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# Standing Committee on Canadian Heritage

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Chair: Mr. Scott Simms





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• (1105)

[English]

**The Chair (Mr. Scott Simms (Coast of Bays—Central—Notre Dame, Lib.)):** Welcome back, everyone, to clause-by-clause consideration of Bill C-10. This is meeting number 40.

(On clause 7)

**The Chair:** As you know from the last meeting, we left off with amendment PV-21.1.

Ms. McPherson, you have your hand up. Is there something I can address?

**Ms. Heather McPherson (Edmonton Strathcona, NDP):** I was just very interested in seeing if there was a way we could move forward and look at the motion I brought forward last time. I know that we do need to finish on the Green Party amendment that we discussed for two straight hours last meeting, and I'm certainly hopeful that we don't go through that again today and that we actually can continue to work to improve this proposed legislation.

I would like to propose that we take the vote on that Green Party amendment and that we move on to the motion I have tabled, if that's at all possible, Mr. Chair.

**The Chair:** Okay, just for everyone's edification, the motion has been deemed moved by Mr. Manly. The motion is from what we call an independent or unrecognized party, which, in this case, is the Parti Vert, the Green Party. That is what we're discussing right now because it is deemed moved.

I was committed to you, Ms. McPherson, last time with regard to doing your motion, and you have the same commitment in this meeting, that once we deal with amendment PV-21.1, we will discuss your motion that you want to put forward.

Monsieur Rayes.

You have to lower your boom, sir. There you are.

[Translation]

**Mr. Alain Rayes (Richmond—Arthabaska, CPC):** Thank you, Mr. Chair. My apologies. It's Monday morning.

My concerns are similar to those of Ms. McPherson. To keep things moving along, so as not to slow down the committee's work, I would like the clerk to send out to the committee members the amendments I or someone from the party emailed her. At the last meeting, she asked me for the reference numbers. Mr. Chair, may I give her the reference numbers now, or should I wait until Mr. Manly's and Ms. McPherson's amendments have been dealt

with and it is my turn? I want to make sure I have an opportunity to move my amendments.

[English]

**The Chair:** How about you let the clerk know what the reference numbers are, and that way when we get to them, we can be that much more efficient.

[Translation]

**Mr. Alain Rayes:** Thank you, Mr. Chair.

Madam Clerk, the amendments are CPC-9.2 to CPC-9.6. You should have five. If we didn't mix them up, they should be in order.

The reference numbers are 11342583, 11323641, 11323725, 11326200 and 11325014.

Thank you, Mr. Chair. That should help move things along. The amendments will be sent out to everyone when it's my turn. They concern clause 7 of the bill. If you accept them, the committee will discuss the amendments once we arrive at the appropriate provisions in our clause-by-clause study.

**The Chair:** Thank you.

[English]

Ms. McPherson.

**Ms. Heather McPherson:** I just want to clarify, Mr. Chair. Mr. Rayes asked that I send the motion to the clerk, but the clerk has already received it and sent it to the members, so I'm not exactly sure what he'd like me to send.

Could we get some clarity?

**The Chair:** Yes, that was my understanding as well. The clerk could probably send it once more. I believe you're talking about both motions.

**Ms. Heather McPherson:** The one I wanted to talk about most was the first motion I had sent out about sitting during July and August. Both were sent out last week, so I think all committee members should have both of those motions.

**The Chair:** That was my understanding as well.

If anybody does not have the motions from Ms. McPherson, they should let the clerk know so they can receive a copy.

That being said, I don't see anybody up right now.

As I mentioned, we are on PV-21.1, an amendment put forward by Mr. Manly. We will pick up the discussion where we left off. We are still in clause-by-clause. I don't see anyone who wishes to speak to it.

Now that debate has collapsed, that brings us to our vote.

(Amendment negatived: nays 11; yeas 0 [*See Minutes of Proceedings*])

**The Chair:** This now brings us to the end of clause 7. It seems like only yesterday we had just begun on clause 7.

Mr. Méla.

• (1110)

**Mr. Philippe Méla (Legislative Clerk):** The amendment that Mr. Rayes just sent us is on clause 7.

**The Chair:** Oh, I see. Maybe I spoke too soon.

It appears we have an amendment that was just sent in.

Mr. Méla, can you tell me the number, please?

**Mr. Philippe Méla:** It would be CPC-9.2, but it doesn't have that number. I can give you the reference number if you prefer.

The last digit of the reference number would be 2583. I believe that's what Mr. Rayes just indicated.

**The Chair:** Is everybody ready to proceed with debate or do people have questions? I see some nodding heads.

Mr. Housefather.

**Mr. Anthony Housefather (Mount Royal, Lib.):** Mr. Chair, we don't have copies of these amendments.

**Ms. Heather McPherson:** The clerk is indicating one second.

**The Chair:** We're just getting around to it now.

In the meantime—

**Ms. Heather McPherson:** Perhaps I could raise my motion in the meantime, Mr. Chair.

**The Chair:** Yes. Actually, I did commit to you that we would do that. I thought we were ending with clause 7, but we were not ending with clause 7.

With all due respect to Mr. Rayes, I did commit to Ms. McPherson that I would get to her motion. It appears we're going to get to the motion.

Before I do that, though, I want to check with the clerk. Does anyone have any more questions about what was put forward by Mr. Rayes?

Mr. Rayes, go ahead.

[*Translation*]

**Mr. Alain Rayes:** Mr. Chair, I was just going to say that we would graciously agree to let Ms. McPherson move her amendment first. I don't think it impacts my amendments to clause 7.

If you would like her to go ahead, I have no problem with that since she did ask first.

[*English*]

**The Chair:** Ms. McPherson's on a motion, but okay.

Not seeing any questions, we're going to go to Ms. McPherson.

You have the floor.

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

I brought forward a motion last week for this committee because I am quite concerned that we are not progressing through Bill C-10 at the rate that I think we all want to. I hope that everybody on this committee is interested in making sure that we get the very best piece of legislation that we possibly can at the end of this clause-by-clause process, and that we are all being very propositional to add amendments to try to make this the very best legislation we can, which will protect the Canadian broadcasting landscape, protect Canadian artists and our cultural sector, which is vitally important, and also ensure that Canadians' freedom of expression is protected.

I want to be as propositional as I can. I want to work with all committee members to make this happen. I know it's extremely important legislation. As we know, it has not been updated in 30 years and it's well overdue.

I know there are times during July and August that we are unable to sit, and I do also realize that this would mean we would be sitting, in person, in Ottawa, but I would like to propose that the committee take the decision to sit into July and August to ensure that we have time to complete this work. I think that allocating to stop the debate and to stop the conversation on Bill C-10 would cause a lot of problems, because we won't have had time to go through the important amendments that I know all parties are putting forward.

That said, I also think that filibustering and not letting us get this work done is also a mistake. This gives us a little bit more space, a little bit more runway to get a good piece of legislation.

[*Translation*]

**Mr. Martin Champoux (Drummond, BQ):** Mr. Chair—

[*English*]

**Ms. Heather McPherson:** That's what I would like to propose. That's what I would like my motion to be.

[*Translation*]

**Mr. Martin Champoux:** Mr. Chair, my hand is up.

[*English*]

**The Chair:** Mr. Champoux.

[*Translation*]

**Mr. Martin Champoux:** I'm letting you know my hand is up.

[*English*]

**The Chair:** Yes.

I have Mr. Rayes. I believe your hand was left up from last time.

I have Ms. Dabrusin, and then I'm going to go to Mr. Champoux.

Ms. Dabrusin, you have the floor.

**Ms. Julie Dabrusin (Toronto—Danforth, Lib.):** Thank you.

I agree with Ms. McPherson that extra time would have helped, certainly at the beginning, to try to move this forward. In fact, several times at the beginning of the study of Bill C-10, I tried to get extra time for extra meetings so that we could move through this quickly.

