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Chair: Mr. Joël Lightbound



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• (1105)

[Translation]

The Chair (Mr. Joël Lightbound (Louis-Hébert, Lib.)): I call this meeting to order.

Welcome to meeting No. 31 of the House of Commons Standing Committee on Industry and Technology. Pursuant to Standing Order 108(2) and the motion adopted by the committee on Friday, July 15, 2022, the committee is meeting to study the Rogers Communications service outages in early July.

Today's meeting is taking place in a hybrid format, pursuant to the House Order of Thursday, June 23, 2022. For members in the room, if you wish to speak, please raise your hand. For members on Zoom, please use the raise hand function. The clerk and I will manage the speaking order as best we can.

For the first hour today, we will be hearing from, and we thank him for being available, the Honourable François-Philippe Champagne, member for Saint-Maurice—Champlain and Minister of Innovation, Science and Industry. He is accompanied by Simon Kennedy, deputy minister, as well as Éric Dagenais, senior assistant deputy minister, Spectrum and Telecommunications Sector, and Mark Schaan, associate assistant deputy minister, Strategy and Innovation Policy Sector.

For the second hour, dear colleagues and members of the public, from Rogers Communications, we will be hearing from Tony Staffieri, president and chief executive officer, as well as Ron McKenzie, chief technology and information officer.

Without further delay, Mr. Minister, the floor is yours.

Hon. François-Philippe Champagne (Minister of Innovation, Science and Industry): Mr. Chair, esteemed colleagues, it is a pleasure to be with you today.

We are here today because on July 8, something unacceptable happened in our country. I am convinced each and every one of you heard countless stories from frustrated constituents who were impacted by the Rogers outage on July 8—I know I did.

The Rogers outage concerns all Canadians, and not only the company's more than 12 million clients who were directly impacted. As I have said many times, what happened on July 8 is absolutely unacceptable, period.

Canadians rightfully deserve answers for what happened.

[English]

Mr. Chair, this is why it was so important for me to come before this committee today. Let's remember that during the outage, millions of Canadians were without cellphone and Internet access for more than 15 hours. Literally hundreds of thousands of small and medium-sized businesses had to turn customers away because they were unable to use Interac to complete transactions. Government departments lost the ability to provide services to Canadians. Most worrisome, countless Canadians lost the ability to call 911.

Again, this is simply unacceptable, full stop. That is the message I conveyed to Tony Staffieri, the CEO of Rogers, on multiple occasions since July 8. I used my voice to amplify the voice of millions of Canadians and expressed in no uncertain terms their frustration with this unprecedented outage in our country. Mr. Staffieri has acknowledged that Rogers has broken the public's trust and has agreed to taking a series of actions to address this matter promptly and decisively.

While the responsibility for the outage rests solely with Rogers, we now have to be in solution mode. That's the attitude I have adopted since the very first hours of this outage.

I was informed of the outage by my team in the late afternoon of July 8 Tokyo time—which was very early morning on July 8 here in Ottawa—as I was wrapping up a week-long mission to Japan. A few hours later, I received an update indicating that the outage now seemed more serious than originally anticipated. I immediately picked up the phone, not only to contact the CEO of Rogers, but also the CEOs of Telus and Bell to see how they could possibly help.

As soon as I landed back in Canada the next day, I convened a meeting with the CEOs of Rogers, Telus, Bell, Videotron, Shaw, SaskTel and Eastlink. I directed them to take immediate action to improve network resiliency and reliability across Canada. As a first step, I demanded that within 60 days the companies enter into a formal binding agreement ensuring and guaranteeing three things: emergency roaming, mutual assistance, and a communication protocol for advising the public and government on major outages and other emergencies.

Folks, the clock is ticking and there are 45 days left to deliver on that commitment.

In a similar fashion, the U.S. Federal Communications Commission recently adopted measures to improve network resiliency, on July 6.

As you know, the CRTC is also conducting a detailed investigation of the outage, including the measures that Rogers is putting in place to prevent similar outages. I've also directed the Canadian Security Telecommunications Advisory Committee to develop additional proposals to improve network resiliency on the basis of their findings.

As I said from the outset, we will consider more measures to have the network resiliency that Canadians deserve.

• (1110)

[*Translation*]

To conclude, I would note that all Canadians deserve strong, reliable, affordable and resilient communications networks. That is why we are going to insist that Canada's telecom providers are better prepared to prevent future outages. We also need to continue to hold Canada's telecom providers accountable, and we will do so on behalf of Canadians.

In closing, let me say this: there are some who will see an opportunity today to talk about a number of issues relating to telcos in Canada—from competition, to the proposed Rogers-Shaw merger, to many other subjects, I'm sure. While I'll be more than happy to answer those questions—to the extent I can—I think that today, Canadians expect us to talk about two things.

First, what happened on July 8 and why. Second, what solutions do we have going forward to ensure that a situation like this does not happen again.

With that, I will be happy to take questions from my House of Commons colleagues.

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

We'll now begin the first round of questions.

Mr. G n reux, you have the floor for six minutes.

Mr. Bernard G n reux (Montmagny—L'Islet—Kamouraska—Rivi re-du-Loup, CPC): Thank you very much, Mr. Chair.

Mr. Minister, thank you for being here this morning.

