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Chair: Ms. Iqra Khalid



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• (1210)

[English]

The Chair (Ms. Iqra Khalid (Mississauga—Erin Mills, Lib.)): We will start the second hour of this meeting.

For the duration of our study of Bill C-218, I welcome Mr. Masse, who will be replacing Mr. Garrison throughout this study.

Brian, welcome to our committee. It's really good to have you.

I know we're all quite familiar now with the Zoom technology, but I'll remind members to speak slowly and clearly, to please unmute when they are speaking and to mute when they are not speaking.

With that, I welcome Mr. Waugh, who is here by video conference, even though he's in Ottawa.

As a reminder, I have a one-minute card and a 30-second card for members as we go through our questioning, just to make it easier for everyone.

Mr. Waugh, you have five minutes to make your opening remarks.

Mr. Kevin Waugh (Saskatoon—Grasswood, CPC): Thank you very much, Madam Chair and all members of the justice committee, for inviting me here today to discuss Bill C-218, the safe and regulated sports betting act.

This important piece of legislation seeks to make a rather simple change to the Criminal Code to remove the long-standing restriction against betting on single-sport events, fights and races.

By the way, I was very happy to see the broad support this legislation received in the House of Commons last week and the positive remarks made by all colleagues from all parties.

Single-event sports betting already takes place in this country, and it is a massive industry. According to some estimates, the single-event sports betting industry is worth \$14 billion per year. Unfortunately, due to the fact that it is banned under the Criminal Code, this betting all takes place through offshore betting websites and black market bookmakers, most of whom have ties to criminal organizations like the Hells Angels.

This, in and of itself, spawns a variety of problems. First of all, the fact that single-event betting remains prohibited means that the provinces, which are typically responsible for management of lottery and betting systems, are totally unable to regulate this industry. As such, none of these websites or bookmakers are subject to any regulation or taxes.

Not being subject to regulation or government oversight, these websites have no consumer protection requirements, aren't required to maintain or support problem gambling programs, and don't reinvest or spur any further economic activity in the communities that they generate their profits from. This means that all of the profits from such wagers go straight into the pockets of foreign website operators and criminals. In the case of criminal organizations like the Hells Angels, which operate the black market betting rings and websites across this country, the money generated goes on to fund other forms of criminality, providing increased risk to the safety of our communities.

While parlay betting, which requires bettors to select the winners of multiple games correctly, is legal and already exists as a product available in Canada, parlay-betting products like Pro-Line and Sport Select generate only a small fraction of the sport betting in this country, approximately \$500 million per year. These products are naturally less attractive to bettors, as the odds of succeeding in their wagers are greatly reduced, so they seek avenues to bet on single events and go toward avenues that most bettors don't realize are actually restricted in this country.

By removing these restrictions in the Criminal Code and putting single-event betting into the hands of the provincial governments, the provinces will be able to offer the products that bettors actually want to bet on and take betting out of the hands, then, of this black market. Organizations such as the Western Canada Lottery Corporation, Lotto-Quebec, Ontario Lottery and Gaming Corporation and others that the governments might entrust with these products have experience in these industries and are highly regulated to ensure that consumers are well protected.

It also means that the billions of dollars that currently go to offshore sites and criminal organizations are actually going back into our communities, creating jobs and supporting community programs.

Many provincial governments and their regulators have expressed their support for this proposal, as have amateur sport organizations like Canada Soccer; professional sport leagues, including the National Hockey League, the National Basketball Association, Major League Baseball, the Canadian Football League and Major League Soccer; and community organizations, plus municipal governments.

In closing, Madam Chair, the legalization of single-event sport betting provides a much-needed opportunity to tackle illegal gambling in this country and create new opportunities for economic development and new avenues for a variety of sectors, especially given the difficult times that we find ourselves in.

Bill C-218 has widespread support, both in the House and across this country.

● (1215)

I trust that in the name of good policy we can work together to get this legislation through this committee and to the rest of the legislative process.

Again, thank you, Madam Chair, and all members of the committee, for your time here today. I'm more than happy to answer some questions.