We have now reached a point where, in the last meeting, we did not vote on a single amendment. Adding extra meetings during the summer isn't going to help us get to where we need to be because at this point, we have just reached a standstill. Quite frankly, Ms. McPherson is well aware that there is a motion for time allocation and I would hope she would support that so that we can put this important bill forward and make sure that we are doing what we need to have web giants pay their fair share and to support Canadian artists.

I would point out that the Conservatives have been filibustering here at committee, as is their right to do by parliamentary procedure, the same as it is our right to bring forward a motion for time allocation.

I would like to point out to Ms. McPherson that I think it's been laid bare at this point, when I am looking at statements that have been made by the Conservatives, that the issue here isn't about freedom of expression that they are really pushing for. In fact, I would just point out what Ms. Harder stated to her local press about Bill C-10 specifically, and what is trying to be done. The quote I have is:

These artists are not able to make a living off of what they are producing, so they require grants that are given to them by the government. And so these little, niche lobby groups composed of outdated artists are going to the Liberal government and asking them to charge these large streaming companies in order to bring about more money to put into these grant funds so these outdated artists can then apply for that money so they can continue to create material Canadians don't want to watch.

That's the fight we're in about Bill C-10 right now. That is saying that artists like the Arkells or shows like *Heartland* are not things that Canadian want to watch, and that we shouldn't be supporting, as a government. I don't believe that's true.

My question for Ms. McPherson is, is she going to support time allocation so that we can move forward to support artists, or is she going to take the position that these are outdated artists whom we don't need to be providing support for?

• (1115)

**The Chair:** I have Ms. McPherson in the lineup for talking in just a few moments, but I'm going to Mr. Champoux, first, and then Mr. Rayes.

Mr. Champoux.

[*Translation*]

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

I support and applaud what my fellow member Ms. Dabrusin just said in relation to the Conservative member's recent comments in the Lethbridge Herald about her party's position on the situation of artists. Frankly, I was very concerned by the party's view of the cul-

tural sector as well as its read on Bill C-10, which I think is completely wrong. No doubt, we'll have a chance to revisit the matter later.

I want to speak to Ms. McPherson's motion. As everyone knows, the party leaders are in the midst of negotiating next steps regarding a summer schedule. The committee can't decide to sit in hybrid format until the powers that be have come to an agreement.

In light of that, I think we would do well to propose an amendment to Ms. McPherson's motion, specifying that the motion is conditional on the outcome of the discussions between the party leaders.

I am not suggesting Ms. McPherson's motion has no merit, but I do think we should take into account the talks under way, which will certainly override some of the committee's decisions.

I therefore move that the motion be amended by adding wording to the effect that it is conditional on the outcome of the discussions between the party leaders.

[*English*]

**The Chair:** Mr. Champoux, your subamendment, where do you propose to put that within the motion itself, at the very end?

[*Translation*]

**Mr. Martin Champoux:** Yes, precisely.

[*English*]

**The Chair:** Does everyone have an understanding of what was just talked about?

After Mr. Rayes, I'm going to come back to our clerk to read out again the amendment to the motion.

Mr. Rayes.

• (1120)

[*Translation*]

**Mr. Alain Rayes:** Thank you, Mr. Chair.

I wanted to comment on Ms. McPherson's motion, but now that an amendment has been proposed, do I have to speak to the amendment and wait until that discussion is over before I can have the floor to comment on Ms. McPherson's motion?

[*English*]

**The Chair:** Yes, I'd prefer, sir, if you focused on the amendment that's been put forward. Then we can get back to the main motion, whether it's been amended or not.

Mr. Rayes, you have the floor.

[*Translation*]

**Mr. Alain Rayes:** That's fine.

Ms. McPherson, I think what you're trying to do is very noble. We, on our side, have no problem continuing the discussion on Bill C-10. As we have repeatedly pointed out, the bill has numerous flaws. It's a complex piece of legislation that was poorly thought-out from the get-go; it has undergone all kinds of amendments, with more on the way—very significant ones, I might add. I do not see how we can pass this bill without having had the time to take a comprehensive look at it.

Ms. Dabrusin said it was a bit late. Personally, I find it a bit early since we are expecting a time allocation motion to be put forward today. That would bring the committee's work to an end. With a time allocation motion, the Liberals are choosing to put an end to the work before the committee, even though we are constantly told that committees are independent.

I don't necessarily want to propose an amendment to your motion, Ms. McPherson, but I do have something to suggest, ever so politely, of course. Should we not put off consideration of your motion until Friday, to see whether the Liberals follow through on their ultimatum and move a time allocation motion? If they do, it will render your motion unnecessary. If they do not, your motion will be entirely appropriate.

That is my humble suggestion.

[English]

**The Chair:** For the sake of people watching, there is no motion of time allocation here at committee. What my colleagues are talking about is a possible time allocation in the House. I wanted to make that clarification for those who are watching us from afar.

Madam Clerk, let's clear up some of the wording around the amendment that Mr. Champoux proposed.

Mr. Champoux, we may call on you in just a second.

Go ahead, Madam Clerk.

**The Clerk of the Committee (Ms. Aimée Belmore):** Thank you, sir.

[Translation]

Mr. Champoux, would you mind repeating your amendment, please?

**Mr. Martin Champoux:** I am proposing that Ms. McPherson's motion be amended at the end to specify the motion is conditional on the outcome of the talks between the party leaders.

I don't know what the exact wording should be. Perhaps one of the legislative clerks could help with that. I am no expert on legislative wording, but I would just say something to the effect of "all conditional on the outcome of the party leaders' discussions".

[English]

**The Chair:** Thank you.

We'll work on some of that for now and try to get the right wording. In the meantime, I see there are enough people who want to talk about it. I don't want to stymie the debate right now. I want to go to Ms. McPherson, and then I'll go to Ms. Dabrusin.

Mr. Rayes, I see your hand is up. Is that from last time? I don't want to miss you.

Okay. Perfect.

We have Ms. McPherson and then Ms. Dabrusin.

**Ms. Heather McPherson:** Mr. Chair, I have a few things.

First of all, in terms of Mr. Champoux's amendment to the motion, I had suggested that we could go forward in an in-person format. I recognize that the House leaders—I am a deputy House leader myself—are discussing what the hybrid will look like into the summer months. I was not proposing that we use the hybrid system but rather come to Ottawa, travel to Ottawa, for the meetings. We could probably have longer meetings and get a little bit more done.

In terms of the questions put forward both by Mr. Rayes and Ms. Dabrusin, I very much feel that we are now in a situation where the Liberals have put forward a flawed bill. We are trying to fix that bill. We are trying to be propositional and we are trying to fix that bill. The Liberals have now put forward in the House, not in committee, a time allocation of five hours. That is wholly insufficient to get through the remaining amendments that need to be examined so that we make sure that we have good legislation. That's wholly insufficient. Such a heavy-handed manoeuvre hasn't been done for decades. It has not been done for decades. The last time it was done, there were 10 hours allocated, twice as long.

I have some real concerns about being told by Ms. Dabrusin that I am choosing to either support the Liberals' very heavy-handed move through time allocation or abandon it and support the very disturbing and very wrong-headed comments of my colleague from Lethbridge. I feel like we're in a situation where the flawed legislation that was brought forward by this government needs to get fixed, and the Conservatives are making it impossible for us to fix that legislation.

I'm incredibly frustrated by both the Liberals and the Conservatives on their inability to see that we have a job to do, that we have an obligation to work as hard as we can—

• (1125)

**The Chair:** Ms. McPherson, I apologize for interrupting.

I just want to point out to everyone that we're still on the amendment that Mr. Champoux put forward before we get into the main motion. I respect the fact that—

**Ms. Heather McPherson:** Mr. Chair, I was just responding to some of the questions that were brought forward.

**The Chair:** I understand that, but when we get back to the main motion we can do that.

Now, keep in mind that I'm pretty flexible over the arc of conversation that we have here. If you want to start out with the amendment, leading into the overall motion, I'm all for that. However, I have to watch this accordingly, because I know that some people get upset if I don't.

**Ms. Heather McPherson:** I'll come back to the amendment. I just have one more comment that I would like to make while I have the floor.

