not necessarily be written in the legislation, but the application of it will either be in the direction...and applied by the CRTC. Not all of the elements of the levelling of the playing field are actually there. As Owen mentioned, we don't, for example, have quotas outlined in the application. That will come later.

With regard to the levelling of the playing field, the elements to architect the levelling of the playing field are in the legislation.

**Mr. Scott Aitchison:** So there is more work to be done through regulation, and of course the CRTC will interpret those regulations...based on what specifically?

**Mr. Jean-Stéphen Piché:** It's not "interpret". If I said that word, that's not the word I meant to say.

They will apply the regulation, set the appropriate timeline to take into account the needs...their understanding of what's going on. They will run hearings to determine how that fairness needs to be applied. That's how it will be operating.

**Mr. Scott Aitchison:** With regard to the issues that still need to be decided and determined based on regulation, why is it not important for parliamentary oversight, and a discussion, at least, at this committee, about those issues—those issues that aren't covered in C-10 but will be covered by regulation?

Why wouldn't we discuss that here as parliamentarians, as representatives of the people?

Mr. Jean-Stéphen Piché: I believe they are important.

I will perhaps ask my colleagues to elaborate on the process by which the directive and the application by the CRTC will operate. I think it will shed a light on how it materializes.

Owen.

**Mr. Thomas Owen Ripley:** As we know, the committee has requested a draft of the policy direction, which will give you a sense of how the minister intends to propose to the Governor in Council to communicate those objectives to the CRTC. That is the first thing. That will give you a line of sight into it.

We are proposing a more modern regulatory framework to guide the issuance of policy directions moving forward. If you look at Bill C-10, you can see that one of the changes we're proposing to make is actually that the issuance of a policy direction would be subject to a normal Canada Gazette gazetting process, whereby everybody will have an opportunity to make representations to government, for example, before that policy direction is issued. We see, moving forward, that we should actually institute a more modern regulatory approach to this that is transparent in terms of the government saying "our intention is to issue this kind of direction and we'd like reaction and stakeholder feedback".

Once that direction is issued, it's indeed up to the CRTC to go through its normal regulatory processes, all of which provide opportunities for stakeholders to participate and make representation. That doesn't happen behind closed doors. That is an extension of the way the CRTC has operated for the last few decades in terms of stakeholders being able to go and make their case.

As we know, notwithstanding that we think that independence is important, there continues to be that ability for the government, if it feels that the CRTC is going in a direction that is not consistent with public policy objectives, to issue that policy direction that must be of general application. That's really important, because that stops this government from intervening, say, and targeting a specific media company or specific licensing decision or something like that. The government's role in this instance is to articulate broad policy objectives of general application.

Mr. Scott Aitchison: Okay. Thanks. We're running out of time, and that was more than I thought I would get.

If I could follow up, though, on the modernization—

The Chair: Mr. Aitchison, I apologize. You literally have one second left.

Ms. Dabrusin, you have five minutes, please.

Ms. Julie Dabrusin: Thank you, Mr. Chair.

I'd like to pick up a little on where the conversation was at about the policy directive and maybe get a better understanding for us about what it is and what is the process for it to be finalized. Could one of you help me with that?

**(1150)** 

**Mr. Jean-Stéphen Piché:** Absolutely. I will ask Owen to go through the key components and also the process, because there's a set process for how these things are done.

Mr. Thomas Owen Ripley: For policy direction to be issued to the CRTC, it takes a decision by the Governor in Council on an order in council. That's the actual mechanism by which it comes to be, which means that the minister will have to take forward a proposal to his cabinet colleagues to be endorsed for that OIC to be issued.

If Bill C-10 is passed, as I alluded to in my previous response, we do foresee instituting a gazetting process, whereby there will be an opportunity for comments. We see it playing out as follows. Once Bill C-10 gets royal assent, I think the minister's intention is to issue that policy direction as quickly as possible. There will be a Canada gazetting process that he has to follow before that comes to be, again providing an opportunity for everybody to provide input if they so wish. The minister then will have to take forward that order in council package to cabinet to be endorsed, and then the order in council is ultimately issued, which then binds the CRTC moving forward.

**Ms. Julie Dabrusin:** Can you explain to me the process for people actually being able to put forward their comments, just to break that out?

Mr. Thomas Owen Ripley: Certainly. In a normal Canada gazetting-type process, what you would see is the publication of the intended regulatory instrument, so in this case you'd see a draft policy direction published. You'd have a timeline, in which stakeholders would have an opportunity to send comments or feedback on the proposed approach, and then those comments, that feedback, is typically, in many cases, published, so that everybody has a sense of the feedback that others gave. That's usually done in what's called part I of the Canada Gazette. The government reflects on all those things and determines if it needs to make any course corrections to the proposed approach, and then you have the finalization of the policy direction.

Kathy, is there anything you'd like to add on that?

Ms. Kathy Tsui (Manager, Industrial and Social Policy, Broadcasting, Copyright and Creative Marketplace Branch, Department of Canadian Heritage): I think you have explained the process completely. I would just add that there is a provision in the act right now that requires the policy direction to be laid in front of both houses of Parliament during that gazetting process.

**Ms. Julie Dabrusin:** Thank you. I appreciate your breaking it down a little bit more. Given that we will be seeing the draft shortly, it's helpful to understand the process.

The other question I had was about the changes made to increase representation under Bill C-10. Would you be able to help me better understand how this bill would change things to increase diversity, if we're talking specifically about indigenous people, racialized communities and people with disabilities?

Mr. Jean-Stéphen Piché: I will ask Owen and Kathy to outline.

Just to start, the legislation modernization includes a modernization of the language and even the communities identified. That's one major issue. Also, specified in the objectives is our support for a more diverse Canada and an understanding of indigenous communities. That's stated in there. Then you also have in the application of the legislation some clear objectives to achieve those results as well.

Perhaps you can elaborate on those points, Owen.

Mr. Thomas Owen Ripley: Very briefly, one of the changes being proposed to the policy objectives of the act, which again set the playground, so to speak, for the CRTC in terms of understanding the things that it should be seeking to do, is modifying an existing provision that talks about the programming employment opportunities arising out of the broadcasting system serving the needs and interests of all Canadians.