The Chair: Thank you, Mr. Waugh.

That was five minutes on the dot. We appreciate that.

We're now going to go into our first round of questions, six minutes each, starting with Mr. Cooper.

Go ahead, sir.

Mr. Michael Cooper (St. Albert—Edmonton, CPC): Thank you very much, Madam Chair.

It's great to see my good friend Mr. Waugh here. Kevin, congratulations on the very decisive vote at second reading stage of your bill.

I also acknowledge Mr. Masse, who championed this issue in the last Parliament. That demonstrates this really has support across all party lines, and has for some time.

I want to allow you to elaborate a little bit on a few points you made in your presentation, Mr. Waugh.

You noted towards the end that this legislation has support among sports leagues like the NHL and CFL. Can you broadly speak to the impact this bill might have on the sports industry in Canada?

Mr. Kevin Waugh: Thank you, Mr. Cooper, for the question.

Last June, I received endorsements from all five professional leagues. This was a change in their policy. This is the fourth time this bill has come forward to the House of Commons—the second time, actually, to the justice committee—and a lot has changed over the years. It started way back in February, believe it or not, of 2011. Ten years later, we're still back here trying to get this bill moved on.

The sports leagues, many years ago, did not endorse regulated gaming. They have since changed their opinion. It was because of a Supreme Court decision in New Jersey in 2018, which changed everything. It legalized other states in the United States to actually operate single-event betting. Not only Nevada, but of course New Jersey, New York, Michigan, Montana and so on have hopped on board in the last two to three years.

When you look at these five professional leagues, they still supply the data to Nevada for betting in Las Vegas, so they're still very heavily involved in this. They want the single-event betting, be-

cause they have seen the need to get it regulated. In this country, it is regulated by the provincial bodies. That's why they came on board, Mr. Cooper, in June to talk about the need in Canada for a regulated single-game betting authority.

● (1220)

Mr. Michael Cooper: Just to pick up on that point, Mr. Waugh, in terms of the importance of regulation and oversight for single-event sports betting, can you elaborate on how important that is?

Mr. Kevin Waugh: I think it's very important, Mr. Cooper. If you look at society today, they want to be entertained, and sports is entertainment. It's big business. When I started in broadcasting over 40 years ago, I was a sportscaster on radio and TV in Saskatoon. The change in the market, to tell you the truth, came with sport industries like TSN, which started in 1984, and Sportsnet, which started in 1998. These were channels that went 24-7 on sports. In the industry, you have to fill black, as we say, and so they realized the need for eyeballs on their channels. Everybody watched the NFL. We got cable from the United States in the eighties, so Sunday sports was big. The NFL is the most bet-on sport in the world.

It's all come together, I would say. You have Mr. Masse in committee. We had his bill in 2016, which did not pass the House of Commons, and there were others. But I think now is the time in this country to move forward. We have seen the United States adopt this in 2018, and I think now professional leagues are on board 100% and they want this regulated.

Mr. Michael Cooper: You mentioned the United States, and the court ruling that arose out of actions that took place out of the state of New Jersey. Prior to that, only Nevada had it. You cited a few other states, but I think there's been really significant movement. I just wonder if you could perhaps expand upon that in the United States, in terms of how many states have moved in this direction following the court decision.

Mr. Kevin Waugh: It all started in 1992, when the U.S. Congress enacted the Professional and Amateur Sports Protection Act, prohibiting states from authorizing sport gambling. However, in a landmark ruling in 2018, the United States Supreme Court declared that the PASPA was unconstitutional. New Jersey challenged it and won.

Since then, we're well into 20 states in the United States that today have single-game betting. Many of those are on the Canadian border, which causes some issues with Niagara Falls and Windsor, but we'll get into that a little later. Many of the states are now looking at this legislation, and we will have between 40 and 45 of them take this up in the next year in the United States. You can see that single-game event betting is exploding in the United States.

Mr. Michael Cooper: Thank you for that.

The Chair: Thank you, Mr. Cooper.

I will now go to Mr. Kelloway for six minutes. Go ahead, sir.