**The Chair:** You still have the floor. I just wanted to point that out.

**Ms. Heather McPherson:** Mr. Chair, knowing that we do need to get this legislation fixed, and we still have 30-plus amendments to go through at this point, I would suggest that maybe we take a bit of advice from Mr. Rayes and consider how well the committee is able to get through our work today and then go forward.

The other thing I was thinking, too, is that if we did have this motion in place, if we did agree to sit during the summer, there would be no need to being in time allocation. The Liberals would not need to bring that forward, because we would already have agreed that we would continue to work effectively as a committee, as the people of Canada tasked us to do, to get this legislation right.

**The Chair:** Ms. Dabrusin.

**Ms. Julie Dabrusin:** Mr. Chair, I want to revisit the point that there's absolutely a need to move to time allocation, because we could sit all summer. We are going through entire meetings without voting on a single amendment. For the past several meetings, even when we do vote on an amendment, it's one or two a meeting. At that pace, we will not complete the study of Bill C-10. We will just keep going for months and months and months.

I do believe there's a bit of a disconnect, if anything, on that, to say that if we just add in a few more meetings this summer we'll be able to complete it. That's clearly not what's been shown over the past weeks and even, I would say, months.

**The Chair:** Folks, once again we seem to be debating the overall motion. Can we just focus first on the amendment? You can tie it into the main motion, but I really need you to talk about Mr. Champoux's amendment in the meantime.

Mr. Housefather.

**Mr. Anthony Housefather:** Thank you very much, Mr. Chair.

[*Translation*]

I really appreciate Mr. Champoux's contributions, which he always makes in good faith.

I have nothing against his amendment, but I do object to the main motion by Ms. McPherson. I'll tell you why.

[*English*]

I want to say this with all my friendship for Ms. McPherson, who, again, I respect very much as a member of the committee. Normally, I would agree with this motion. Normally, I would agree that we should work all summer to get a law right and to continue debate as long as there was actual debate going on that was reasonable with respect to each amendment, but that's not happening.

In the last meeting, we spent two hours filibustering on an amendment that each and every member of this committee voted against. Each and every member of this committee was going to be against it from minute number one, yet we spent two hours on it. As someone who has really tried in good faith to work with members of all parties on this committee from the beginning, I have at this point grown completely exasperated by what has happened in terms of us not working in good faith, so I see no reason for us to

sit here having meeting after meeting of two or four hours and not advancing on the bill.

I don't see any other alternative to move forward at this point, unless I see a huge change in comportment from the Conservatives, than going to time allocation. I'll vote for Mr. Champoux's sub-amendment, but I'm going to vote against the motion as amended, because I just don't see that it's going to help us in any way.

Thanks very much for the effort, though, Ms. McPherson.

• (1130)

**The Chair:** I see Monsieur Rayes. We're on the amendment by Mr. Champoux.

[*Translation*]

**Mr. Alain Rayes:** Thank you, Mr. Chair.

I think what Mr. Champoux is proposing is entirely appropriate. It shows great respect for the work of parliamentarians and the House leaders, who are trying to arrive at a democratic compromise through their talks. I think the amendment is in line with what Ms. McPherson is proposing.

However, it's unfortunate that all the blame is being laid at the Conservatives' door. I repeat, we are where we are because the minister brought forward a bad bill, plain and simple. The bill was full of flaws. It has been amended along the way, so it's entirely appropriate that we take the time to study it properly, instead of being subjected to a time allocation motion by the government, through the House of Commons, to expedite the committee's work. That hasn't happened in more than 20 years, not even under Mr. Harper's Conservative government.

For the past six years, the Liberal leader has said over and over again that committees work independently. The Liberals on the committee are doing the best they can. This is a very unusual situation.

Ms. McPherson, I repeat, we are relatively in favour of your motion. I'm not sure I fully understood what was said after I last had the floor, but I think it's one meeting too soon to adopt the motion, since a time allocation motion may be coming.

If we must adopt your motion only to have it nullified by the gag order imposed by the Liberals, then we must. If not, we can move forward.

**Mr. Martin Champoux:** I had my hand up, Mr. Chair.

[*English*]

**The Chair:** I have Ms. Dabrusin, and then I have Mr. Champoux.

Ms. Dabrusin.

**Ms. Julie Dabrusin:** No, I think you had Monsieur Champoux before me. My hand is down.

**The Chair:** Okay.

Mr. Champoux, go ahead. I'm sorry about that.

[*Translation*]

**Mr. Martin Champoux:** When someone moves an amendment to a motion, a debate is obviously supposed to follow.

Fundamentally, I'm somewhat resistant to the idea of doing things out of order. I am of the mind that we should discuss Bill C-10 as long as possible because I firmly believe that we should pass it. Obviously, my first choice is not to extend into the summer, but if we must, let's do it.

I put forward an amendment to ensure that, if Ms. McPherson's motion was adopted, the discussions under way between the party leaders would not interfere with the decisions we made here, in committee. I simply wanted to make sure we were going to do things in an orderly way.

That said, as was pointed out earlier, there is no point holding additional meetings if we are going to spend them dragging things out, filibustering and preventing Bill C-10 from ever seeing the light of day, because there are groups who are strongly opposed.

I wanted to make clear my intention, which is essentially to give us some peace of mind in light of the discussions between the party leaders, should Ms. McPherson's motion be adopted.

[*English*]

**The Chair:** Ms. Dabrusin, go ahead.

**Ms. Julie Dabrusin:** I move to adjourn the debate.

**The Chair:** Did everybody hear that?

We'll go straight to the vote on the motion put by Ms. Dabrusin to adjourn the debate.

• (1135)

[*Translation*]

**Mr. Alain Rayes:** Mr. Chair, I have a point of order. I'm actually looking for some clarification.

[*English*]

**The Chair:** Go ahead, Mr. Rayes.

[*Translation*]

**Mr. Alain Rayes:** Can you explain what Ms. Dabrusin's motion means procedurally? I just want to be sure I know before voting.

[*English*]

**The Chair:** It means we are going to adjourn the debate on Ms. McPherson's motion.

Is everybody clear on that?

**Ms. Heather McPherson:** Do we then vote for it or not?

**The Chair:** No, we adjourn the debate. It's as simple as that. We then go on to what we were dealing with earlier, which was clause-by-clause on Bill C-10.

Is everybody okay?

[*Translation*]

**Mr. Alain Rayes:** No.

[*English*]

**The Chair:** Go ahead, Mr. Rayes.

[*Translation*]

**Mr. Alain Rayes:** By requesting that the debate be adjourned, Ms. Dabrusin is preventing Ms. McPherson's motion from going to a vote. Is that right?

[*English*]

**The Chair:** Maybe I'm not explaining it well.

Madam Clerk, would you like to explain the procedure on adjournment of debate?

[*Translation*]

**The Clerk:** All right.

Adjourning the debate means that the committee will not discuss Ms. McPherson's motion for the remainder of the meeting.

[*English*]

For all intents and purposes, the debate can be resumed at a subsequent meeting, but until the end of this particular meeting, we will not resume debate on the motion to extend into the summer.

There will be no vote on the motion by Ms. McPherson at this time. The vote we would be holding would be whether or not the committee wants to adjourn the debate.

**The Chair:** Is everyone clear on that?

We're adjourning the debate.

Madam Clerk, we are voting on the motion to adjourn the debate.

(Motion agreed to: yeas 6; nays 5)

**The Chair:** The debate has been adjourned. We cannot bring that debate back into play for the rest of this meeting, but we can at subsequent meetings, just so you know, and that will be the motion by Ms. McPherson.

We are now proceeding to clause-by-clause.

We're going to pick up again with a CPC amendment; however, that being said, we have to take a break at this time. I need to have a discussion with the table staff regarding the proposed amendments, so I'm looking at about five minutes.

We're going to suspend for about five minutes. Thank you.