What we're proposing to do there is to specify that this includes those from racialized communities and Canadians of diverse ethnocultural backgrounds, socio-economic statuses, abilities and disabilities, sexual orientation, gender identities and expressions, and ages. In addition to that, there are a couple of other changes that we're making to the policy objectives to speak to the importance of indigenous programming as well as a space for indigenous-owned and controlled media undertakings.

Then, as Jean-Stéphen alluded to, the minister's intention is to pick up on some of these themes in the policy direction to the CRTC to ensure that, moving forward, there are more meaningful and concrete results for creators, producers and media companies from those communities.

• (1155)

[Translation]

The Chair: Thank you very much.

Mr. Champoux, the floor is yours for two and a half minutes.

Mr. Martin Champoux: Thank you, Mr. Chair.

My questions are for Mr. Piché and Mr. Ripley.

In Bill C-10, the proposed paragraphs 3(1)(f), 3(1)(g) and 3(1)(h) talk about programming control.

Online broadcasters often hide behind complex algorithms for the programming they offer to their users. Are those undertakings considered responsible for their algorithms and their programming? In this situation, do you not feel that we should define who controls the programming a little better?

Mr. Jean-Stéphen Piché: I will let Mr. Ripley answer that.

**Mr. Thomas Owen Ripley:** Thank you for the question, Mr. Champoux.

We are still talking about the section of the act that defines the objectives of Canada's broadcasting policy. If, in the opinion of the CRTC, a company is considered a broadcaster, it becomes part of that system, and the paragraphs you quoted make it responsible for the content on its platforms, regardless of the way in which that content is provided to Canadians.

We are very well aware that companies like Crave, Netflix and Spotify use algorithms. It does not make them any less responsible for the content they are providing.

**Mr. Martin Champoux:** The algorithm issue interests me greatly.

Do you intend to require these online undertakings to show more transparency with regard to their algorithms, given that they are often the secret to how they operate? Do you feel that the act will let us get to that point? Mr. Thomas Owen Ripley: That question will be dealt with in the process of making the regulations. If the CRTC wants to examine the question of discoverability and to determine the best way of presenting Canadian content, it will doubtless be asking questions about the way in which the algorithms work. It's not necessary to understand how they work technically, but it is necessary to understand their results and consequences, in the sense that we want to establish a system whereby these service providers will be required to present Canadian content better.

The Chair: Thank you very much.

[English]

Ms. McPherson, go ahead for two and a half minutes, please.

Ms. Heather McPherson: Thank you, Mr. Chair.

I'd like to thank our three witnesses for joining us again today.

Very quickly, can you tell us how many newspapers closed in Canada between 2015 and 2021?

Mr. Jean-Stéphen Piché: I don't have that data on hand. What I can tell you is that the report "The Shattered Mirror" from the study that was commissioned shows that in the last decade, Canada has lost half of its dailies and actually half of its professional journalism base since 2008.

**Ms. Heather McPherson:** Mr. Piché, if it's possible, if you're able to access that number, and you could send that to the committee, that would be great.

Mr. Jean-Stéphen Piché: It's part of a public report.

Ms. Heather McPherson: We can get it ourselves then. Thank you.

For my second question, I'll go back to some of the questions I asked earlier.

We understand that the proposed change to Canadian control of broadcasters takes into account the current reality that foreign online companies are already here, already exploiting the Canadian market. Therefore, why would you not want to maintain the Canadian ownership requirements for traditional broadcasters in the act while in addition taking into account the presence of foreign online companies?

I'd like the answer to that, and could you also talk a little bit about whether this was something that you were obligated to do, to remove this reference to Canadian control?

**●** (1200)

Mr. Thomas Owen Ripley: To be clear, the actual foreign ownership limitations have never been written into the act. This regulatory instrument that I spoke about has always existed to specify, for example, the actual percentages of foreign ownership that are allowed. It's complicated. If you go and look at it, you'll see there are certain percentages specified for direct control, indirect control, etc.

One of our goals with Bill C-10 moving forward is to ensure that our broadcasters are better able to compete. A big concern of ours is that right now—and I think the committee has heard witnesses speak on this—they're under huge stress and huge pressure. I alluded to some of the statistics in my opening remarks, with regard to the declines we are seeing. As you know, the Canadian Association of Broadcasters has commissioned a report talking about the closures they foresee in the near future.

One of our goals is to actually ensure that moving forward we can continue to have Canadian broadcasters, because they are really an important part of the system.

We have certainly heard loud and clear that some stakeholders are worried about the act moving away from a statement about wanting to protect and foster Canadian ownership of broadcasters. We've heard that. As I said, the intention behind our changing that was just to recognize that the Canadian broadcasting system is no longer closed from that global marketplace. Certainly the intention of the policy moving forward is to support Canadian broadcasters.

The Chair: Thank you, Mr. Ripley. I appreciate that.

Thank you, Ms. McPherson.

Okay, folks, we're going to have to suspend for a few moments.

Ms. Tsui, you won't be here for the next round. We thank you for your contribution and really appreciate that.

Mr. Ripley and Mr. Piché, we'll see you in just a few minutes.

We'll just suspend now for a few minutes.

• (1200) (Pause)

(1205)

The Chair: Welcome back, everyone, as we reconvene once again.

We're discussing Bill C-10.

I want to thank our guests at this time, but before I do that, we have another guest I'd like to mention. Mr. Jaime Battiste is joining us from Sydney—Victoria. I forgot to mention you last time; my apologies. His beautiful riding is what I like to call the gateway to the island of Newfoundland.

I also want to say thank you to the minister, the Honourable Monsieur Guilbeault, who is joining us at this hour. Also, we have the deputy minister, Madam Laurendeau. Returning with us also we have Mr. Piché and Mr. Ripley to help us in our testimony.

Let's start with the minister.

[Translation]

Mr. Guilbeault, the floor is yours for five minutes.

• (1210)

Hon. Steven Guilbeault (Minister of Canadian Heritage): Thank you very much, Mr. Chair.

Good afternoon, everyone.

I am joining you from Montreal, on the traditional territory of the Mohawk and the other Haudenosaunee peoples.