You are absolutely right, we could indeed ask several questions in relation to this incident. However, I'll stick to what you suggested. I don't know if we can see this as an advantage or disadvantage, but in order to cover all of Canada, you had to contact five companies, which represent 95% of the customer base in Canada.

Do you think this incident highlights the lack of competition or the lack of players in Canada to serve the entire population and prevent this type of thing from happening again?

Hon. Fran ois-Philippe Champagne: First of all, thank you for the question, Mr. G n reux.

In fact, there is no doubt that competition promotes resilience. It is a challenge. As you know, from the beginning, I've been talking about affordability, competition, and innovation. That's also why the first thing I did when I spoke to the president and CEO of Rogers was to express the frustration of the 12 million Canadians who had been deprived of service, the hundreds of thousands of

small- and medium-sized businesses across the country, but also people who deal with emergency services.

I called for immediate action to improve resilience in this country. I also asked the telecommunications companies to establish this mutual assistance agreement through a formal agreement. It already existed, but we want it to be done by contract

I also asked that we allow for the roaming that we need for emergencies in these cases. We also need a better communication protocol with Canadians. I also think that, in this regard, I have expressed the frustration of Canadians regarding the problem of communicating with citizens and customers during this unprecedented outage in the country.

Mr. Bernard G n reux: Mr. Minister, we know that 95% of the Canadian population is served by about five or six large companies. You talked about the lack of resilience and the problem of being in a situation where almost a third, if not half of Canadians are no longer able to communicate, particularly with emergency services.

You have asked the companies to talk to each other and establish a contract. I'm in business myself, and I know that all companies have different levels of commitment when it comes to investments, prioritization of areas served, and so on.

You spoke to the executives of Bell, Telus and Videotron. These companies do not see themselves at the same level, not only in terms of competitiveness, but also in terms of the infrastructure that they share or own.

What assurances have you received from their leadership that in 45 days, as you said, this agreement will indeed be concluded?

Have you obtained a commitment from these companies?

• (1115)

Hon. Fran ois-Philippe Champagne: Yes, I have obtained this commitment.

When I spoke to the heads of the companies, the issue could not have been more serious. In fact, I didn't ask, but demanded that they establish a formal contract to do three specific things.

It's good to have a mutual assistance arrangement, but I want it to be established by a formal contract between the companies. I also want emergency roaming codified and to have a well-established communication protocol with government and customers.

So it wasn't just about intent, it was about obligation, and I was assured—

Mr. Bernard G n reux: Mr. Minister, I doubt that such an agreement can be reached in 60 days, and in the middle of summer. I regret to say that I am skeptical.

What will the repercussions be for these companies if they are unable to reach an agreement within 60 days?

What authority do you have in this regard?

Hon. François-Philippe Champagne: First, there is no doubt that telecommunications companies in Canada listen to the Minister of Innovation, Science and Industry, who is the regulator. Second, I have the formal commitment of the executives of each of the companies. I can tell you that when I spoke to them, it was not a time for opinions. What I asked them was clear and direct. It was a formal requirement. You'll have the opportunity to verify that, because I think you'll have the president of Rogers as a witness.

A committee has been formed, which is overseen by the Canadian Telecom Resilience Working Group. It's an existing working group, co-chaired by representatives of Rogers and Éric Dagenais, a senior official in our department. They are leading the work that will be done in the remaining 45 days.

Mr. Généreux, I can tell you that when I called the company executives and asked them to come on Monday, everyone showed up to find solutions. I think everyone recognized that we have experienced an unacceptable incident and that immediate action is needed.

I must be clear with you, Mr. Généreux: this is only the beginning. I told the executives that I am going to demand even more from them. The CRTC will still continue its investigation, and we will review the recommendations that will be made. Then, I will require further action from these companies.

I can tell you that, at this point, company executives agree with me that more needs to be done to increase the resiliency of telecom services in this country.

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

[English]

We'll now turn to MP Dong for six minutes.

Mr. Han Dong (Don Valley North, Lib.): Thank you very much, Chair.

Minister, it's so good to see you. It's been a while. Thank you very much for coming to the committee.

I woke up on July 8 and couldn't get any of my devices working. Like many Canadians, my family has a bundled service with Rogers—for more than 20 years—so it caused a bit of panic. Luckily, one of my work phones was served by Bell, so I learned from social media, as reported by all news outlets, that there was a massive outage, but there wasn't any communication from Rogers until closer to noon.

As Rogers customers, we all wanted to know what happened and when the service would be returned.

You acted very quickly on that weekend, reaching out to Rogers, but before you reached out, were any proactive measures taken on Rogers' side to explain to you, as the head of the department, what was going on or happening?

• (1120)

Hon. François-Philippe Champagne: Thank you very much, MP Dong. It's great to see you again as well, my friend.

As you know, I was wrapping up a mission in Japan as the events unfolded, when I was made aware of the initial issue that we had with the Rogers network. With the time difference, I think it was in the very early hours in Tokyo, if I recall—around 4 or 5 a.m.—that I was made aware it was more serious. At that point, I did reach out immediately to Tony Staffieri, the CEO of Rogers.

Obviously, he understood the seriousness of the situation and the obligation he had to inform the minister of industry of the situation. On that call, I first inquired about the network situation and how long it would take. Obviously, at that moment I was expressing the frustration of millions of Canadians, but I was also in solution mode. When you have a crisis of that nature, which is unprecedented....