Mr. Mike Kelloway (Cape Breton—Canso, Lib.): Thank you, Madam Chair.

MP Waugh, it's a real pleasure to meet you virtually. Hopefully some day soon we'll have a coffee. I'd like to learn more about your underlying passions around this bill, because it becomes evident very quickly that there is a passion for this.

I have a couple of questions for you. Appreciating that mental health and addictions fall under provincial jurisdiction, I'm wondering what you think the role of the federal government should be to address gambling addictions.

Mr. Kevin Waugh: That's a great question, Mr. Kelloway.

You are 100% correct. It is a provincial jurisdiction, but they can't get there without this bill passing third reading and going to the Senate for study. There have been a lot of studies in this country. The most recent study was two years ago and came out of the international symposium on April 24-25, 2019, held by the Ethical Sport Symposium. It is a great document, about 26 pages. I've spoken in the House, as have others, to this bill. We need to do more for addictions and mental health. We all know that.

Provincial governments right now are putting millions of dollars away to deal with this. I can tell you right now that with unregulated single-game betting, we don't know who is next door in their basement going on Bodog, Bet365 or any of the criminal organizations. We have no idea. We have an idea that well over \$14 billion per year are being bet, but we don't know the problem gambling. There's an old saying that the Hells Angels don't have a gambling program. Why would they? They're into this.

Provincial governments have been regulating gaming in this country for over 30 years. They have the expertise. They're ready for this bill to pass, and they're ready to legislate it in their provinces and territories.

You bring up a good point; we have talked about it lots in the House because there is a stigma with this bill. What we are going to do with addictions and mental health is a big question across the country, whether it's opiates, drinking, smoking or so on.

• (1225)

Mr. Mike Kelloway: Thank you so much, MP Waugh, for that.

You mentioned the provinces supporting it. Is that from coast to coast? What is the breakdown in terms of provinces that are behind it? Is it all of them, 70% of them or...? Can you give us a sense of that?

Mr. Kevin Waugh: The Western Canada Lottery Corporation, which looks after Alberta, Saskatchewan, Manitoba and the territories, is ready for this. British Columbia is ready for it. Alberta certainly is, as well as Ontario and Quebec. I would say Ontario, Quebec and B.C. are the three jurisdictions that are ready today to move forward. They're looking at an app on your mobile device that would—

Mr. Mike Kelloway: Interesting.

Mr. Kevin Waugh: Yes. There is lots of competition in this market. DraftKings and Score Media you will meet later, I think, in testimony. This is moving very quickly. I would say 100% that some will be up before others. Quebec will be one of the first provinces to move forward if this bill is passed, along with British Columbia. Ontario has done a lot of work in this. You're going to meet, from my province, the Saskatchewan Indian Gaming Authority—Zane Hansen is coming to your committee. They employ hundreds or thousands of indigenous workers in their casinos. They want to bring this to Saskatchewan, and you're going to hear Zane's story.

All jurisdictions are ready for this. They're working behind the scenes to make sure that, if this is passed, they can get up and running within weeks.

Mr. Mike Kelloway: Madam Chair, how much time do I have?

The Chair: You have two minutes.

Mr. Mike Kelloway: Okay, great, because I am really interested in this bill.

You mentioned organized crime, MP Waugh. You might have addressed this, and I may have missed it, but do we have anything quantifiable in terms of the money that is made by organized crime on single-sport betting?

Mr. Kevin Waugh: Paul Burns from the Canadian Gaming Association came up with \$14 billion. He's been working on this for many years, and \$4 billion is offshore websites like Bodog, Bet365 and so on, because people in this country were parlay betting. I mentioned \$500 million coast to coast. For parlay betting, as I mentioned in my speech, the odds aren't as good. If you wanted to do single-game betting, you can't do it legally in this country today, so \$4 billion goes to the offshore websites, and up to \$10 billion goes to organized crime.

We're not getting any benefit in any jurisdiction in this country when that money, in essence, is leaving the country and doesn't go back into the provincial coffers.

Mr. Mike Kelloway: Thank you for that, MP Waugh.

How soon would single-sport betting be legalized if this bill passes?