Mr. Chair, members of the Committee, it's a pleasure for me to appear before you today regarding the study of Bill C-10, An Act to amend the Broadcasting Act and to make related and consequential amendments to other Acts.

I would also like to acknowledge that today is International Women's Day.

I'd like to thank the members of the committee for the preliminary work you have been doing for some time now.

I'm delighted that this bill has finally passed second reading in the House of Commons. The delays that some Conservative members have caused were a concern for me, but we got there, and we can continue to move forward. Let us please remember that this is not a partisan bill. It is a bill that focuses on culture; it is a bill for Canadians, and it deserves to move forward.

I hope that all the members here and their caucuses recognize the urgency of modernizing the Broadcasting Act so that it can better serve the interests of Canadians in the digital world.

[English]

Today it's impossible to overlook the legislative imbalance that favours digital platforms to the detriment of Canadian broadcasters and creative industries. This reform responds to a pressing need. It is crucial to ensuring the vitality of Canadian businesses now and for decades to come. This is why our government will continue to work constructively and collaboratively so that Canadians can benefit from the most effective legislative tool possible, as soon as possible.

From the outset, the cultural and creative sectors have provided input into the modernization of the current legislation. They've expressed their support for this reform and this favourable movement is trending across the country, particularly in Quebec.

[Translation]

Moreover, since the tabling of the bill, this important discussion has continued in the public space and before your committee. It has given rise to several proposed amendments that we will examine with all the attention they deserve. We are, of course, open to improvements that would maximize the benefits of the amended Act for Canadians.

I know that you have received substantial input from several key contributors, and I look forward to seeing the results of the committee's work in this regard.

I am well aware that the study of the bill must be carried out with care, for two reasons. First of all, because it introduces methods that are completely new in Canada for implementing a regulatory framework adapted to our current reality. Second, because this is an important issue. Many players in the creative and cultural industries are calling for this update to the Broadcasting Act and are counting on this new tool to continue to develop their work on digital platforms.

## [English]

Let us remember that the current broadcasting system has served Canadians well for decades. It has fostered the emergence of strong national creative and cultural industries. It has supported the delivery of original content that reflects our identity and our values. Bill C-10 aims to preserve that legacy. However, it also aims to include many new players and new activities. It must therefore take an approach designed to include online broadcasters and ensure their equitable contribution.

#### [Translation]

With this bill, we want to make the diversity of Canadian voices resonate more clearly: francophone and anglophone voices, the voices of minority communities, Indigenous voices; and the voices of all communities across the country, including ethnocultural communities, racialized communities, and others that are too often underrepresented on the screen and elsewhere.

I want to make it clear that this bill is not intended to change the regulatory structure in broadcasting. Rather, it is intended to update the objectives of the legislation and the tools of the CRTC. It therefore preserves the autonomy conferred on the CRTC to implement the appropriate regulations and achieve the objectives of the Act. This autonomy is all the more important as the broadcasting system begins to incorporate new players with different business models, and as the system continues to evolve.

### [English]

This bill does not address the regulation of online hate nor the equitable compensation of journalists by the web giants, as these are not strictly broadcasting issues; however, I intend to introduce two more bills on these issues in the near future. In due course, I will be pleased to appear before your committee regarding these other bills, always in the spirit of constructive co-operation.

## [Translation]

I will be pleased to provide you with the Order in Council that we intend to issue following the passage of the bill. Please note, however, that this Order in Council was drafted prior to the introduction of the bill. It may therefore be redrafted as a result of amendments to Bill C-10 between now and Royal Assent.

As well, in the interest of transparency and as required by law, the Order will undergo a period of public consultation to invite feedback from Canadians.

I invite you to use the Order in Council as background material for your study, but to focus your efforts on the bill itself. Because that is the legislation that will be with us for several decades and will ensure the sustainability of the broadcasting sector. Over the years, governments will come and go, and will issue various Orders in Council to the CRTC as they respond to changing circumstances.

Finally, I would like to clarify the following situation. When I appeared on November 5, 2020, the member for Richmond—Arthabaska asked me what calculations the department had used to determine that the additional investments in Canadian content through digital television broadcasts would amount to \$830 million. On December 11, 2020, the department provided the clerk of the Standing Committee on Canadian Heritage with the answers to the

questions asked at the meetings of October 30 and November 5, 2020, including the one dealing with the calculation of the \$830 million. At my last appearance before the committee—

#### • (1215)

[English]

The Chair: Very quickly, sir.

Hon. Steven Guilbeault: Yes. Thirty seconds, Mr. Chair.

[Translation]

I feel that this is important.

At my last appearance before the committee, on January 29, the member for Richmond—Arthabaska said that the committee had not yet received that information. I am sure that he does not want to mislead the members of the committee, or the Canadians listening in, by wrongly stating that he had received nothing. I invite him to look at his email inbox, because he did in fact receive the information, which was distributed to all members of the committee.

With that, I thank you. I will stay with you to answer your questions.

The Chair: Thank you very much.

Mr. Rayes, the floor is yours for six minutes.

Mr. Alain Rayes (Richmond—Arthabaska, CPC): Thank you, Mr. Chair.

My thanks also to the Minister and his colleagues for joining us.

Allow me to correct some of the Minister's comments, or at least to describe them as I see them.

The Minister does not want this bill to become a partisan issue and he wants us to recognize its urgency. I would like to inform him that the committee unanimously agreed to fast-track consideration of this bill, despite the perfectly legitimate privilege that members of Parliament have to express their views in the House of Commons and to ask questions about the bill. I remind him that the Liberal government took five years to introduce this bill. It also prorogued Parliament, which set back consideration of important bills such as this one on broadcasting. We are in full agreement on the principle. If it is not too much to ask, I would like the minister to be a little circumspect at the moment, rather than trying to lecture to us as he is doing now.

With that said, yes, he is right: we actually did receive a notice buried in a document, several pages long, containing exactly the same information that had been given to us: that the calculation had been done using scenarios. I would like to tell the Minister that his Deputy Minister, Ms. Laurendeau, took the time at that same meeting to say that it would be important to provide explanations when the document was submitted, because it was supposedly complex. So I feel that there has been some confusion. I will grant him that we certainly received the information, but nothing was very precise. Once more, we are going to have to wait for the guidelines from the CRTC.