Immediately after that call, I reached out to the CEOs of Bell and Telus. Everyone offered their assistance. The Canadian Telecom Resiliency Working Group was also called upon to make sure that an update was provided by Rogers, but I would say, MP Dong, my takeaway from what happened....

This is why I demanded—I did not ask, I demanded—three things from the telecom companies in Canada, as I landed in Canada a few hours later.

I convened a meeting with them. First, I wanted to formalize the mutual assistance agreement. I knew that some form of informal mutual assistance existed between the networks, but I said, "This is not good enough for Canadians. Now you need to enter into a binding formal agreement to include that."

The second thing was emergency roaming, and that is quite similar to what the Federal Communications Commission did in the United States recently on July 6.

However, I went beyond that, MP Dong, to address exactly what you said. They failed to inform the Canadian public properly. They failed to inform the Government of Canada properly. It should not be up to the Minister of Industry to reach out to the CEO of Rogers. It should be the other way—

Mr. Han Dong: That's my point, Minister.

Hon. François-Philippe Champagne: It should be the other way around, and I think—

Mr. Han Dong: Exactly. The waiting period not only was creating frustration, but also had the potential of creating chaos. A lot of people were guessing what was going on: Was there a cyber-attack on Canada?

You said you first learned about this at four or five o'clock in the afternoon Toronto or Ottawa time, but when did you first talk to the CEO of Rogers?

Hon. François-Philippe Champagne: Let's make sure we don't confuse the time zones, because let's remember, MP Dong, that I was in Tokyo at that moment. When I said four or five, I meant 4 or 5 a.m. Tokyo time. This was still pretty much early morning for me in Tokyo, so one would have to work back.

I immediately called Tony Staffieri. Your point, if I may, MP Dong, is exactly the point that I made to them. It should not be for the minister to chase the CEO of a major telco in Canada when something like this happens. Rather, it should be the other way around.

That's why I insisted on the three points I noted. I want a formal agreement, and I insisted that we have a communication protocol first with the public, because the public is entitled to know what's going on, and second with the Government of Canada. It's to make sure that when any such thing happens, there's a better communication channel.

I must say that since this happened, the CEO of Rogers has reached out to me to update me regularly, and I think we already see improvements in that respect. This needs to be codified, and that's what the formal binding agreement will be doing.

Mr. Han Dong: This is not the first time. As recently as 2021, they had a regional outage as well. At the time, the CEO said, "We're not just going to get to the bottom of this but work very hard to make sure it doesn't happen again", but sure enough, in less than two years this is happening.

What gives you the confidence that all of these additional measures you mentioned are actually going to change the industry and make sure that Canadians don't suffer in the future in an event like this? I ask because by Rogers' explanation, all of these updates are quite routine, so it could happen again.

Hon. François-Philippe Champagne: This was Rogers' failure, and let's be clear that this is a failure by one company. To your point, I agree with you. That's why from the get-go, as you may recall, MP Dong, I not only spoke to the CEO of Rogers, to the CEOs of Bell and Telus and to a broader network, but also went to the public and the media and explained the situation. At the time, I very openly and very clearly expressed my frustration. I said this was unacceptable and that we need to implement immediate action. I immediately said as well that these would be initial steps. That's why I think the work of this committee is so crucial, as is the work of the CRTC, in understanding the root cause.

As we understand the facts, this was a coding error in a routine update. It poses some questions. How could this ever happen? What kind of system needs to be put in place? What kind of review needs to be put in place? It is a bit like with a near disaster investigation: You need to take the time to get to the root cause. Once we understand better the chain of events and what failed at Rogers, we will obviously make sure that we take additional steps to close that gap. I've been very clear with the CEOs that I will demand more of them. Those were the initial steps, I would say, within hours of the outage.

• (1125)

The Chair: Thank you, Minister.

[Translation]

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

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

Mr. Minister, you asked for a mediation meeting on July 4 and 5, particularly with the Competition Bureau and various competitors of Rogers, if I can put it that way.

You just said that what happened was Rogers' failure. Before that meeting, did you hold a technical briefing with the people from Rogers? Did the executives explain to you what happened during that outage?

Hon. François-Philippe Champagne: I'm happy to see you again, Mr. Lemire.

First, let me tell you that the telemeeting I held was with the heads of the telecom companies. The CRTC, which is an independent body, did not attend this meeting.

In the early hours of the outage, when we were still wondering if it was a cyber-attack, in the first discussion I had with the president of Rogers, he informed me of what had happened. He explained to me the initial findings of an internal investigation. He told me that the company had asked international experts to help them determine the nature of the outage. They also asked their equipment vendors to help get the system back online as quickly as possible.

I spoke to the president of Rogers another time later. Later, we had this telemeeting with the heads of the other six major telecommunications companies in the country. That's the timeline.

Mr. Sébastien Lemire: Who at Rogers has been mandated to update you on the progress of the discussions and implementation of the resiliency plan?

Hon. François-Philippe Champagne: The president and CEO of Rogers, Tony Staffieri, will be appearing before you in a few hours. I had all my communications with Rogers. The same is true for the other telecommunications companies, I communicated with their respective executives.

Mr. Sébastien Lemire: How confident are you in the governance of Rogers?

In fact, in the wake of last year's blackout, a rather cavalier clean-up has taken place over the past few months.