Mr. Kevin Waugh: Well, like I said, I think Quebec was ready three to four weeks in. They could pull this off. Let's say we get this passed through third reading into the Senate, and it comes out of the Senate. I think that, within a month, single-event sport betting could take place in this country, which would really be a bonus in Canada.

Mr. Mike Kelloway: Thank you so much.

The Chair: Thank you.

Thank you, Mr. Kelloway.

[*Translation*]

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

Mr. Rhéal Fortin (Rivière-du-Nord, BQ): Thank you, Madam Chair.

Good morning, Mr. Waugh. I am pleased to meet you here rather than more formally in a meeting room in the House.

I also understand your passion for this bill and I will say that we in the Bloc Québécois are quite favourable to it.

That said, there are of course some grey areas, as in any legislation. Sports gambling addiction is a major issue, and it concerns us. Loto-Québec already has programs to address it and we feel that the province is in a position to manage the problem.

However, one aspect of the issue came to my attention head-on last week as I was listening to a report on Radio-Canada. Some experts were talking about fixing sports events and telling us that we had to be careful. They pointed out that the criminal underworld, organized crime, can fix a single event easier than it can fix a number of them and, if legislation allowed single event sports betting, it would open the door to abuse. A fix, for example, could be to offer \$1 million to a goalkeeper to let in more goals in a hockey game, knowing that the profit would be \$2 million or \$3 million.

I see that as a major concern and I'd like to know your view. If we allow betting on a single sport event, aren't we running the risk of exposing ourselves to manipulation by organized crime?

• (1230)

[*English*]

Mr. Kevin Waugh: Thank you for that question, MP Fortin. It was interesting in the House of Commons last week when one of our members stood up and talked about the mob activity in Montreal. It was an interesting speech that your member gave for 10 minutes in the House of Commons in the final reading of the bill.

Like I said, Ethical Sport Symposium two years ago, match manipulation and gambling.... So we're on top of this in this country. It's a concern. They did a white paper in response to this. Canada, I would say, is doing okay, but it is a concern; I am not going to say it isn't. At the same time, what do you say today when we have organized crime along with the offshore sites practically involved in it and we're not getting anything out of this?

I think, when you look at it today, Major League Baseball has a program that spring training is going under right now in Arizona and Florida, where Commissioner Manfred is talking to the teams about this. The National Hockey League has a program. The NBA has a program. All professional leagues have a program. They have staff that are talking to their athletes. They're looking at any manipulation that may or may not happen, but I can't sit here today and tell you it won't happen. I just can't. But the leagues, the professional leagues, are doing their due diligence, and I think in this country maybe we do need a commission to oversee the professional etiquette of sports in this. That's something that may eventually come out of this bill.

[*Translation*]

Mr. Rhéal Fortin: So you would be in favour of establishing a commission. Rather than waiting for it to be established, is it something that we could act on in parallel to the legalization?

Would it be appropriate to set up a program to tackle the adverse effects of gambling? We know that it's going to generate huge profits. From what I gathered earlier, you do not have exact figures and you do not know how much profit this could generate. Would it be appropriate to look at a certain percentage of the profits being used to fight gambling addiction and, at the same time, the organized crime that can set itself up around sports betting? Could percentages like that be established?

[*English*]

Mr. Kevin Waugh: Right now, all the provincial authorities... The Ontario Lottery and Gaming Corporation spends over \$100 million a year on addictions, with advertising and so on. Each province across this country, in connection with the lottery corporations, does that. They spend a lot of money on addictions and gambling issues. Could they spend more if the bill passes? Yes, they could. They're going to get a sizable amount of money from single-event game betting.

The parlay betting in this country, run by Pro-Line and Sport Select, has run its course. I mentioned that about \$500 million a year is spent in this country, compared with illegal betting of \$14 billion.

If this bill is passed, we're speaking of billions of dollars. This is entertainment that people are doing illegally today. It is possible that the betting industry in Canada will go up. It will be an industry worth \$20 billion-plus per year when this bill is passed.

• (1235)

The Chair: Thank you.

[*Translation*]

Thank you, Mr. Fortin.