I would like to return to this bill; it is so important but it does not consider a number of factors. As the Minister himself said in his presentation, the bill nowhere deals with hate speech or revenue-sharing. Social media are not included in the bill. Despite the urgency and the consultations by the CRTC, nothing has yet been done to review the role that CBC/Radio-Canada has to play. Therefore, many questions arise.

When the Minister of Official Languages tabled her working document, her supposed white paper, she spoke to us about the importance of French and the importance that the government sees in promoting and defending it. She said that French would have a major role in broadcasting, and a lot of hard work was going to be done.

However, when we look at Bill C-10, that deals mostly with the digital players, we realize that the only measure designed to enhance the place of French, to promote it and to ensure French-language content, is to remove the words "as resources become available" at the end of paragraph 3(1)(k) of the act. It now simply reads that "a range of broadcasting services in French and in English shall be progressively extended to all Canadians".

It seems to me that the bill provides for nothing substantial in this regard. However, the Minister told us that, for her, French is important and that she was going to make sure that it would be a factor in all departments. Now here we are studying this bill that we have been waiting for for more than 30 years. According to the Minister and his senior officials, the bill is historic. But it contains only one single item that deals with protecting French.

How do you respond to all the organizations that are concerned about the place of French in Acadia, in Quebec and in the French-speaking communities outside Quebec? I am not talking about quotas; don't try to tell me that there are quotas.

**Hon. Steven Guilbeault:** Thank you for your comments, Mr. Rayes.

I'd like to address several points.

First, as Mr. Ripley told you earlier, we did not get the \$830 million figure out of a Cracker Jack box. That number was arrived at through a series of 16 simulations based on different assumptions. That's what allowed us to arrive at a forecast of the amount to be invested. It could be a little more or a little less. The exact amounts will be defined in the regulations that will be implemented by the CRTC. That's the first thing.

In addition...

**●** (1220)

Mr. Alain Rayes: Minister, if I may interrupt...

Hon. Steven Guilbeault: ...it is not true to...

**Mr. Alain Rayes:** It is the privilege of the questioner: I'll stop you right there, Minister. You want to go back to the \$830 million. The information we received...

**Hon. Steven Guilbeault:** You were the one who mentioned it in your comments.

Mr. Alain Rayes: That's fine. You want to go back to this, but my question was about French. I just wanted to correct the record

by saying that we did receive the document, but all it said was that there had been a simulation.

Hon. Steven Guilbeault: There were 16 simulations, in fact.

Mr. Alain Rayes: We just heard the clarification about the 16 simulations today. It was not mentioned anywhere in the information that we received in writing. We asked for access to the calculations, but we never received them. I expected, based on Ms. Laurendeau's comment, that we would get a verbal explanation, given the complexity of these calculations. We did not get one.

I don't want to debate this at this time. My question is about French.

Minister Joly told us that French would be considered in broadcasting. Yet in this all-important mega-bill, only one small paragraph provides something more concrete for the protection of French.

Can you elaborate on what measures in the bill could reassure organizations that seek to protect the French language?

**Hon. Steven Guilbeault:** I was just getting to that, the French question.

Just before, I wanted to clarify that you made a second false claim when you mentioned that this bill would not apply to social networks. Earlier, you heard Mr. Ripley explain very clearly how, in cases where social networks act as broadcasters, the act will be able to apply to businesses that operate digital platforms. So, it's not true to say as you did that the bill does not apply to social networks.

The third point I wanted to make concerns the French fact. How have we managed to protect the French fact over the decades? The CRTC has made various decisions requiring that broadcasters invest in French-language content, and it is because of these decisions that the most watched French-language programs today, whether on television or on the big screen, in Quebec or elsewhere in Canada, are produced here. We want these investments in French-language content to continue. In addition to conventional broadcasters, digital platforms will now be subject to spending obligations, including on French-language content.

The Chair: Thank you, Mr. Guilbeault.

[English]

We are going to go to Mr. Louis for six minutes, please.

**Mr. Tim Louis (Kitchener—Conestoga, Lib.):** Thank you very much, Mr. Chair.

Thank you, Minister and witnesses, for being here today. I appreciate this. As we work on this important legislation, I really appreciate the opportunity to speak with you to get some more information

We know that the Broadcasting Act will give us more opportunities in film and video and in the sound recording industries. It is really important to support those jobs and invest in our culture sector, especially today.

I can speak from experience here in the Waterloo region. We have a very vibrant music scene of which I am well aware, and we have very vibrant film and TV film production also going on in the region, including shows like *The Handmaid's Tale*, *Anne with an E*, *Murdoch Mysteries* and others, and a lot of commercials.

I'm hoping you could expand on how updating the Broadcasting Act will generate almost \$1 billion in foreign investment per year in our films, our television and our music at a time when the arts and culture sector is disproportionately affected by this pandemic, and on how important the entire arts ecosystem is to our local economies, particularly the tourism and hospitality sectors, which are also hit very hard by the pandemic.

Hon. Steven Guilbeault: There are a number of elements in what you just said. I'll start with your last point: how culture and tourism and hospitality go hand in hand. It is true for our larger urban centres, but it's certainly true for many of our regions across the country. People will go to a festival. They will stay in local hotels or bed and breakfasts. They will go to restaurants. They will do some sightseeing. This is really an ecosystem.

When we talk about the anticipated \$830 million in new revenue invested in Canadian culture, I think it is important to remember that if we don't do that.... It's not \$830 million more that we will have. Because of the declining revenues for conventional traditional broadcasters, we are heading in a direction where there would be more than \$1 billion less in available funding for arts and culture in Canada.

What we are trying to do is hugely important for the preservation of that ecosystem, as you said, for regions. It used to be that film or TV shootings would happen in downtown Montreal or downtown Toronto, but now it's really happening all across the country. There are things being produced in Newfoundland, and you have productions in the Prairies. Obviously, Vancouver also has become a really big hub.

What we are doing with this is trying to ensure a vibrant arts and culture sector in Canada for all parts of the country.

• (1225)

Mr. Tim Louis: I appreciate your saying that.