• (1135)

(Pause)

• (1150)

**The Chair:** Welcome back, everybody. I'm sorry that the break was a little longer than I anticipated.

I want to bring everybody up to speed on what is happening. We've just received several amendments from the Conservative Party, which would be under CPC amendments.

Since we're following along on our song sheets once again, I'll ask you to turn to hymn 9.2.

I'm going to read out the reference numbers that were handed in and I'm going to put a label on them as to what party and what amendments they are.

We'll start with the reference number, and I'll just read the last three numbers for the sake of time. The reference number of this one is 583. It will now be CPC 9.2. That is what we are going to address momentarily.

Following that, reference number 641, the last three numbers, is now going to be CPC 9.3. For those of you watching at home, this means that it is an amendment from the Conservative members of the committee. That's what the "CPC" is for.

The amendment with the last three numbers as reference number 725 is now CPC 9.4.

Moving right along, reference number 200 is now CPC 9.5.

Reference number 014 is now going to be CPC 9.6.

We've just received another amendment, the last three numbers of the reference number are 023. That is now CPC 9.7. However, that is going to be on clause 9, not on clause 7, so we'll be dealing with that at a later time.

Mr. Méla, if I'm not mistaken, you said that amendment is going to be following G-13.

**Mr. Philippe Méla:** Yes, Mr. Chair. That's right.

**The Chair:** Okay. It's G-13(N).

**An hon. member:** Bingo.

**The Chair:** I was waiting for someone to yell "Bingo".

For those of you who are watching at home, no, this is not parliamentary bingo. There is no prize, so don't get out any cards, dabbers, or anything of the sort. We're going through line by line, clause by clause, and basically these are amendments from the floor. Essentially, we just got them and all members have them.

I'm just going through a labelling exercise right now because these amendments, at least all but one, deal with clause 7 and we are still in clause 7.

Do I have any points of clarification that need to be answered at this time?

Seeing none, we are going to proceed.

**Mr. Philippe Méla:** Mr. Chair—

**The Chair:** I'm sorry.

Mr. Méla, our legislative clerk, go ahead.

**Mr. Philippe Méla:** Mr. Rayes, I just want to confirm with you about the amendment with the reference number 725.

[*Translation*]

You don't want to move it now; you want to move it later. Is that right?

**Mr. Alain Rayes:** I think the last amendment just went out by email, much to my surprise. I don't think we wanted it to go out to committee members right away, but it's no big deal. I do not want to discuss it immediately. We can come back to it when we get to clause 9.

[*English*]

**Mr. Philippe Méla:** Mr. Chair, can I respond?

**The Chair:** Go ahead, Mr. Méla.

**Mr. Philippe Méla:** Okay.

[*Translation*]

I was talking about the amendment with the reference number ending in 3725.

[*English*]

**The Chair:** Mr. Rayes, when you get a moment, do you want to clarify this?

[*Translation*]

**Mr. Alain Rayes:** As I explained, I saw it show up in my inbox, but I didn't think I had given the go-ahead to send it out to committee members.

You said it was amendment CPC-9.7, but that does not mean we will not have others in the meantime.

I think you can disregard it, for now.

[*English*]

**The Chair:** Thank you.

Mr. Méla, go ahead.

• (1155)

**Mr. Philippe Méla:** If you want to have a side chat, that would be helpful.

**The Chair:** Mr. Rayes and Mr. Méla want to have an offline discussion.

**Mr. Philippe Méla:** It was with you, actually, Chair, sorry.

**The Chair:** Ladies and gentlemen, as you've just heard, I'm going to have to suspend.

We'll suspend for two minutes.

• (1155)

(Pause)

• (1155)

**The Chair:** We're back.

First of all, I want to say a huge thank you to our technical staff for all of these breaks, suspensions and so on. Our technical staff handled it masterfully, I might add. We don't say that enough, but we thank you so much.

Let's get back to the amendments at hand. These are amendments regarding clause 7 that just came to us from the Conservative Party.

Mr. Rayes, I want to point something out before we go any further. I feel it's only necessary I do this in the course of debate.

We have from 9.2 up to 9.6 regarding clause 7, and they follow in succession. However, I would like you to have a look at CPC-9.4. The last three reference numbers are 725. I want you to have a look at that for a moment. There is a problem here in the sense that, as you know, we propose these amendments in the order in which they come in the bill itself, which is C-10.

What you're aiming to do in this case, by adding after line 2 on page 8 of clause 7, should have been moved before PV-21.1, which we debated at the last meeting and voted on at this meeting. It should have been done just before that. So CPC-9.4, 725, is not in its right order. The others are. I'm bringing this to your attention now in case you were hoping to incorporate that into your overall debate. Normally, I'd get to it and make a ruling, but I thought maybe you should know now before you proceed any further.

With that in mind, we return to our clause-by-clause consideration.

Right now, we are on amendment CPC-9.2. Again, the last three numbers of the reference number are 583.

Mr. Rayes, I'm going to give you the floor. If you need any points of clarification on the ruling I just made about 9.4, by all means, ask. In the meantime, you can proceed with CPC-9.2. We're still on clause 7.

Go ahead, sir, you have floor.

Sorry, sir, you're on mute. It's still Monday.

• (1200)

[Translation]

**Mr. Alain Rayes:** What can I say, it's still Monday, and I'm having trouble with my mike.

I just want to make sure I have what you said about amendment CPC-9.4 right. You aren't refusing to accept it, but you are saying it's not in the right order.

[English]

**The Chair:** That is correct.

[Translation]

**Mr. Alain Rayes:** I didn't have time to take note of which amendment I was supposed to follow.

[English]

**The Chair:** I think in this case, 9.4, since we've gone past it, you would need unanimous consent if you wanted to return to it.

[Translation]

**Mr. Alain Rayes:** All right. I will move it in due course. Thank you, Mr. Chair.

I imagine it's time for me to move amendment CPC-9.2.

The committee is at an impasse given the disagreement over the various parties who post content on social media. As we understand Bill C-10, the CRTC—

[English]

**The Chair:** Mr. Rayes, I'm going to ask you to stop for a moment. I don't want to lead you down the wrong path. If your hope is

to bring back 9.4 and to seek consent to do that, you'd have to do that before we go any further.

If you want to resurrect 9.4, I'm going to ask Mr. Méla what the proper procedure is.

Mr. Méla, please.

**Mr. Philippe Méla:** Yes, thank you, Mr. Chair.

[Translation]

Mr. Rayes, the problem is that the amendment with the reference number ending in 3725 applies after line 2 of page 8, but the committee has already considered line 19 on page 8 through amendment CPC-9.1, which you put forward, and amendment PV-21.1, put forward by Mr. Manly. The amendments must be moved in the order in which the provisions in question appear in the bill. In order to go backwards, you would need unanimous consent from the committee, and you would have to seek it now since your next amendments also concern line 19.

**Mr. Alain Rayes:** All right.

[English]

**The Chair:** Thank you, Mr. Méla.

As you know, my French is not good enough to explain it the way he did. I want you to be of that understanding, so even though you have proceeded, I'm going to allow it, if you wish to do that. I don't want to lead you astray.

Go ahead, sir, if you wish.

[Translation]

**Mr. Alain Rayes:** Thank you for being so kind, Mr. Chair. I certainly appreciate it.

To ensure the committee does things in the proper order, as Mr. Méla explained, I am seeking unanimous consent from the committee to discuss amendment CPC-9.4. If I don't get it, I will come back to amendment CPC-9.2 when I am allowed to do so.

[English]

**The Chair:** Thank you very much for your patience, everyone.

Again, the last three numbers are 725. It is CPC-9.4. Mr. Rayes is asking to go back and do that amendment. He's seeking unanimous consent to go back and do that. I'm repeating myself only because I want everyone to fully understand what he's asking for.

It is out of order. We should have dealt with it before, but in order to return to that, we need unanimous consent.

Does Mr. Rayes have unanimous consent?

**Ms. Julie Dabrusin:** No.

**The Chair:** Sorry, sir, you do not.

That's CPC-9.4, which you can now take out of your package.

We will now go to CPC-9.2, reference number 583.