How confident are you in the current governance of Rogers, particularly in the context of the merger with Shaw?

Hon. François-Philippe Champagne: I was very clear with the head of Rogers. You can ask him. I have expressed the frustration of millions of Canadians and hundreds of thousands of small- and medium-sized businesses that couldn't conduct transactions through the Interac network. I also expressed the frustration of first responders across the country about not being able to access 911.

So I was very clear with him. I told him that the situation was absolutely unacceptable and that I expected corrective measures to be put in place quickly. I told him that we would investigate this matter and that, in due course, we would seek further action to make the telecom network more resilient. I also told him, and I've expressed this publicly, that everything that has happened will remain in my mind and in the minds of many, and that this shows that we need a resilient and competitive system.

Mr. Sébastien Lemire: How does your department intend to assess the robustness of the plan proposed by telecom service providers to improve the resilience of telecommunications networks?

Hon. François-Philippe Champagne: We will work with the experts. I would add that I did not ask, but rather imposed on the companies the three measures mentioned, that is, to establish by a formal contract mutual assistance, emergency roaming and the communication protocol with the government and citizens. My team and I imposed these requirements and I said, few hours after the system was restored, that immediate and urgent action was needed to ensure the resilience of the system.

You will agree that this is a first step and that is why the committee's work is important. We want to get to the bottom of this, and when we have the findings as to why there was a code error in a normal update procedure, how this could have happened, and what the fault was, we will need to establish a redundancy in the system. That's what we're going to tackle.

In fact, I intend to do more. In addition, Bill C-26 will give us additional cybersecurity authorities, and I intend to use them wisely to ensure greater resilience.

• (1130)

Mr. Sébastien Lemire: What has been the reaction of Rogers' competing executives to your request, and more importantly, isn't there a risk of levelling the investment playing field?

One of the messages I can see in the situation is that from the point of view of these companies, it's not worth investing more because if the system crashes, the other companies will come to the rescue.

Hon. François-Philippe Champagne: With all due respect, Mr. Lemire, I don't think that was the attitude of the companies. In fact, their executives were listening. You'll understand that, at the time, my voice represented the voice of tens of millions of Canadians. So when you speak on behalf of millions of Canadians, people listen. I spoke very clearly and directly. There was no ambiguity in my message when I demanded these three measures. I gave them 60 days. There are 45 left, and I expect those companies to live up to their commitment. There will be other steps that will be taken.

I think it's more of a race to the top, in that we want to make sure that all companies are more resilient, because clearly the fault lies with one company. It must be accountable for its actions. That surely sends a clear message to everyone. We will have more resiliency in our systems in Canada, somewhat along the lines of what was announced in the United States on July 6.

The Chair: Thank you very much.

Go ahead, Mr. Masse. You have six minutes.

[English]

Mr. Brian Masse (Windsor West, NDP): Thank you, Mr. Chair, and thank you, Mr. Minister, for being here.

Hon. François-Philippe Champagne: It's good to see you.

Mr. Brian Masse: It's good to see you as well.

One thing that's concerning about this is that the strategy you employed probably commands the respect you deserve from the legislation—which is almost none. I say this because the legislation that we have to kind of put in some oversight is different from other communities and other countries.

A good example is Australia. They control their actual system, and the actual industry competes amongst the system.

Obviously this is an essential service. COVID proved that our connections are essential in terms of our operations.

What is the government going to do to restore this as an essential service and put some legislative teeth behind this issue? It's similar to a public utility. If not, then we have to rely upon any minister being buddy-buddy with a bunch of CEOs, who are also getting a lot of handouts from the public at any point in time, for accountability.

I don't find that is enough. What legislative measures are you going to take to actually have more command and respect from the industry, regardless of who is in the CEO seat and who is in the minister's seat?

Hon. François-Philippe Champagne: With respect, MP Masse, this is not about, in a sense, the minister talking with the CEO. This is demanding. I wish you would have been on that call because you would have seen this was no time for challenging the Minister of Industry. I was talking on behalf of millions of Canadians.

Let me say three things we've done on the legislative side that will add to what we've been doing. The first thing you will recall very vividly. We decided in May to provide more resiliency in our our intention to exclude ZTE and Huawei from our 4G and 5G network. We introduced Bill C-26 on June 14, which will do two things.

With respect sir, let me just say—

Mr. Brian Masse: Those won't affect... That's public safety.

I only have limited time.

Hon. François-Philippe Champagne: With Bill C-26, you're right. That will promote cybersecurity, but it will do one important thing, with respect, sir. It will amend the Telecommunications Act to add security as an objective, which will give additional power to the minister if he needs to direct the company. We also have the new CRTC policy direction.

If you were at that meeting, you would say that I was not in a mood to listen to them. This was a directive that I issued to them. They complied immediately with what I demanded.

• (1135)

Mr. Brian Masse: Why not have a telecom bill of rights? Why don't we get on with this and protect consumers, businesses and people who suffered from public safety issues altogether with a telecom bill of rights? Why not just move forward past this?

Hon. François-Philippe Champagne: You will recall, MP Masse, that the first thing I did, even when I was in Tokyo, was to hold them to account on behalf of Canadians. I said to them that we would take initial steps—the three things I mentioned—in a binding, legal agreement. They'll have to do mutual assistance. They will have to do emergency roaming. This is very much in line with what the U.S. did on July 6. I went beyond that to say I want to have a framework—a very clear protocol—to inform the public, their customers and the government if this happens.