I would like to drill down on it a bit more. The previous witnesses mentioned a type of production fund—you're talking about the \$830 million a year—to make sure that there are contributions from companies like Spotify that are profiting from our artists right now without making the significant, appropriate contributions to our cultural sector. Can you explain a bit more how that process might work, how we can make sure that the people who are profiting—if there are international companies profiting—from our arts and our artists are now contributing, and how that can make it to our local artists?

**Hon. Steven Guilbeault:** As Jean-Stéphen and Owen explained earlier on, we are keeping most of the infrastructure of the actual broadcasting legislation and regulation.

What we're doing with C-10, and I think why the bill has been saluted by so many, is we're keeping what's working and we're adding this whole other layer of elements where Canadian regulations will be able to be applied to online giants, like Spotify, Netflix, Amazon Prime and Apple Music.

To correct something Mr. Rayes said earlier, he said that we've been waiting for five years. Actually, we haven't. My predecessor commissioned a group of people who went across the country and received almost 2,000 position papers from different organizations. That concluded in the Yale report, which was tabled in early 2020. We then took that and started working on the bill, which was introduced a year later in the middle of the greatest pandemic we've seen in 100 years.

I don't think we've actually been losing a lot of time on this. We have acted very promptly to make this happen.

Mr. Tim Louis: I appreciate that.

I have about a minute left, but I did want to clarify something that previous questions alluded to. There's been misinformation that somehow this would control, or regulate, or censor social media, and our previous witnesses expanded on that, but only if a social media company acts as a broadcaster itself.

Could you clarify that for the people who are saying we're out to censor social media?

Hon. Steven Guilbeault: Yes. It's clearly not what we're doing.

There's no censorship in Canadian broadcasting right now. There are different types of stations, different types of TV and radio stations that will have different angles on the political spectrum. This is totally normal in a democracy. What we're trying to do is apply that regulatory framework to online broadcasters.

In the case of YouTube, for example, we're not particularly interested in what people...you know, when my great-uncle posts pictures of his cats, that's not what we're interested in as a legislator.

When YouTube or Facebook act as a broadcaster, then the legislation would apply to them and the CRTC would define how that would happen. But really, we're not interested in user-generated content. We are interested in what broadcasters are doing.

The Chair: Thank you, Minister.

[Translation]

Mr. Champoux, you have the floor for six minutes.

Mr. Martin Champoux: Thank you, Mr. Chair.

Minister, I would like to return to your statement and your discussion with Mr. Rayes.

You were talking about the importance of expressing the diversity of Canadian voices, that is, the English and French voices, the voices of minority communities, and so on. This is indeed a concern that we all share. Yet it is addressed in an extremely vague way in the bill.

If this is indeed the intent of the bill, why didn't you make it more specific within the text of the legislation?

**Hon. Steven Guilbeault:** Thank you for the question, Mr. Champoux.

Do you find many provisions in the current act that have helped French carve out the place it has today on the small and big screen? The answer to that question is no. It is thanks to the regulations and the various decisions of the CRTC that we have succeeded in building an internationally renowned French-language industry in Canada. Today, our directors are sought after and highly coveted all over the world, especially in the United States. Yet there is little in the current act that defines the French fact or protects it.

Could amendments be made to the bill so that there is greater recognition of French? As I said before, if there is something that needs to be added to the bill, I am very much open to that possibility. However, it should be understood that the mechanics will be handled by regulation.

#### **(1230)**

Mr. Martin Champoux: I would like to go back to what you just said about the current act. Even though the industry itself was completely different back then, it was already difficult for French to fit in. I'm talking about what I know best, which is the radio industry, in which I worked for several years. I saw the fight that the UDA, ADISQ and the organizations defending francophone artists had to wage before the CRTC to maintain a place in this universe.

Today, this universe has completely changed. Huge players have been added, including online broadcasters and foreign digital media. The rules of the game are not the same at all, and that's what concerns me.

In my view, it would be better to add much clearer provisions in the act and not rely solely on the CRTC to set the regulations.

What do you think?

**Hon. Steven Guilbeault:** I think you misunderstand the role of a regulator. Personally, I have never intervened with the CRTC, but I have intervened with many Quebec and federal energy regulators.

A regulator does not make its decisions according to the number of companies that lobby it for deregulation or for better regulation. That is not how a regulator works, not the Régie de l'énergie du Québec, not the Canada Energy Regulator, not the CRTC. Rather, it considers all of the positions submitted to it, in light of the law that governs its work.

In addition, through Bill C-10, the government is giving itself greater ability to give direction to the CRTC.

In light of all this, this is how the CRTC and all regulatory agencies make decisions.

**Mr. Martin Champoux:** Minister, with all due respect, I think it's a little naive to think that the CRTC won't be somewhat responsive to pressure; it always has been. They have people coming to them with their views. The Web giants are bound to have much more persuasive power than smaller organizations, which have fewer resources.

**Hon. Steven Guilbeault:** I don't share your opinion on this, but one opinion is as good as another.

## Mr. Martin Champoux: All right.

Some witnesses expressed concern about the lack of clarity on what Canadian content or francophone content we want to have. By the way, since we are talking about the CRTC, I would like to quote Ms. Messier, from the Association québécoise de la production médiatique:

Too often in the past, the CRTC has interpreted the recognition of linguistic duality as the provision of content in French, with no concern for whether the content consisted of programs translated from English, with subtitles or dubbing.

In the interest of protecting francophone culture in this extremely competitive universe, don't you think it would be appropriate to clarify exactly what is meant by original Canadian content or original francophone content?

**Hon. Steven Guilbeault:** There is indeed a big difference between the two. Ms. Messier and you are absolutely right.

I have said it before and I will say it again: if amendments need to be made to the bill to clarify a number of things, I will be very much in favour of that.

**Mr. Martin Champoux:** I will move on to another topic, Minister.

A little less than two weeks ago, Mr. Richard Stursberg appeared before the committee. He suggested that the Canadian ownership or effective control test should be maintained for foreign broadcasting companies that are allowed to locate here and are subject to the same rules about producing and contributing to Canadian content in a fair manner. Without this criterion, foreign companies could eventually take over virtually the entire broadcasting industry in Canada.

What do you have to say to that? Do you agree with Mr. Stursberg?