Monsieur Rayes, once again, sir, you have the floor.

Thank you for your patience.

[*Translation*]

**Mr. Alain Rayes:** Thank you, Mr. Chair.

I'm not surprised by the outcome. As has been explained so well, we have to proceed in order.

Setting amendment CPC-9.4 aside, I am coming back to amendment CPC-9.4. I will read it and, then, explain it. The amendment states that Bill C-10, in Clause 7, be amended by adding after line 19 on page 8 the following:

9.2 (1) This Act does not apply in respect of online undertakings that have fewer than 500,000 subscribers in Canada or receive less than \$80 million per year in advertising, subscription, usage or membership revenues in Canada from the transmission or retransmission of programs over the Internet.

(2) Every two years after the day on which subsection (1) comes into force, the Commission must, with the approval of the Governor in Council, review the subscriber and revenue thresholds and may make regulations to increase them as required.

...

The amendment addresses the disagreement the committee is having over users who are not professional broadcasters in the digital space. We are in serious disagreement regarding the power to be given to the CRTC to regulate not only users, but also the content they post.

The committee heard from experts on both sides, so I will not rehash the great debate. Ensuring the bill sets out parameters for the CRTC is the lesser of two evils. That way, local artists with fewer than 500,000 YouTube subscribers will not be regulated by the CRTC and can continue to showcase their craft to people all over the world without leaving their homes. These artists who work for themselves online are not asking for any government help, and they do not comprehend why the government is interfering in these platforms.

Despite what some may think, some artists are outside the so-called conventional system, the one we all know and support when we go to concert halls and buy tickets for performances. When the artists in question create content, we want to make sure they are not subject to Bill C-10.

That is the purpose of amendment CPC-9.2. I look forward to hearing the views of my fellow members, in both my party and the other parties, as well as the experts with us today.

Thank you, Mr. Chair.

• (1205)

[*English*]

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

For clarification, to our clerk, Aimée, there is nobody in the room right now. Is that correct? Is everybody on Zoom?

Okay, I just wanted to make sure. That way, I can go with the list I see on Zoom.

That brings me to Ms. McPherson.

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

I would like to thank Mr. Rayes for his amendment.

Can you tell me a little bit about how you came up with that \$500,000 and the \$80 million per year in the first part? Also, could you comment on the last sentence of the second part where it says "and may make regulations to increase them as required"? Is there a reason it is "increase" not "increase or decrease" them as required?

**The Chair:** I heard there was a question in there. I too have a question.

Ms. McPherson, who was your question directed to?

**Ms. Heather McPherson:** It's for Mr. Rayes.

**The Chair:** Before that, there are two things. There's that question, if you recall, and also you read the text, but you missed number 3, which is on the second page of this particular amendment. Were you including that as well or not including that?

**Ms. Heather McPherson:** Are you referring to me?

**The Chair:** I'm sorry, Ms. McPherson. No, I was referring to Mr. Rayes on his amendment.

I'm looking at number 3. Can you answer both of those?

Thank you, Mr. Rayes. You have the floor.

[*Translation*]

**Mr. Alain Rayes:** Thank you, Mr. Chair.

You're absolutely right, I haven't read proposed paragraph 9.2(3). I'm going to do that right now to make sure that everyone is on the same wavelength. Thank you for setting me straight. Proposed paragraph 9.2(3) reads as follows:

(3) The Minister must prepare a report on the Commission's review under subsection (2) and submit the report to the standing committee of each House of Parliament that normally considers matters relating to broadcasting.

The clarification is very important, because the minister is asked to report to us.

If I may, Mr. Chair, I would now like to respond to Ms. McPherson's question.

• (1210)

[*English*]

**The Chair:** Go ahead.

[*Translation*]

**Mr. Alain Rayes:** Thank you, Mr. Chair.

Ms. McPherson, the question is quite relevant. Why would you set the threshold at 500,000 subscribers, not 750,000 or 200,000? We had to decide on a number, based on some expertise. What you have in this amendment that I tabled this morning is the threshold recommended not by Conservatives, but by Konrad von Finckenstein, the former chairman of the CRTC, and Peter Menzies, the former commissioner of the CRTC. They say it's the threshold necessary to be treated on par with services like Netflix and Amazon Prime, and it also helps protect the websites of Canadians who publish content. They see this threshold as avoiding excluding large broadcasters from the bill, while providing minimal protection for users who post content on social networks.

A decision certainly has to be made sometime. Anyone with 525,000 followers would fall into a zone between the two. There is a provision in proposed paragraph 9.2(2) that these thresholds can change as needed along the way, every two years, if I'm not mistaken.

We see this as a quite interesting way to protect all Canadians who publish content, because it will not be regulated by the CRTC.

I also want to point out that Australia, which the Prime Minister often likes to cite as the leading model for online regulation, has proposed a threshold of \$100 million in revenue and 1 million subscribers, so double what we are proposing. I think it's interesting to note that our request is not over the top. It's a way of presenting something that we think is a perfectly acceptable compromise, especially since the suggestion comes from former senior CRTC executives who know the rules of the game, who know how things work, and who are aware of the reality.

In giving you this information, I don't know if I've answered your question correctly, Ms. McPherson. While I am not an expert on the subject, I have tried to do the best I can.

[English]

**The Chair:** Ms. McPherson, go ahead.

**Ms. Heather McPherson:** Mr. Rayes, you answered one of the two questions very well, I'd like to just point out, but the other one is on clause 2, where it says "regulations to increase them as required". Why does it only have "increase"? Why does it not have "increase or decrease" as required?

**The Chair:** Mr. Rayes.

[Translation]

**Mr. Alain Rayes:** Your request, Ms. McPherson, is quite relevant. You can make it a subamendment, if you wish.

We wrote it that way because to us, it could only go up. To us, that was a fact.

There are more and more Canadians publishing content online. If they have 500,000 subscribers as of today, one can imagine that their subscriber base will only grow after that, not shrink. That's the way it was presented. We never thought for a second that it would go down. Everyone is increasing their number of subscribers, and therefore the number of people who follow their publications. It's rare that someone's number of subscribers decreases over time, especially in the case of an artist.

[English]

**The Chair:** Ms. Dabrusin.

**Ms. Julie Dabrusin:** Mr. Chair, I find this amendment interesting for two reasons. One is that it seems to very much mirror an amendment that had been voted down by this committee previously. In addition, it is again trying to carve out contributions toward our cultural production funds.

In light of what Ms. Harder said in her local press, I believe that a lot of what the Conservatives are seeking to do right now is, in fact, reduce our cultural production funds as a whole. Part of the reason I feel this way is this quote, which stood out to me:

That arts fund actually goes toward a very niche group of artists that are stuck in the early 1990s because they haven't managed to be competitive on new platforms. So they are very reliant on government grants in order to continue to exist. And, quite frankly, they are producing material that Canadians just don't want.

I apologize—

**Mr. Scott Aitchison (Parry Sound—Muskoka, CPC):** Mr. Chair, I have a point of order.

**The Chair:** Mr. Aitchison, go ahead on a point of order.

**Mr. Scott Aitchison:** I'm wondering if Ms. Dabrusin could focus on the actual amendment instead of what another Conservative member has said to her local media.

• (1215)

**The Chair:** Mr. Aitchison, as you know, I like for those to build an arc around what they want to talk about.

Folks, can we just zero in here on focusing on the amendment itself?

I'm assuming, Ms. Dabrusin, that you were coming around to that point.

**Ms. Julie Dabrusin:** I was. I appreciate that, Mr. Chair, because it goes to the point about contributions to the funds, which is actually what this amendment goes to.

If I may, I'll just complete it to make sure that it's clear what I believe the actual background is to this amendment. Then I will have a question, actually, beyond that.

She continued to say, "Because, at the end of the day, if Canadians did want it then there would be a market for it. And if there was a market for it then these artists would get paid based on the market."

Basically, in that quote there is a huge disrespect, a tremendous disrespect, for our cultural production funds and for our artists.