[*English*]

We'll now go to Mr. Masse for six minutes.

Mr. Brian Masse (Windsor West, NDP): Thank you, Madam Chair, for having me here today as a guest from the industry committee. I look forward to the study.

Thank you, Mr. Waugh, for your work on this bill. It's been very strong, and I know you've reached out across all party lines, including the first time you came to me about this. I really appreciate that.

This work actually goes back to another member of Parliament, my former colleague Joe Comartin. I got involved when he became deputy speaker. He had to recuse himself from legislative work, so he inherited extra money and I inherited his work on this bill, which is about 10 years in the making. These are the deals you make.

At any rate, Mr. Waugh, I want you to talk a bit about the understanding that this law would facilitate the provinces to do what they want with regard to single-event sports betting. It doesn't make them have to do anything either prematurely or right away. They get to roll out their own organized structures and plans as they go down this road.

Maybe you can comment on that, because I think there needs to be an appreciation that each province really defines its own destiny in many respects of this.

Mr. Kevin Waugh: Mr. Masse, the member for Windsor West, I want to first thank you for all the work you did on your bill. You were the champion in 2016 of Bill C-221, and you've been a great ally to me. I drew number seven overall in the private member's bill draw and came to you right away because I did see the need in this country for single-event betting.

As you well know, the provinces, other than New Brunswick, have spent 30 years regulating lotteries and gaming. They have all the expertise. You're exactly right on that. As I said, I think Quebec and maybe B.C. might get the jump a month in if this bill passes, but there are others that may not bring this bill out for a year. They'll have those discussions.

I can look at the Western Canada Lottery Corporation. The head office is in Leduc, Alberta. They may take a little longer because they're dealing with three provinces and one territory. Will you still go to the corner grocery store to fill out a sheet, or will you go to an app? These are questions that only the provincial authorities are looking at right now. Some are ahead of others, and some may take a little while. We'll see how this goes.

The provinces are ready for this, and I don't have to tell you that this is 10 years in the making. They're still gun-shy on this bill because they have been disappointed in the past, not only with your bill, but with Mr. Comartin's bill and then Bill C-627. However, they are ready, and we'll see where that goes.

Mr. Brian Masse: This isn't the first time we've actually modernized our laws. Mr. Joe Comartin, and Shaughnessy Cohen, a Liberal cabinet minister at the time, worked on the dice games with regards to.... It goes back to basically colonial times. It's hard to believe, but it's true.

With regards to the jobs related to this, I think there shouldn't be an underestimation about some of the high-tech sector.... I know there's often a focus on casino jobs or jobs that are immediately related to tourism.

Can you speak a little bit about the value-added jobs from those in the sector? There's a company out there in Halifax and there are app companies elsewhere. There are more than just the hospitality jobs. Could you just touch on that, please?

Mr. Kevin Waugh: I was surprised when I talked to Zane Hansen in my province last week, after this did get through the House of Commons with a vote of 303 to 15. He's the CEO of the Saskatchewan Indian Gaming Authority. They're working on an app today because their casinos have been shut down seven of the last 12 months. He had over 2,000 employees; he's down to 125 today. We're shut down for another month in Saskatchewan, and he doesn't know when the casinos will open.

On the other hand, this has given them a chance to refit. They've reached out to several companies about gaming to see if they can have an agreement with the provincial government in Saskatchewan for single-event gaming. Everybody is digital now. A good portion of this country has gone digital. This has given companies in this country a real good reset to come forth with ideas on how we can enjoy gaming.

I sit on plane a lot going back and forth, and everyone's playing solitaire. There are others on casino sites spinning slots and so on. You just have to look over a seat or two and you realize how big the entertainment industry is in North America with gaming.

● (1240)

Mr. Brian Masse: I just have a minute.

Your notation about organized crime is accurate. As well, if we don't have any revenue stream coming in, I don't think any evidence shows that organized crime is helping sustain social programs to deal with the consequences for those with addiction to gaming or other types of issues that come out of this issue.