The other thing I said, as you will recall, is that this is just initial steps. That's why I welcome your work, the work of the committee, to say let's go to the root cause of that. Let's look at what more we need. We all want, as Canadians, more resiliency. I've said this is unacceptable from the get-go. We'll be looking at everything we can do to improve resiliency.

Mr. Brian Masse: I hope that if you're going to look towards the committee, you could also look towards the committee that is not fooling around with the Shaw-Rogers takeover. We've already spoken about that and are opposed to it. I don't know why we're still fooling around with that. Hopefully you'll take that seriously, as we should be moving on from that.

Right now, under the legislation, what penalty will Rogers, the CEO, staff or whoever...? Will the company pay a fine? Will anyone go to jail? Will there be any problems or repercussions? What actually protects consumers? Rogers is doing a refund to some customers. What is in the legislation that actually mandates specifics? Are those things going to happen?

From my understanding of the legislation, they're not going to happen. If I'm wrong, then let us know. If not, are you going to actually employ those things that are going to be in law—not just a minister's opinion—for the actual industry?

Hon. François-Philippe Champagne: It's more than an opinion. It's a directive. When I speak to them, they listen. That's the bottom line.

Mr. Brian Masse: They don't have to follow, though.

Hon. François-Philippe Champagne: They do. Trust me. When the Minister of Industry speaks to them, they do. Ask them. Ask them to testify.

Mr. Brian Masse: They didn't even call you.

Hon. François-Philippe Champagne: No, but when I demanded that they put in these measures.... That's why we're rectifying it, MP Masse. Now we're going to have that. We'll have Bill C-26. In addition to that....

We're all on the same side. I spoke on behalf of 12 million Canadians. I said that this is what we demand now. To your point, sir—

let me just finish—the CRTC will be investigating and they will be asking these questions about refunds. I said publicly the first day that I expect and demand that Rogers compensate people fairly and proactively. I said that from the get-go.

Mr. Brian Masse: If you want to be on the same side here, instead of just the minister's opinion, which could change.... We've had former minister Bernier in that seat before and I've seen the policies not change and not be that different over the last number of years.

I'm on the side of Canadians who want—regardless of whatever minister is going to be there—accountability to the public through their own individual strength and worth as a citizen, not necessarily relying upon egos or people who are going to change seats at the CEO table. Those things are all things we can't control. What we can control is a legislative approach.

This is an essential service. It's like a public utility that strengthens the individual and collective rights of Canadians. That's the side I want to be on.

I don't want to be on the side where we have to rely upon influence, goodwill, personal relations and whether they're golfing with somebody or not. I don't want to rely on these things; I want to rely on legislation.

Hon. François-Philippe Champagne: You'll be able to rely on a binding formal agreement, sir, for the first three things I mentioned. This is going to be a formal binding agreement. This is not like the way you described. I demanded. There's no discussion. It's going to be done. There's no room for manoeuvring.

The second thing I would say, sir, with respect to Bill C-26—and I think you know because you're a very experienced legislator—amending the telecom act to add security to it will give additional power to the minister. It's not only that they will follow what I said, but if you support Bill C-26 with colleagues, it would add legal power to demand that. Once you add security to the objective of the telecom act, it would give broad power to the ministers to do what I did.

Now they did it. I demanded it. They're going to do it. We're going to do more and with Bill C-26, I think that you and I with colleagues will be able to better protect the public.

The Chair: Thank you, Minister.

[*Translation*]

Thank you, Mr. Masse.

[*English*]

We'll now move to MP Gray for five minutes.

Mrs. Tracy Gray (Kelowna—Lake Country, CPC): Thank you, Mr. Chair.

Thank you, Minister, for being here today.

Hon. François-Philippe Champagne: Good morning.

Mrs. Tracy Gray: Minister, I understand that the CRTC, as the regulator, has a mandate to “Ensure Canadians can access emergency communications services. We make sure that Canadians can access services such as 9-1-1 and are warned through a public alerting system in the event of imminent perils.”

Do you believe the CRTC is fulfilling this mandate?

Hon. François-Philippe Champagne: Well, certainly that's part of the mandate of the CRTC. As we've seen with the recent event of Rogers, that was unacceptable.

I saw a statement by the CEO of Rogers over the weekend. It said that they have been looking at providing additional resiliency on 911. That's something I think we should be looking at as a committee. That's certainly something that is top of mind for my colleague, the Minister of Public Safety. That's part of the emergency roaming that we've been looking at, to make sure we have more resiliency when it comes particularly to emergency services.

• (1140)

Mrs. Tracy Gray: Thank you, Minister. That was a yes-or-no question, so I'll add to that: Is there accountability?

We had the outage in 2021 and then this one in July 2022. Do you believe that senior executives of a regulator should receive bonuses and remain in their roles if they're not meeting their mandate?

Hon. François-Philippe Champagne: I think what senior executives should do is their job and investigate what happened with the outage of Rogers. Millions of Canadians have been frustrated. I've been their voice all along to push the telecom companies in Canada to do more with respect to resiliency. I expect them to do a full investigation.

As you know, CRTC is independent from my department, but I expect them to do a full investigation and come with recommendations. We will be demanding additional measures from these telecom companies.