As I pointed out, there is that background to it, as well as the fact that this is something the committee has already considered. I was wondering if perhaps the department could help me to better understand what the impact of this amendment would be. What would be the net impact of allowing this amendment to proceed?

**The Chair:** I'm going to look to our officials and seek out a volunteer.

Mr. Ripley, welcome. Go ahead.

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

Thank you for the question, Ms. Dabrusin.

Based on what I understand the amendment to be, the starting point in the bill currently is that the CRTC should only regulate on-line undertakings if it's of the opinion that they will contribute in a material manner to the fulfillment of the policy objectives of the Broadcasting Act.

The bill, as it was tabled, recognized that if the CRTC came to the conclusion that if a service did not have sufficient subscribers or viewers in Canada, or it wasn't making sufficient revenue, the CRTC's starting point is that they should not regulate those services.

If I understand the amendment correctly, what's being proposed to the committee is that in addition to that, as it currently stands, Parliament would essentially make an exclusion of services—on-line undertakings is the term used in the amendment—with a specific subscriber base and revenue base. If I understood correctly, it's 500,000 subscribers or less than \$80 million per year in a variety of different kinds of revenues. If either one of those was triggered—because the amendment uses the word “or”—the CRTC would not be able to impose regulatory contributions on those services.

In essence, Ms. Dabrusin, it would be Parliament making a call off the top, so to speak, that services that don't meet these thresholds should not be subject to contributing to the cultural policy objectives of the act.

**The Chair:** Mr. Housefather.

**Mr. Anthony Housefather:** Thank you, Mr. Chair.

[*Translation*]

I have some questions for Mr. Rayes, too. Indeed, I am not sure yet whether I am for or against the amendment, but I would like to hear from Mr. Rayes on this, because I am willing to discuss it.

What I don't understand is why companies with fewer than 500,000 subscribers or less than \$80 million in revenue are excluded, rather than those that meet both criteria.

Let's take the example of a company that has 495,000 subscribers and earns \$2 billion, because its service is very expensive. Shouldn't a company that makes \$2 billion be considered important enough to be included?

It's the same for a company that has 30 million subscribers in Canada, but gets very little revenue from advertising, sign-up, usage, or subscription, because it has a different revenue stream than those listed.

So why are we excluding companies that meet either of the two criteria? I don't understand that. I would like Mr. Rayes to clarify that.

• (1220)

[*English*]

**The Chair:** I'll let Mr. Rayes answer.

[*Translation*]

**Mr. Alain Rayes:** Thank you, Mr. Chair.

My colleague Mr. Housefather's question is very relevant. If we had set these thresholds ourselves, we would have been told that it was a partisan exercise. In a previous comment, Ms. Dabrusin tried to attack us on this issue. Yet I had taken pains to point out to the members of the committee that this recommendation came from a former CRTC chair and commissioner.

I will go even further, with respect to this proposed amendment that Ms. Dabrusin was attacking. By the way, this is an amendment, so we're going to debate it and questions are going to come up. In fact, Mr. Housefather just asked a very good question. So this is a democratic exercise. We too were elected democratically and we represent the citizens of our ridings. Those people have a right to have a voice, even if they do not share the opinion of the government or of the minister who introduced this bill.

To take it a step further, I would point out that Australia has set even higher thresholds. Instead of 500,000 subscribers, it's 1 million, and instead of \$80 million in revenue, it's \$100 million. The country that's being held up as an example right now has set even higher thresholds by using the word “or” in their law. Australia has done exactly what we are proposing, but has set the bar even higher.

I think the amendment we are proposing is legitimate. In any event, it deserves to be discussed in this debate.

I have one last brief clarification in response to Mr. Housefather's question. My background is as a math and computer science teacher as well as a manager, as a school principal. So I have managed budgets. I don't want to get into the semantics of the French language on the issue of “ou” and “et”, but it's illogical to think that someone with 300,000 subscribers, for example, could generate \$2 billion in revenue. The figures proposed in the amendment take into account the fact that companies like Netflix have higher revenues than those that are in business and have a certain number of subscribers. We're talking about Canadian men and women with small businesses sharing content on social networks in a somewhat parallel way.

I like to say this a lot, because I feel that as parliamentarians in Ottawa, we are sometimes in our own bubble, and I include myself in that. You've heard me talk about this many times, I've given the example of my children, friends and others. Governments are almost always behind in regulation because it's done by people sitting in offices. In the digital sphere, there is a parallel world that doesn't work the same way. These people are pressuring us, but they are not using lobbyists and they are not necessarily trying to get money from governments.

This is not to say that we are against artists or against giving them grants to help them, far from it. Some of them need the help. When I was mayor, I put in place a \$24-million project for a performance hall. There were showrooms for virtual artists. As we know, these artists can't live without subsidies. Presenting shows to develop art among children or specific groups is impossible without subsidies, because it is not profitable. Without subsidies, we would only present comedy shows. That's a reality.

That being said, other comparable companies are doing well, and don't want the government to interfere with the process, as it would require paperwork and accountability, and make the CRTC process more cumbersome. We see this happening with fees right now. It's being given too much decision-making power.

Although the numbers look large, I don't think my proposal today is irrational at all for two reasons. First, it is based on thresholds recommended by a former CRTC chairman and commissioner. Secondly, the thresholds are below the thresholds that Australia is proposing and that are being used as benchmarks right now, since Australia is the first country that has chosen this direction.

I want to say that this was not our first wish. You know that section 4.1 that was originally proposed in the bill was more important to us. Since that was not accepted, we think that these thresholds would provide some kind of social safety net and protection.

[English]

**The Chair:** Mr. Rayes—

• (1225)

[Translation]

**Mr. Alain Rayes:** I'm done, Mr. Chair.

[English]

**The Chair:** Okay, Mr. Rayes. I was loath to interrupt, but you were answering the question for Mr. Housefather. I think you've done that sufficiently.

Mr. Housefather, were you done? Okay.

Mr. Waugh, you have the floor.

**Mr. Kevin Waugh (Saskatoon—Grasswood, CPC):** Mr. Chair, let me put some context to this amendment.

You will remember that Mr. Chan of Facebook came to committee. I asked him this question. Do you know that Facebook is used today for broadcasting? This is where this amendment came from. I know hundreds of former broadcasters who have been laid off or let go who now have a show on Facebook, a one-hour show, or maybe two- or three-hour shows—Bob McCown, Rod Pedersen, Don Cherry—and this is where the amendment comes from, Mr. Housefather.

Mr. Chan could not answer my question when he came to committee with a Facebook group in February as I asked Facebook the question: Do you know people are using Facebook as a broadcasting tool? They're selling advertising on Facebook for their shows. They have subscribers. He claimed he knew nothing about this, which I found hard to believe, but this is where this amendment comes from.

Then I flagged it with our side, saying this is going to explode because what's happening is these people are entrepreneurs and to keep their hand in the broadcasting industry they've taken to Facebook to do these shows.

Mr. Ripley, you were correct when you answered that. This amendment by Mr. Rayes talks about this.

Do we want the CRTC regulating everyone with 10 subscribers and \$1,000 coming in? No, we don't want that. This figure arrived from the Australian figure, more or less. We went to the former commissioner of the CRTC and vice-commissioner and asked. This is a big issue in this country. You know it's going to get more and more common as we see less and less conventional broadcasting, whether it's radio or TV stations going dark. This is something that has been coming for the last three or four years on social media. I flagged it in February with Mr. Chan, who claimed at the time Facebook knew nothing about it.

Therefore, this amendment is very important to the Broadcasting Act. I would say it's one of the most important amendments that we can make, because people in this country are using Facebook to generate subscribers. They're using Facebook to generate money and advertising, which according to Mr. Chan is fine.

I'm going to back up what Mr. Rayes said, and just in layman's terms this is where this amendment came from. In the discussion, Mr. Chair, that we had with Facebook officials in February or March, when they came, I flagged this because I see many people in this country making money off Facebook, which is fine, but are we going to over-regulate them with the CRTC, or is there going to be a threshold? We think that 500,000 subscribers and \$80 million per year is the threshold.