Mr. Kevin Waugh: We know there's \$14 billion-plus going to organized crime and off-site websites. Listen, if this passes, do you think we're going to get all that into the provincial authority? Of course not, but we're going to get a good portion of that. That's what we need in my province. We give it back to small communities for arts, culture and sports.

I would say that in this country, a lot of provincial authorities give that money back to these kinds of organizations to make the communities that much better.

You're absolutely right with organized crime. That is an issue that we have to look at in this country.

The Chair: Thank you very much for that, Mr. Masse and Mr. Waugh.

We'll go into our second round, of five minutes, starting with Mr. Lewis.

Go ahead, sir. You have five minutes.

Mr. Chris Lewis (Essex, CPC): Thank you, Madam Chair.

I believe Ms. Findlay is going to take these questions.

The Chair: Go ahead, Ms. Findlay.

Hon. Kerry-Lynne Findlay (South Surrey—White Rock, CPC): Thank you, Madam Chair.

First of all, I want to thank my colleague Kevin Waugh, MP for Saskatoon—Grasswood, for sponsoring this bill. It's a bit of *déjà vu* for me because when Joe Comartin first brought this up some years ago, I was on the justice committee then, so I'm revisiting this. I think things have evolved quite a bit.

MP Waugh, my riding of South Surrey—White Rock borders on Washington state. They have had legalized single-event betting in tribal casinos. Could you speak to how much economic activity is being lost in border communities like mine where neighbouring U.S. states have legalized single-event sports betting in some capacity?

Mr. Kevin Waugh: Yes, and thank you, MP Findlay, for the history going back when this bill actually came to the justice committee for the first time. It did pass through the justice committee and into the House, so that was good.

You're losing billions of dollars, especially in British Columbia. There is no question. I look at the single-game betting for sports where you're on the border with Washington. They're going to get a new NHL franchise this fall. They have NFL football. They have the Seattle Mariners of Major League Baseball. You are losing out in millions of dollars that the Province of B.C. could give back to the communities in your neighbourhoods.

I've watched and I've looked at the graph of Pro-Line and Sport Select from B.C., because you were around \$100 million and now you're down to \$90 million, and the graph is continually going down in the province of B.C. I can tell you, you've lost at least \$10 million to \$15 million per year on Pro-Line because of that graph. People are finding ways to enjoy gaming. They have left the B.C. Lottery Corporation. They know that.

As I've just told you, in one year I've seen a reduction of at least \$10 million in betting alone from the B.C. Lottery Corporation, which could be used in your province.

Hon. Kerry-Lynne Findlay: Thank you.

Speaking of that, from my former life, I also know about tax revenues. This could generate considerable tax revenue.

I know the B.C. Lottery Corporation supports the bill. They have said that they expect it could mean \$125 million to \$175 million in additional annual revenue in B.C.

I know we've spoken a bit already about programs that are out there around treating problem gambling and education. You've looked into this in the most detail. If this bill is passed, what programs in that area would you like to see?

• (1245)

Mr. Kevin Waugh: I think it's best practices. I have "Responsible Gambling Programming: A Cross-Canada Review" in front of me here, put on by the Canadian gaming authority.

As I've just said to you, the provincial governments have regulated gaming in this country now for the last 30 years. They have a good head start on the addiction program, on the mental health program. They have the expertise.

There has been a ton. This one was from 2020, when the responsible gambling program was put out by the Canadian Gaming Asso-

ciation. This is where some of the money has to go when this bill does pass.

We also know that there are the most vulnerable. This has to continue for the provincial authorities to deal with this, not only in B.C. but in every jurisdiction in this country.

Everybody seems to be on board that yes, maybe we're going to get a windfall, but let's not blow this money. You mentioned \$150 million to \$175 million if this bill passes in the province of B.C. Let's put some back into the gambling programs and the addiction programs, which as MPs we have no authority over, but we can certainly have those conversations. I've had those conversations with several provincial jurisdictions.

Hon. Kerry-Lynne Findlay: I appreciate that.

I think my time is up. The chair is smiling at me indulgently.

Thank you very much, and thank you for being here today.

Mr. Kevin Waugh: Thank you for your work on this.