**Hon. Steven Guilbeault:** No, not at all. In fact, Mr. Ripley answered that question very well earlier, in the first hour of the meeting, when he said that it was not a law, but a directive. The CRTC has no authority over this issue. It's a government decision.

Could another government decide to change things? A government is always sovereign and free to make its own decisions. In any event, the CRTC cannot do that, and the act does not change that. The directive that is in place stays in place.

## Mr. Martin Champoux: Fine.

I think my time is up.

Thank you, Minister.

(1235)

Hon. Steven Guilbeault: Thank you, Mr. Champoux.

The Chair: Thank you very much.

[English]

Ms. McPherson.

Ms. Heather McPherson: Thank you, Mr. Chair.

I'd like to thank the minister for joining us today. I look forward to a time in the future when we can join in the same room, but this is going to have to suffice for now. It's nice that our technology worked today for this.

I want to ask a few questions about the CBC and funding for the CBC. Of course, the CBC is vitally important to many of my constituents and to many Canadians across the country.

In terms of the level of funding for our public broadcaster, on a per capita basis, do you know how Canada ranks amongst the 18 OECD countries?

**Hon. Steven Guilbeault:** I was under the impression that we were going to talk about Bill C-10 today, so most of the information I have with me is on issues relating to Bill C-10.

You may recall that our government made a record-level investment into the CBC in the previous mandate, after years of cutbacks under the Harper government.

I do not have that information offhand; I'm sure we could provide it to you.

Ms. Heather McPherson: That would be great. Thank you.

I'm asking these questions, because of course having the opportunity to speak to you opens up a whole bunch of questions that I have

One of the follow-ups on that is, how many of the recommendations from the Yale report on strengthening the role of CBC and Radio-Canada have you implemented so far?

**Hon. Steven Guilbeault:** I've been clear from the beginning. Bill C-10 won't fix everything when it comes to looking at broadcasting generally defined. It doesn't address issues related to the CBC.

We are a minority government. We took those elements of the Yale report that we felt were the most crucial to implement. As I've said before, there are a number of other recommendations coming out of the Yale report that we would like to move forward with. We just can't do everything at once. If I presented the House and this committee with a bill that encompassed everything under the sun, I sincerely doubt we would ever be able to get the bill through.

I do think we can get Bill C-10 adopted. It won't solve everything, but it will solve an important part of the equation. My government believes in the Canadian broadcaster. We have made significant investments in the Canadian broadcaster, and I want to ensure a healthy future for our Canadian broadcaster.

Ms. Heather McPherson: As do I, of course, Minister.

Just to let you know, Canada does spend approximately \$29 on public broadcasting, whereas we know that in the United Kingdom, they spend \$105. They spend \$73 in France. I would encourage you to take a leadership position to ensure that our CBC is adequately funded going forward. Of course, you have the support the NDP to do that work.

The next question I have for you is in terms of online advertising among web giants. We did have an opportunity to discuss this with your colleagues in the first hour.

Hon. Steven Guilbeault: Yes, I was listening.

**Ms. Heather McPherson:** For the years 2018 and 2019, how much did the federal government spend on online advertising compared with digital media? Do you have an answer for that? I know they were going to provide something from their perspective, but I'd love to ask you that as well.

**Hon. Steven Guilbeault:** I'm going to give you the same answer that Jean-Stéphen gave you earlier. We don't have these numbers offhand. We would be happy to provide them.

If you will allow me, what I would add is that there's a trend in this country, which started before our government, with the previous government, of putting more and more money in terms of publicity into online platforms. This is something we have started to change. You won't see it before next year. We have started to change the investment we make in publicity away from online platforms.

I agree. We've done too much investment in online platforms, and we need to change this.

**Ms. Heather McPherson:** You are committing that you will work to even that out, I guess, so that we are not funding big companies at the expense of our local media, which are having to close their doors because of this unfair competition.

Hon. Steven Guilbeault: We've already started working on that.

As I said, this year's numbers, once they become available and they've been compiled, will show that we've started changing that trend, but the issue is not resolved. I'm the first one to admit that.

**Ms. Heather McPherson:** I'm going to follow up a little bit on my colleague Mr. Champoux.

Mr. Ripley earlier today told us that the CRTC will not be able to change the direction on the ineligibility of non-Canadians to licences, which protects, of course, Canadian ownership of Canadian media. I still don't quite understand. Why give up protecting Canadian ownership of conventional broadcasters through the act? Why is it not possible to take into account both the commercial reality of foreign online businesses and the protection of Canadian ownership of conventional broadcasters through the act?

(1240)

**Hon. Steven Guilbeault:** As Mr. Ripley explained earlier, we're not sacrificing the ownership of Canadian broadcasters. We're not. That's simply not the case.

What we're doing, through those modifications in the proposed bill, is ensuring that Canadian laws and regulations can apply to online platforms, which they can't right now. If we don't create a space in the bill to do that, how can we apply our laws and regulations to them? If we don't do that, then this whole discussion about that additional \$830 million for Canadian culture will never be able to manifest itself.

Ms. Heather McPherson: Thank you, Minister.

Mr. Chair, I'll pass it back to you.

The Chair: Thank you, Ms. McPherson.

Now we will go to our second round with Mr. Waugh.

Mr. Waugh, go ahead, please.

Mr. Kevin Waugh (Saskatoon—Grasswood, CPC): Thank you.

Welcome, Minister, from Montreal, and your officials. Thank you, one and all, for being here today.

It was interesting. I was listening to your conversation about moving money out of the platforms and into Canadian media, yet rural newspapers in this country are getting less and less money from your government. It wasn't long ago that John Hinds, who was the CEO of Newspapers Canada, had a blank page in the Toronto Star, The Globe and Mail and other papers in this country, complaining about this. They're in deep trouble because of Facebook, Google and so on. We had Kevin Chan, as you know, in committee saying that it's no problem, that they're actually aiding them instead of hampering them. Could I get your comments on that?

We deal with newspapers out west. Even during the COVID pandemic, the Winnipeg Free Press got only two ads from you talking about COVID-19. I fail to see where you're putting money into newspapers and local media.

**Hon. Steven Guilbeault:** It may have only been two ads—and we would have to verify that—but under the Harper government, it would have been zero ads, so I guess two is better than zero. That's the first thing I would say.