Mrs. Tracy Gray: Thank you, Minister. I mean this is pretty clear-cut: They're either fulfilling their mandate or they're not.

The CRTC is the regulator of telecommunications. Does it conduct regular operational risk assessments of the telcos?

Hon. François-Philippe Champagne: I think they should do that. You should ask that question of the chair of the CRTC, who I understand will be a witness at the committee in the coming hours or days.

Mrs. Tracy Gray: Well, I guess if that's the case.... There was an outage back in 2021. Did you take actions or give directives after the 2021 outage?

Hon. François-Philippe Champagne: The civil service would have looked into that. I would say that the nature of the 2021 outage was nothing compared to what we have seen in the last few days, which certainly was something that we....

First of all, this was the failure of one company; this is the failure of Rogers. It has acknowledged that, and then acknowledged that it lost public trust from that. What we need to do together is to make sure, as parliamentarians, and me as the minister, that we have

more resilience. That's why I took immediate action with the three steps, to have that.

Mrs. Tracy Gray: Thank you, Minister.

You're responsible for this area. There were also 911 outages in 2021. Did you take any action? Did you call a meeting with the telcos? Did you give any directives at that time?

Hon. François-Philippe Champagne: Like I said, what we saw before was nothing like we've seen today. There's been a lot of work with respect to 911. We all understand that this is essential for Canadians. That's one thing I expressed frustration about, you will recall. When I was in front of the media, I expressed frustration.

I was pleased to see what Rogers was saying over the weekend. This is top of mind. This was top of mind when I conveyed to the CEOs, on behalf of Canadians and all of you as parliamentarians, that this was unacceptable.

Mrs. Tracy Gray: Right. So basically what you're saying is that after 2021, you had not taken any actions or done any directives.

You did say that the CRTC did some work. At that time, did you ask for a report back from the CRTC after the 2021 outage?

Hon. François-Philippe Champagne: I would disagree with the characterization that you made. What I said very specifically, and the record will show it, is that what happened in 2021 was nothing like we have experienced now.

The department and CRTC have been looking at 911 for a number of months. What we want now, and what we've seen with the recent outage, is that we need more resilience. That's exactly what I have demanded from the telcos.

Like I said, I was pleased that the CEO of Rogers said over the weekend that it's working actively on that.

We will continue. We made spectrum available for 911. We're making sure that we do everything we can from our side. The CRTC needs to do its job. We did ours; they need to do theirs. As parliamentarians, we need to hold people to account.

Mrs. Tracy Gray: Minister, going back to my first question, if they're not doing their job, then they're not fulfilling their mandate. It's been twice in just over a year that 911 services have gone down.

Once again, do you believe that CRTC is not fulfilling its mandate? If so, what are you prepared to do about it?

Hon. François-Philippe Champagne: Listen, I will uphold the highest standard on behalf of all Canadians when it comes to everyone in the public service doing their job. What I would suggest, MP Gray, with respect, as I think you have assigned this to the chair of the CRTC, is that they should be answering for their own actions. As you know, they're independent from my department, but I was the first one to call on them to investigate, so I think you should take comfort in the fact that this minister has taken action—

Mrs. Tracy Gray: You're the minister. You're ultimately responsible, Minister.

Hon. François-Philippe Champagne: The CRTC is independent, MP Gray, under the legislation—

The Chair: Thank you, MP Gray, and thank you, Minister. The time is up.

We'll now move to MP Gaheer for five minutes.

• (1145)

Mr. Iqwinder Gaheer (Mississauga—Malton, Lib.): Minister, it's great to see you.

Hon. François-Philippe Champagne: It's very good to see you, my friend.

Mr. Iqwinder Gaheer: Minister, during your July 11 meeting with Rogers and other major telecom providers, you instructed them to work together on a plan that includes collaboration on emergency roaming, assistance during outages and a communications protocol to better inform the public and authorities during emergencies. How did the other major telecom providers respond to your request for collaboration? Is there a sense of mutual responsibility to ensure that this doesn't happen again?

Hon. François-Philippe Champagne: I'd say I was in no mood to get a lot of comments. This was really directing them to take steps. As you said, I was expressing the frustration of millions of Canadians. I said this outage was unacceptable. As our colleague MP Gray said before, at that time I also said there should be a CRTC investigation of that. Although this was Rogers' failure, let's be clear that this was one company's failure when it did coding in what we understand was a routine update.

What I can say to you and to other members of the committee is that when I talked to the CEOs of Bell and Telus, everyone was in solution mode to try to see, as the crisis was evolving, what they could do to help with staff, experts and networks. I understand from the CEO of Rogers, whom I think you'll have as a witness, that they even enlisted international experts from their vendors internationally to get to the bottom of this. This was deep in the system, as they explained it to me. That's why I not only was pleased to see there was this level of willingness to help, but also want that to be codified in a legally binding agreement. That's also why mutual assistance will be part of that agreement, as will be emergency roaming and a communications protocol with the government and the public.

Mr. Iqwinder Gaheer: Great. Thank you.

You said that your instructions on collaboration were just the first steps, and we've talked about the charter. What do you see as the next steps for telecom providers to remain accountable to Canadians?