The Chair: Thank you, Madame Findlay.

We'll now go to Mr. Maloney for five minutes.

Go ahead.

Mr. James Maloney (Etobicoke—Lakeshore, Lib.): Thank you, Madam Chair.

Let me add my congratulations to my friend Mr. Waugh on successfully navigating his bill through the House of Commons. Getting things through the House is never easy, as we all know.

I share your sentiment about working together, a sentiment that's been reinforced in my mind more recently.

For starters, I support this bill, and I understand the reasoning behind it and the issue with respect to illegal gambling. Look, the fact is that I can go out tomorrow and in five minutes place a bet on anything I want for any amount of money I want, and everybody here can. If you don't know somebody, you can find somebody in five minutes.

This makes sense. My concern is the implications that flow from it, because, as we all know, gambling in Canada and here in Ontario, which I can speak to, has been an evolution. You've talked about sports Pro-Line. I remember when that came out. It was monumental. It was groundbreaking stuff. At the time, everybody rushed out and started betting on three hockey games, including me. I did it twice, and the novelty wore off. The concern is that this is going to lead to bigger gambling problems.

I've done some reading. I'm an avid hockey fan. I know that you've talked about sports already, but The Hockey News just came out with its recent edition, which is titled "Money & Power". In it, there's an article about how the NHL is going to recover from COVID and the impact it's had on them. One of the things they talk about extensively is gambling, and specifically single-game betting.

The road they go down is that these teams are using this as a means to generate more revenue. While they're supporting the issue based on getting rid of criminal activity, greed and desire to make money are sometimes cloaked in nobility, and I think there's a bit of that going on here. Some of these teams are anxiously awaiting this.

In fact, the article makes it very clear the NHL is really hoping this is done in time for the playoffs, because there's a lot of money to be made by the league. It's going to drive fans into rinks, and this is where my question is. Here's what a lot of these teams are going to say: "We are now driving people to bet on games and we're doing it at the games. It's putting bums in seats and putting fingers on bets. We want a piece of the action."

Do you have any concern that the teams are going to take that greed and advertise, promote and encourage people to participate in this activity in a way that's going to be a detriment to people's mental health and addiction?

• (1250)

Mr. Kevin Waugh: Thanks for that question, MP Maloney.

Let's be honest with this. Rogers Sportsnet spent billions of dollars on the 12- or 13-year contract they got from the National Hockey League. How do you get that to pay for itself today? People are not staying.... We saw the Super Bowl, Mr. Maloney, with the lowest ratings since 2006, yet we had a storyline there of one of the great quarterbacks of all time, Tom Brady, against the upstart Kansas City Chiefs.

Yes, the NHL has lost billions of dollars in the last year because of COVID. They desperately want to retrieve some of the money they have lost. We've seen advertising that is going to be taking place around the boards, on the ice and maybe even on the sweaters. I can tell you that one of the major concerns is the TV audience. Ratings are a big concern right now for all sports.

There was an article by Dan Barnes in the Calgary Herald last Thursday, who said that the Canadian Football League needs this bill to pass because they need the younger generation to get engaged in the sport. They are like the NHL. You need bums in seats. The CFL didn't run at all last year. If they don't run this year, I doubt the league will ever get off the ground again.

Yes, this is an avenue that all professional leagues need right now.

Mr. James Maloney: Thank you, Mr. Waugh.

I only have 30 seconds, so this is going to be more of a statement than a question. I really do appreciate your efforts on this.

You used the CFL as an example. Somebody brought up rigged games. That's not going to happen in the NHL and the NBA because these guys make so much money that you can't. It's impossi-

ble. I would worry more about leagues like the CFL or the Canadian Premier League soccer teams, where these players aren't making a lot of money. There is some basis for concern in that regard in some of these other leagues, depending on how the provinces roll this out, what leagues are allowed to participate and how they're allowed to participate. I just want to make sure these safeguards are on the radar, that's all.

I'm out of time. Thank you.

The Chair: Thank you very much, Mr. Maloney.

We'll go to Monsieur Fortin for two and a half minutes.