The second thing I would say is that we have provided close to \$800 million of funding since budget 2019 to help Canadian media through this crisis.

The third thing I would say, which I said in my remarks initially, is that we are working on a bill. Broadcasting is not the same as

media, but I'm on record many times as saying that I'm in favour of fair compensation for Canadian media by web giants like Facebook and Google. I therefore respectfully disagree with Mr. Chan's comments publicly or to this committee. At Canada's initiative, we have started an international coalition of countries working together to do just that, with Australia, Germany, France, Finland and, soon enough, many others. I don't think we've been passive on this. We've been very proactive.

**Mr. Kevin Waugh:** Yes, 2020 was a rough year for many organizations, and I think many of them want to thank you for the \$500 million your department put forward in 2020.

I think you've already done over \$300 million this year, but in saying that, the reality remains that the budget at Canadian Heritage, as I see it, is unprecedented, and it's at an unsustainable level.

Are there any plans in your department right now to get spending back to more normal levels in the future once this pandemic is over?

Ms. Julie Dabrusin: Point of order, Mr. Chair.

The Chair: My apologies.

Go ahead.

**Ms. Julie Dabrusin:** We've had a pretty wide-ranging conversation until now, but this seems far afield from Bill C-10 at this point. I was wondering if we could bring it back to a conversation about the modernization of the Broadcasting Act.

The Chair: Ms. Dabrusin, thank you very much for that. You are correct. The last two questions—or the last two questioners—and certainly the last 10 minutes have been somewhat far afield about some of the issues that we have addressed, and they were in the first round as well.

I normally like to give my colleagues the time they deserve within their allotted time, and I tend to give them a lot of freedom. As you know, for example, in estimates, we can talk about pretty much anything in the presence of the minister as long as it pertains to the department.

However, that being said, I would like to remind my colleagues that this certainly is about Bill C-10. Some of this has been tangential to the point where I get it, but some of the other stuff has been, as Ms. Dabrusin pointed out, far afield.

Can we please bring it back, whether it be at the core of Bill C-10 or tangentially at Bill C-10, for the sake of the legislation we are studying?

Mr. Waugh, you have about two minutes to conclude.

Thank you, Ms. Dabrusin.

(1245)

Mr. Kevin Waugh: Thank you, Mr. Chair, for your comments.

I do need to get a life, as I took part in the CBC regulation at the CRTC in January. I was surprised to know that your government funds CBC to the tune of \$1.7 billion. What I found surprising, Minister, is that the British regulator recently capped BBC spending on digital at 10%. I don't know if you know it, but CBC is at 20% and rising in this country. They're taking money away from CBC Radio, in fact, as TV is number one, followed by their digital platform.

Is this the way, as Mr. Ripley said in his report in the last hour, for broadcasters to better compete against the digital monopoly the CBC seems to have in this country?

**Hon. Steven Guilbeault:** Where to start? CBC does not have a monopoly. There are plenty of other broadcasters across the country, both on radio and on television. I think what CBC is doing in terms of moving some content online is what a number of broadcasters are doing.

We could be talking about Bell Media. We could be talking about Quebecor. This is because more and more users.... I know for a fact that my kids don't listen to the radio as I do and certainly don't read newspapers—paper copies—like I do. That's not how they get their information. I think what the CBC is doing is a reflection of what pretty much everybody in the market is doing.

What we're trying to do with Bill C-10 is to ensure that Canadian broadcasters, Canadian producers of culture and artists get their fair share out of this transformation.

The Chair: Thank you very much.

Mr. Housefather, you have five minutes, please.

Mr. Anthony Housefather (Mount Royal, Lib.): Thank you very much, Mr. Chairman.

My questions will be about Bill C-10, but before that, I want to tell the minister I really appreciated his presentation. I would like to ask him to think about the proposed cuts at Radio Canada International that are about to come up. I hope the minister is looking at that. I think those cuts are problematic.

I can't wait to see the minister when he comes forward with regulations related to removal of illegal content from online platforms.

I listened to Mr. Rayes and Monsieur Champoux.

[Translation]

I, too, am concerned about the lack of precision, in the proposed text, about original French content. I was very pleased to hear the minister say that he would give careful consideration to any amendments that might be proposed by the committee.

Also, I am concerned about the issue of content for official language minority communities.

[English]

One of the things, Mr. Minister, that we heard before the committee was a concern from francophone groups outside Quebec and English-speaking groups in Quebec that almost all the French content in Canada today comes from Quebec, almost all the English content comes from outside Quebec, and very little French content

is produced outside Quebec and very little English content now in Quebec.

Would you, Mr. Minister, be accepting of some amendments to the bill that we may put forward that would deal with the preoccupations of the official-language minority communities?

Hon. Steven Guilbeault: Thank you, Mr. Housefather, for your intervention and your questions.

We don't get to revise a bill like the broadcasting bill every other day of the week—it's been 30 years. If we're doing it now let's try to make it the best possible bill that it can be and resolve as many issues as possible. So of course I would be happy to contemplate changes that would improve it even more.

• (1250)

[Translation]

Mr. Anthony Housefather: Thank you, Minister.

It is very important to have original French content produced in Canada, but it is also important to encourage the creation of English content both in Quebec and elsewhere in Canada. I wish we could find common ground on that.

[English]

Independent media producers have come before the committee to talk about their concerns about the way that Netflix, for example, buys up their intellectual property. They have talked about a U.K. system whereby the regulator is encouraged to allow for heads of terms to be a type of form agreement between independent media producers and large broadcasters and online companies like Netflix.

Would you be willing, Mr. Minister, to consider an amendment that required the regulator to look at that question?

**Hon. Steven Guilbeault:** Obviously, intellectual property is a very important aspect of Canadian production, not just in Canada. It's an important aspect of cultural productions all around the world and it's certainly top of mind.

We've had numerous conversations. I've met with independent producers a number of times over the course of the last year and a half. I've heard their concerns, I've heard their ideas, and we are looking at how best, through the modification of the Broadcasting Act, we can help foster intellectual property so it serves Canadian artists and Canadian companies as best as possible. That's what we're working toward.

**Mr. Anthony Housefather:** I really appreciate that, and I do hear what you said before about how the history of regulations and the history of CRTC actions has protected many things that we're concerned about today. But of course this is the one chance that legislators have to actually direct the regulator and I think we need to be cognizant of it.