Hon. François-Philippe Champagne: First of all, I think of the communication, and I would invite you as members of the committee to see.... You're going to have Rogers executives coming, and I think their communication with the public was one thing. I think the Canadian public deserves better answers when something like this happens, and I would say government officials as well.

I was very clear in that meeting that these were only the first steps and that more steps would be needed, but we need to get to the root cause. It's a bit like with an air incident investigation: You need to get to the root cause to understand what really happened, what the fail-safe measures were, what the review process was like and who was involved, trying to better understand.

With that body of evidence, recommendations will be coming from the CRTC. As MP Gray said, the CRTC will be investigating. We will be taking up these recommendations, and I told them that I'm going to be looking at them and will likely be demanding that additional steps be taken to improve the resiliency of the network in Canada.

Mr. Iqwinder Gaheer: Great. Thank you.

I want to bring up a point that a previous MP made. There were some media outlets that said that the outages proved that telecommunications networks should be considered as public utilities, rather than being owned and operated by the private sector, because they provide critical digital infrastructure for Canadians.

What do you think about this statement? Do you think we should reconsider the way that telecommunications networks are managed in Canada?

Hon. François-Philippe Champagne: My first order of priority, as you would appreciate, MP Gaheer, is to improve the resiliency of the network. When I saw this happening, first we had to understand what happened. Second, we had to make sure that all resources would be put into restoring the network as quickly as possible. Third, we had to take immediate action to make sure that we would improve the resiliency. Fourth, we now have to have a thorough investigation, because you need to understand what really happened. Fifth, I would say we also have to look at additional measures.

I heard what you said, and I think MP Masse mentioned something similar. For now my concern is to understand what really happened. I think you need to do that. That's the logical next step. Once we have the findings and understand what really happened to cause this unacceptable failure for Canadians in our network, we'll know what the appropriate steps are.

As I said, what we've done is largely similar to what the U.S. did on July 6 with respect to network resiliency, but I'm prepared to go further as we look into that. As for the committee and the very valuable work you'll be doing with colleagues, I will certainly look at any recommendations you have with a lot of interest.

• (1150)

Mr. Iqwinder Gaheer: I look forward to it.

Thank you, Minister.

[*Translation*]

The Chair: Thank you very much.

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

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

Mr. Minister, we know that Rogers has a \$26 billion financial commitment to acquire Shaw and that Rogers has invested little in its network over the past four or five years. You obviously mention the importance of improving the resiliency of the networks so that they are reliable, affordable and resilient.

Does the presence of a fourth player, particularly in the cell phone market, make sense here?

In my opinion, this is obvious. It's also competition that makes people and companies more responsible and that they will invest more in the robustness of their network.

Do you see a link?

Hon. François-Philippe Champagne: First of all, thank you for your question, Mr. Lemire.

As I've said all along, competition is part of resilience. It's certainly something I have in mind.

I can tell you that I also saw a communication over the weekend from the president of Rogers about additional investments to improve network resiliency.

As I was saying earlier to our colleagues, we have to remember that it is a company's fault. We need to understand what happened to it, learn from it, and make sure that everyone is more resilient across the country.

As I said earlier, we really need to raise the bar. It's about seeing what others are doing, what wasn't done at Rogers, and what we need to learn from this incident.

With respect to the proposed merger that was submitted, I have said from the outset that I would not allow the transfer of all of Shaw's licences to Rogers. I have also said that what has happened in the last few days will obviously be on my mind and, I imagine, on the minds of other regulatory bodies when a proposal comes before my department that I will have to make a decision on.

Mr. Sébastien Lemire: Thank you.

Have you ever inspected Rogers' facilities and questioned them about the outage relief model?

Do you conduct audits?

Are there ways in which the government can look at the telecom network and its robustness?

Hon. François-Philippe Champagne: I was saying earlier that Bill C-26 will give the Minister of Innovation, Science and Industry greater powers.

This will allow for something important, and experts will testify to this. This will amend Canada's Telecommunications Act by adding security as an objective. This is not currently part of the objectives.

So this is a step that has already been taken, and it was taken long before what we've experienced over the past few days. This will give the additional powers to the minister so that he can require telecommunications companies to be more robust and resilient in their networks.

Mr. Sébastien Lemire: So I understand that this hasn't been done in the past.

Thank you.

I'm done, Mr. Chair.

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

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

[*English*]

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

Thanks again, Minister.

Are you going to wait for the Competition Bureau report before taking action on the Rogers-Shaw merger? I'm wondering what the hold up is in terms of a decision from yourself.

Hon. François-Philippe Champagne: For the benefit of those who are watching, I've been very clear from the get-go that I will now allow the wholesale transfer of licenses from Shaw to Rogers.

To your question, when I have an actual proposal on my desk for a decision, we'll take a decision at that time.

Now, as you know, the matter is in front of the court. The competition Bureau has raised a number of issues that we're following carefully. Until I have something that is formally submitted to my department.... I've expressed a number of times what matters to me, which is affordability and competition in the market. I'll keep repeating that so that everyone understands that.

Mr. Brian Masse: To be fair, you are correct that this was an individual company error, but to my point, this is an essential service that needs greater regulatory respect and powers for whomever sits in that seat. I still think that is valid. One of my first industry committee meetings dealt with Michael Sabia, who represented Bell at that time as CEO and who didn't want to provide the same pay for women via pay equity. I remember how we had a fight to get deferral accounts back. Over a billion dollars was taken from Canadians. Bell didn't want to provide that. It ended up going to the court system. It goes on and on, with the Competition Bureau already noting unscrupulous practices.