If I can give you some context on the amendment, here it is. It was through the questions that I posed to Mr. Chan and Facebook that we felt this amendment had to be included in the regulations.

**The Chair:** Ms. McPherson.

**Ms. Heather McPherson:** Mr. Chair, I have a couple more questions for Mr. Rayes before I go forward.

First of all, he talked about the thresholds and I think I would want to amend that, because in my mind, I think we also don't want to exclude those who want to be part of this, and that's something I'm going to ask him about. Does he have any statistics on how many are above and how many are below that threshold? Also, has he had any conversations with the cultural sector? Has he asked any of the cultural sector or the artists who are impacted by, say, YouTube, what they would suggest in terms of this amendment?

I also have a question I'd like to ask Mr. Ripley. I'll just get them all out and you can manage all of my requests as you see fit, Mr. Chair.

The question I have for Mr. Ripley is, would the exclusion apply to all of the act and not just the requirements to make a financial contribution? For example, every reference to an online undertaking in the act would exclude those who do not meet this threshold. Is that correct? I guess that is what I'd like a little more clarity on.

• (1230)

**The Chair:** There are two questions. The first one is for Mr. Rayes.

Would you like to take the floor, Mr. Rayes, to answer, or should I go to Mr. Ripley?

[*Translation*]

**Mr. Alain Rayes:** Mr. Chair, I don't have the statistics that Ms. McPherson is asking for, but I can try to find them. If you give Mr. Ripley the floor before me, that will allow me to see if I am able to find them. If not, that will be for another time.

[*English*]

**The Chair:** I'll come back to you in just a moment.

Mr. Ripley.

**Mr. Thomas Owen Ripley:** Thank you, Mr. Chair.

Thank you for the question, Ms. McPherson.

Based on what I understand the amendment to be, it begins with "This Act does not apply in respect", and then it moves into the various thresholds. That means if an online undertaking did not meet those thresholds, it would not be subject to the act at all, so that would not be subject to the CRTC's jurisdiction with respect to any of its regulatory powers, whether that's seeking a financial contribution, whether that's its information-gathering powers or its administrative monetary penalties regime. All of those tools would not be applicable.

**The Chair:** We'll go back to Mr. Rayes. Do you want to respond once more, or shall I go back?

[*Translation*]

**Mr. Alain Rayes:** I would love to answer the question, but I am not in a position to do so now. If I may, Mr. Chair, I will try to get back to it later, if I can get the information.

If not, Ms. McPherson, unfortunately that will not be for today.

[*English*]

**The Chair:** Okay.

Ms. McPherson, I'm going to give you the floor.

**Ms. Heather McPherson:** Thank you.

I just wanted a little clarification, Mr. Rayes. I know that asking you for statistics is a little bit unfair in the moment, so I'm happy to let you have some time on that, but did you actually consult with the cultural sector before drafting this amendment? I just didn't get around to that one question.

**The Chair:** Before I go to Mr. Rayes, I will just point this out to everybody. I know we have been doing this a lot lately, where we ask our colleagues pointed questions. I think they are perfectly valid, but just a note to colleagues that they don't have to take the floor if they don't wish to.

I'm not saying you wouldn't, Mr. Rayes, so it's back to you if you desire to take the floor to answer the question.

[*Translation*]

**Mr. Alain Rayes:** Thank you for that clarification, Mr. Chair, but it's always a pleasure for me. I never try to shy away when I am asked questions, whether they come from a reporter or a colleague in everyday life. I try to answer them to the best of my ability and, if I am wrong, I apologize.

To answer your question, Ms. McPherson, I should say that I have consulted with over 40 organizations in the cultural community since we began our study of Bill C-10. This is not to say that all cultural organizations agreed with us during these exchanges. However, for all of the amendments that we put forward, or almost—I just want to protect myself, because I don't have all of my data—we made it a guideline to make sure that they represented more than one entity, so that they were not too specific. I don't have the list at hand, because God knows how much documentation I have from all my meetings, but we based it on the concerns of some groups that weren't necessarily against this idea.

That being said, the bill changed along the way, and I apologize for that. If we had known that social networks were going to be included, as a party, we would have invited witnesses who represent those who were left out and whom we did not hear from in committee in the first place. So with this amendment, people that we never had a chance to hear from will now be able to come and talk to us about their concerns. We were surprised, as everyone else was, by what happened.

I repeat, this amendment is perfectly aligned with what Australia is doing. Moreover, the thresholds it proposes, which were recommended by former CRTC experts, are below those of Australia. So I find these thresholds to be legitimate.

• (1235)

[*English*]

**The Chair:** Ms. Dabrusin.

Hold on. I thought I had Mr. Shields in there first.

Mr. Shields, if I got that wrong I apologize in advance, but according to my list here, Ms. Dabrusin, I have you next.

Go ahead.

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

Perhaps the department can help me with getting some clarification, because the way I understood Mr. Waugh's argument, he was talking about user-uploaded content to companies, and I understand that user-uploaded content is excluded.

I wonder if I could get some clarification. This proposal is about the companies, is it not? Could you help to clarify that for me?

**The Chair:** I'm looking to Mr. Ripley.

**Mr. Thomas Owen Ripley:** Thank you, Mr. Chair.

Thank you for the question, Ms. Dabrusin.

The term that's being used in the amendment is "online undertaking", which the committee may recall is the umbrella term that captures a variety of different online businesses, including streaming services like Netflix, Crave or Spotify, as well as the more distribution-type services like Amazon channels or another kind of service like that, as well as—as the committee knows well at this point—social media services.

The amendment on the table is not only with respect to social media services. The term "online undertaking" is an umbrella term capturing all those types of services that I just alluded to.

On the question about how this interfaces with other provisions in the act, I'll just remind the committee that proposed subsection (2.1) of the act specifically excludes non-affiliated users who upload content [*Technical difficulty—Editor*]

**The Chair:** It seems that we've lost Mr. Ripley. I'm not the only one, right?

**Mr. Thomas Owen Ripley:** —or a Facebook user who has a very large following and may be earning a substantial amount of revenue, and they would not be caught by the act because of that exclusion. The amendment that's on the table doesn't change that fact. Proposed subsection (2.1) is currently still part of the bill and would apply.

**Mr. Tim Louis (Kitchener—Conestoga, Lib.):** Point of order, Mr. Chair.

**The Chair:** Mr. Louis.

**Mr. Tim Louis:** It's only a technical thing, Mr. Chair.

I believe Mr. Ripley's transmission was broken, and I just couldn't hear him at a very critical spot. I wonder if he could repeat that, just on a technical side. I don't believe we could hear his answer fully.

**The Chair:** Thank you for that, Mr. Louis. I was going to intervene myself.

Mr. Ripley, you were momentarily cut off. The flow of the conversation didn't quite sync up at some point. It's no reflection on your ability, sir; it's just your Internet.

Would you repeat the last point once more?

Then, Mr. Louis, you can give me a thumbs-up if you're satisfied.

Go ahead, Mr. Ripley.

**Mr. Thomas Owen Ripley:** Certainly, Mr. Chair. Maybe you could indicate where I was cut off.

**The Chair:** Mr. Louis, I'm going to call on you right now for that.

**Mr. Tim Louis:** Thanks, Mr. Chair.

If you could repeat the whole answer, it would really help with the flow.

**The Chair:** Mr. Ripley, how about we do it all again for posterity? Go ahead.

**Mr. Thomas Owen Ripley:** Just to recap what I indicated, the term being used by the amendment is "online undertaking", which, as the committee is aware, is a definition provided for in the act that captures a variety of different online business models, including streaming services like Netflix, Crave TV or Spotify, as well as more distribution-type services, and one could think of the Amazon channels or comparable services as well as social media services.