Mr. Minister, we've heard from a wide variety of groups and one thing that I think we've heard relatively universally is how important it is to put these changes into effect as soon as possible. Whether or not they want amendments to the bill, most groups still say they want this bill to come into effect quickly.

Do you have any words to encourage the committee on timeline?

Hon. Steven Guilbeault: Yes, that's a really important point. I've said it earlier, we are a minority government. The reality of minority government in the British parliamentary system is that they don't tend to last very long. I think we do have a shot at being able to adopt this bill and it's not me saying it. A number of organizations you've met have said that this was a groundbreaking bill. Someone called it historic.

Let's work together and get this adopted as soon as possible. I'm not saying we have to cut corners or shortchange anything, but let's work together to try to get this done. If we do that, I think we'll all be able to go home and say we've helped Canadian artists; we've helped Canadian culture come into the next century.

[Translation]

The Chair: Thank you, Minister.

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

Mr. Martin Champoux: Thank you, Mr. Chair.

Minister, earlier we were talking about how much latitude you want to give the CRTC.

An article published Friday in Playback magazine reports on the CRTC's Let's Talk TV process, which I'm sure you're familiar with. It's a series of consultations that took place in 2014. It says that since that time, discretionary services, that is, those not taxed in TV packages, have seen a 20% decline among independent broadcasters, while on the cable side, they have seen a roughly similar increase. This example illustrates the importance of guiding the decisions to be made by the CRTC.

I share the concern with respect to community television and radio, which are somewhat overlooked in the bill.

I would like to hear some of your thoughts on that.

Hon. Steven Guilbeault: The phenomenon you mention is obviously related to the advent of platforms and the very significant upheaval we have seen in the broadcasting world in Canada and elsewhere in the world. That is why this bill is important; it will regulate what is done online. Obviously, it will regulate the online activities of the Web giants, but it will also regulate the online activities of Canadian businesses.

• (1255)

**Mr. Martin Champoux:** Yes, but I'm talking about players who were already included in the current regulations.

Hon. Steven Guilbeault: I understand very well.

**Mr. Martin Champoux:** The CRTC hasn't really been able to protect these players in some ways. That's why it's important to direct the decisions that the CRTC will make a little bit better. Wouldn't you agree?

Hon. Steven Guilbeault: We must be careful; the legislator cannot act on behalf of the regulator, just as the regulator cannot take the place of the legislator. In our ecosystem, we all have functions and roles to play. One of the innovations in Bill C-10 is to increase the ability of the government to give direction to the CRTC. It is possible to do so now, but it is not easy. With this amendment, we are giving ourselves more flexibility.

Imagine what would happen if the legislator, in this case the committee that meets for a few hours a week, tried to hold public hearings to define regulatory elements. It would never happen. France, Britain and Australia have a regulatory body that enforces their broadcasting legislation. I don't know of any country that operates differently. I don't think we invented the model. If anything, we may have been among the first to use it, a long time ago.

The Chair: Thank you, Mr. Champoux.

[English]

Ms. McPherson, you have two and a half minutes.

Ms. Heather McPherson: Thank you, Mr. Chair, and thank you, again, to the minister.

I appreciate your willingness to look at amendments. It's very important to move this bill forward. We have a number of amendments that we will continue to share with you.

We need to take advantage of the opportunity to have the minister with us. I am going to ask you a question I've already posed previously, because I want to hear from you directly.

When Bill C-10 was put in place, it had been designed to explicitly exempt Facebook and YouTube from user-generated content from the Broadcasting Act. Did you instruct the department to put this into the bill or was it the department's idea?

**Hon. Steven Guilbeault:** Facebook and Google are not exempt from—I think Mr. Ripley, Mr. Piché and I have answered that question—the law or the regulation. When they act as broadcasters, then the regulation will apply to them.

As I said earlier in a response to a question asked by Mr. Waugh, as a legislator, I'm not particularly interested when my step-uncle posts pictures of his cats on YouTube or Facebook. This is why we've excluded user-generated content from the regulation. When they act as broadcasters, then the regulation will apply to them.

**Ms. Heather McPherson:** One of my concerns is that we are in a potential election situation. Bill C-10 may be one of the only bills that is passed in this Parliament. How are we going to make sure that problematic content....You talk about bringing forward other legislation, but we may not have that opportunity. The Broadcasting Act deals with political advertising. It deals with Canadian content financing, emergency alerts....

Why are Facebook and YouTube exempt from those standards?

**Hon. Steven Guilbeault:** As I said, Bill C-10 does not exclude Facebook and YouTube. This is a false assumption that you're making. They're simply not....

**Ms. Heather McPherson:** It does for the material that I speak about. It does for some of these things that they can be.... We don't have legislation coming forward where you're going to hold Facebook and YouTube to account for the online hate that they share.

The Chair: Very quickly, Minister.

Hon. Steven Guilbeault: Well, that's an upcoming bill.

I mean, this is not-

Ms. Heather McPherson: We may not get to that bill.

The Chair: Please—

**Hon. Steven Guilbeault:** —a bill about everything under the sun. I'm sorry, we just couldn't do that.

• (1300)

The Chair: I apologize, as well, because I have to end it right there.

Thank you so much to our guests. Mr. Guilbeault, nice to see you again, and thank you very much for spending this time with us. To the people who are with you, Ms. Laurendeau, our deputy minister; Mr. Piché; and Mr. Ripley, thank you very much.

Folks, I'll disengage from that part of our witness testimony, because we have to deal with a bit of committee business.

We're coming to the end of our meeting. I'm sure you've all had an opportunity to look at the subcommittee report. I would like to take the time now to adopt it. There are seven points within that report. Are there any questions about this before we make a decision? We have to adopt this, by the way, in order for the committee work to continue.

Seeing no objections, I see a plethora of thumbs up. That's great.

Thank you so much, everyone. Sorry for the informal way of conducting a vote, but such is virtual reality. Nevertheless, the subcommittee report has been adopted.

We will see you this coming Friday, March 12. If you recall, we will be reinviting guests who were not able to provide testimony a few weeks ago.

The meeting is adjourned.

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