Please go ahead, sir.

[*Translation*]

Mr. Rhéal Fortin: Thank you, Madam Chair.

Mr. Waugh, it is no secret to anyone that the Bloc Québécois is in favour of your bill.

We in the Bloc Québécois also feel that there are a number of reasons to leave the governments of Quebec and the provinces to manage this industry and use the profits that it generates as they see fit. We are on the same wavelength in that respect.

Could you quickly explain to us the difference between Bill C-13 and Bill C-218? We understand that Bill C-218 would repeal the paragraph in question completely, whereas the proposal in Bill C-13 is to keep the provision as it applies to horseracing.

If Bill C-13 is passed, would you be satisfied? Does our choice have to be to completely remove the paragraph in its entirety?

[*English*]

Mr. Kevin Waugh: Yes. Last Thursday in the House of Commons, the government withdrew their Bill C-13. It was similar to mine. It had a couple of amendments dealing with horse racing, the protection of the horse-racing industry, and the parimutuels. I would be open to those amendments in the justice committee.

I am surprised at you, because you lost a professional hockey team in your province in the Québec Nordiques.

Mr. Rhéal Fortin: The best team.

Mr. Kevin Waugh: You've never recovered from it. You have an empty arena in Quebec City, and here you are asking questions about Bill C-13 when we need the Québec Nordiques, who in their demise went to Colorado, to fill the Colisée de Québec.

[*Translation*]

Mr. Rhéal Fortin: As I understand it, you could be satisfied with the amendment that Bill C-13 is proposing but you prefer it to be repealed entirely. Your position is that your Bill C-218 is the one we should pass. Is that correct?

• (1255)

[*English*]

Mr. Kevin Waugh: It is, but the government did support my bill. Theirs included the horse-racing amendments. So yes, you will look at those in the justice committee and make the decision, but I am open.

[*Translation*]

Mr. Rhéal Fortin: Thank you, Mr. Waugh.

[*English*]

The Chair: Thank you, Monsieur Fortin.

Now we'll go back to Mr. Masse for two and a half minutes.

Go ahead, sir.

Mr. Brian Masse: Thank you, Madam Chair.

I remember the Nordiques and the last time we went through this bill...was the promise of the Nordiques being returned to Quebec as reason not to do the bill by some.

Voices: Oh, oh!

Mr. Brian Masse: So it didn't work out that way, either.

Mr. Waugh, you mentioned consumer protection. That doesn't get a lot of attention. If you go on your phone, you can get all kinds of apps for sports betting. You can bet overseas and so forth, but we don't know the margins and also the consumer issues with some of these nefarious sites.

Can you maybe note how consumer protections might be better regulated through this? Some are better than others with regard to these offshore sites. Maybe you can highlight that a bit, please.

Mr. Kevin Waugh: You're right. Bodog and Bet365 have different odds to lure the bettors onto their sites. I did notice today in the Toronto Star that they had the six NHL games and the lines. They had the nine NBA games and the lines. But they will change. I mean, that happens. Most papers in this country now provide betting lines each day. It's not prevented.

Years ago, it was Pro-Line that would buy an ad in the paper and give you the list of games. That's not happening now. The consumer realizes that single-game betting is where it's at. That's what their appetite is. The provinces need to have this to compete against the illegal sites and criminal organizations. This will be regulated in part through Las Vegas because of the gaming and the set of the lines. For example, if somebody is out of the lineup, that will certainly change the odds of that game when you do come to bet on it.

Mr. Brian Masse: Thank you.

I know I'm running out of time, Madam Chair, but I agree that we should look at the considerations of the horse-racing industry. Although a lot of their issues will be regulated provincially as well, they're worth examining and taking very seriously.

Thank you, Mr. Waugh.

Mr. Kevin Waugh: Thank you, MP Masse, for all your work on your bill and for piggybacking with me on my private member's bill, Bill C-218.

The Chair: Thank you for that, Mr. Masse and Mr. Waugh.

This concludes our time here today with Mr. Waugh. Members, thank you for a very informative meeting, and I'll see you at the next one.

The meeting is adjourned.

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