With respect to the interplay with other provisions in the act, what I reminded the committee is that proposed subsection (2.1) is in the act, and what (2.1) says is that an unaffiliated user of a social media service is not to be considered a broadcaster for the purposes of the act. It doesn't matter how many subscribers they may have or how much revenue they earn from those activities; if they are using a social media service to carry out those activities, they are not considered a broadcaster for the purposes of the act. I was simply highlighting that the amendment on the table doesn't override or change that proposed subsection (2.1) and the exclusion provided in it.

Thank you, Mr. Chair.

• (1240)

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

Is everyone able to hear me and see me? I need some thumbs. I'm having issues of my own here. As long as you can hear me, just let me proceed.

Ms. Dabrusin, were you finished?

**Ms. Julie Dabrusin:** I was.

**The Chair:** Thank you.

Mr. Shields, go ahead. I apologize if I overlooked you earlier.

**Mr. Martin Shields (Bow River, CPC):** That's fine. Thank you, Mr. Chair.

I'm going way back in the conversation to when we started.

Mr. Chair, you suggested we could ask other colleagues on the panel questions. If they choose to respond that's up to them.

Ms. Dabrusin, you were expressing concern about financial contributions that would go to cultural groups. I think this amendment established a base. I'm not an accountant; I'm absolutely not. That's the last thing I am.

I am wondering if you believe this created a loss of revenue for the cultural groups. I just thought a base, just in the sense of one level or another like the Australian model, had some validity to it in the sense of numbers and money. I know the G7 came to some kind of a tax thing on the weekend, and already somebody was pointing out the loopholes via which Amazon might get around that. We may face that with this as well.

Is it your belief that this type of amendment was built around trying to get around the revenue from the major technology companies we've talked about many times? Is your concern that there's a loss of revenue here with this type of amendment?

**The Chair:** Ms. Dabrusin, would you like to weigh in?

**Ms. Julie Dabrusin:** I would just to quickly say that I was just pointing out that it has come up in the House in debate and it came up in that article that the Conservatives have said that Canadian creators are a niche market and that there has been a certain denigration of having cultural production programs and funds to support our Canadian creators. That does cause me to question the filibustering we have seen as well as the onslaught of these many new amendments being proposed and how that's been happening.

That is my point, and I think it's been raised in the House in debate, here at committee in the ongoing debate, and in that article that I quoted.

**The Chair:** Mr. Shields.

**Mr. Martin Shields:** Thank you, Mr. Chair.

You're not referring specifically to this amendment, as you believe it's a loss of revenue to...? You're speaking about other issues that you've heard about in different places then.

**The Chair:** Ms. Dabrusin.

No? Okay.

Go ahead, Mr. Shields.

**Mr. Martin Shields:** No, I'm good.

**The Chair:** Seeing no further conversation and no further debate, we will now go to a vote.

Once more this is CPC—

**Ms. Julie Dabrusin:** Mr. Chair.

**The Chair:** Ms. Dabrusin, go ahead.

**Ms. Julie Dabrusin:** I do believe though that raises a valid question. Perhaps I could ask the department whether there is any analysis as to what the impact of this amendment on cultural production funds would be. It might assist in the argument, given what Mr. Shields has raised.

**The Chair:** Mr. Ripley, would you care to answer?

**Mr. Thomas Owen Ripley:** Thank you, Mr. Chair.

Thank you for the question, Ms. Dabrusin.

I'm not able to give a definitive amount to that on the spot. It would take us going back and looking at some of the analyses the department has done underpinning that \$830-million number to look at how it might intersect with some of the thresholds that are being put forward.

Bill C-10 put down the marker about material manner, but left it a little bit at the CRTC's discretion because not all services are comparable. For example, I would point the committee towards CBC Gem or TOU.TV, which are our national public broadcaster's online undertakings. The department's assessment was that right now those undertakings have about 200,000 subscribers and earn maybe somewhere in the \$20-million to \$30-million range in revenue each year.

The government's perspective would be that, obviously, our national public broadcaster and its online undertakings have a powerful role to play in contributing to the cultural policy objectives of

the Broadcasting Act, yet the intersection with this amendment is that even those online undertakings launched by our national public broadcaster could be excluded if they don't meet the revenue threshold.

Ms. Dabrusin, we'd have to do some further analysis to actually look at the intersection with all the services and assess how that might change our analysis.

• (1245)

**The Chair:** Mr. Housefather.

**Mr. Anthony Housefather:** Mr. Chair, I'm going to go back to a point I previously raised. This time I'm going to ask Mr. Ripley.

I am still at a bit of a loss here to understand why, if we were to exclude various online undertakings, we would say that they could be excluded if they fall below either  $x$  number of subscribers or  $x$  amount of revenues per year, thus leaving an online undertaking that could earn \$2 billion excluded because there were fewer than 500,000 subscribers.

While I did listen to Mr. Rayes and his mathematical skills, I could simply see that you could charge a lot of money, for example, for a certain service and you could be up at a threshold. If you're charging \$250 a year and you have 490,000 subscribers, you could be earning \$2 billion a year from Canadians, yet be excluded.

I would like to ask Mr. Ripley this: If the department was considering at any time such a limitation—meaning that smaller online undertakings would be excluded from the application of the act—what formulation would the department suggest the committee consider in the event we are going to go in that direction? Should it be the way it is formulated here or should it be that you would have to be both below one and below the other to be excluded?

**Mr. Thomas Owen Ripley:** Thank you, Mr. Chair.

Thank you for the question, Mr. Housefather.

Perhaps I will begin by reiterating that the government's position, when it tabled Bill C-10, was acknowledging that there will be many smaller services that are not scoped into the act because of that requirement for there to be a material contribution. The goal was not to scope all those smaller services in.

I think the challenge is that there is a wide variety of business models in the online undertaking space. You have subscription-based services that we all know well, like Netflix or Crave. You pick your favourite subscription services. More and more we are seeing the launch of advertising-supported business models. You can stream your television content or your music content and not actually pay a subscription fee; rather, the service is selling advertising—

**Ms. Marci Ien (Toronto Centre, Lib.):** I have a point of order, Mr. Chair.

I'm so sorry to interrupt, but the bells are ringing in the House. We have to vote.

**The Chair:** Yes, I was going to address it.

I wanted Mr. Ripley to finish his sentence. That's the only thing.

**Ms. Marci Ien:** My apologies.

**The Chair:** That's all right.

Mr. Ripley, do you have anything to sum up, very quickly?

**Mr. Thomas Owen Ripley:** Mr. Chair, to wrap up, I would suggest to Mr. Housefather that the department's perspective is to perhaps express a bit of caution when picking numbers without a full regulatory proceeding to get some evidence and basis on the table. Whether a service has a low number of subscribers or a high number of subscribers, they can still potentially make different contributions, again depending on that revenue level or that subscriber level. It's difficult to state it categorically.

• (1250)

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

Folks, the bells are ringing, as Ms. Ien pointed out. We have 10 minutes left in this meeting, which, between the bell time and the voting time, will be surpassed.

I have two options. I have a speakers list that has Mr. Louis next. We can proceed with that, but I will need unanimous consent in order to do so. Otherwise, we have to shut down. Given the fact that we have 10 minutes left in the meeting, and I can see by the clock that we have around 26 or 27 minutes to the vote, I will put forward the question on finishing off the meeting.

Would you like to continue?

[*Translation*]

**Mr. Alain Rayes:** Mr. Chair—

[*English*]

**The Chair:** Go ahead, Mr. Rayes.

[*Translation*]

**Mr. Alain Rayes:** I am on call today at the House and I am currently in another building, so I have to move. Unfortunately, it is impossible for me to continue the meeting. I don't even think the 10 minutes that are left will be enough, given all the requests that have been made to get explanations.

Unfortunately, I cannot support the unanimous consent request you are making. I would like to be able to go to the House of Commons to perform my duties.

[*English*]

**The Chair:** Okay.

[*Translation*]

Thank you very much, everyone.

[*English*]

Hearing “no”, I will suspend this meeting until the next time.

Happy voting, everybody. We will see you on Friday at the regular time and regular place.

One moment, please. Aimée just texted me and said “adjourn” six times, so I guess I have to say we're adjourned.

The meeting is adjourned.







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