Why can't we look at an essential service like this and then bring in a bill of rights for Canadians? I implore you to at least investigate that to see whether that's a potential approach. I understand that the security provision elements are improvements, but they still don't take the consumer and businesses that are affected. Even the people with ArriveCan couldn't get into the country properly because of it. It's that serious.

• (1155)

Hon. François-Philippe Champagne: MP Masse, you know me. I'm one who always co-operates with colleagues on both sides of the aisle. As I said, the immediate action I took within hours were first steps. I did not exclude anything. I'm happy to listen to this committee and its recommendations.

I think one thing we can work on together is the new CRTC policy direction. Some have called it "historic" in changing the nature of what matters to this government and, I would say, to Canadians largely, that it is competition and affordability.

I have been very tough on the telecom companies because this was warranted. Like I said, they listened to me when I demanded.... No one was suggesting otherwise. They said, “Minister, we will do exactly what you want within the timeline.”

To your point of whether there could be additional steps taken in terms of what powers would be needed in addition to Bill C-26, I would be happy to look at what this committee can recommend, and I certainly will look at that.

[*Translation*]

The Chair: Thank you, Mr. Minister.

Go ahead, Mr. Deltell. You have five minutes.

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Thank you, Mr. Chair.

Good morning, Mr. Minister. Thank you for your presentation.

You reported on the actions you took beginning on July 8 and in the hours that followed. You were in Tokyo, you came back and made those calls.

The problem is that a similar situation had already occurred—not as serious as the one we experienced this year, though—involving the same player, Rogers. On April 19, 2021, in southern Ontario, hundreds of thousands of people were affected by a Rogers outage. From coast to coast, from British Columbia to Nova Scotia, the impact was major. Each Canadian citizen who was affected by this situation unfortunately had to relive the same situation 15 months later.

What has your government done, as of April 19, 2021, to prevent another unfortunate situation like this one from occurring?

Hon. François-Philippe Champagne: Thank you for your question, Mr. Deltell.

First, as you said, this was a different kind of outage. I made it very clear to millions of Canadians, as well as to the head of Rogers, that this was absolutely unacceptable.

I would answer your question by saying that we have done three things to make our telecommunications systems more resilient. The first was to affirm our intention to exclude Huawei and ZTE from 4G and 5G networks in Canada.

The second thing was to introduce Bill C-26, as you know. I mentioned earlier that this will provide increased authority for cybersecurity, but also, and I think this is important for the committee, it will give the Minister of Industry additional powers. As we know, security is not currently one of the objectives of the Telecommunications Act.

The third thing, and I'll stop here, concerns the new CRTC directive on resilience.

So these steps had already been taken, and we are certainly going to continue to do more, as I said at the outset.

Mr. Gérard Deltell: The least we can say is that these three steps have changed absolutely nothing. Thousands of Canadians have suffered a second time in just 15 months because of your gov-

ernment's negligence in acting properly to stir up the Rogers cage of this world.

Today, you are very proud to say that you have been very directive, that you have spoken directly to the executives, that you gave them orders.

Why didn't you do that 15 months ago when the problem first occurred?

Hon. François-Philippe Champagne: With all due respect, Mr. Deltell, if there was negligence, you should be asking that question of the head of Rogers, because the negligence is on the Rogers side. Everyone agrees that—

Mr. Gérard Deltell: You're the one bragging—

Hon. François-Philippe Champagne: Hold on. I'm not bragging, I'm representing Canadians. It's very different.

When I spoke to the company heads, I expressed the frustration of 12 million Canadians, the frustration of hundreds of thousands of small- and medium-sized businesses, and the frustration of people who work in emergency departments. That's my role.

If you want to talk about the breach, fault, negligence, you will do so with the president of Rogers when he appears before you. He will have to explain to everyone why this breach at Rogers happened. That is where the fault lies.

Mr. Gérard Deltell: When the April 19, 2021 outage occurred, why weren't you as proactive as you were this year?

I realize that more people were affected this time, but are you going to tell those who went through this twice that it wasn't as important the first time because fewer people were affected?

I realize that you're flexing your muscles today to show how proactive you were in 2022. The rub, however, is that the same thing happened 15 months before the 2022 outage—with less serious consequences, I admit—and the root of the problem is exactly the same.

Why didn't your government take the proactive action you are claiming to take now when the same thing happened 15 months ago?

Hon. François-Philippe Champagne: As you pointed out, Mr. Deltell, the outage wasn't on the same scale.

Obviously, every outage has to be looked into.

I hope you will be asking that question of the president of Rogers, because that is where the fault lies.

• (1200)

Mr. Gérard Deltell: Trust me, I will.

Hon. François-Philippe Champagne: I'm counting on you. I know you, and you're an experienced parliamentarian.

What we have to do now is focus on solutions. That applies to you as well, because that's what Canadians expect from this committee, from all of us.

My position is this: something unacceptable occurred, Rogers failed to honour its service commitment, but now we need to look for solutions. You're right in saying that I took strong action, and I will continue to.

Mr. Gérard Deltell: In 2021, WIND Mobile founder Anthony Lacavera flagged the problems that occurred 15 months ago. That was in 2021.

He said that, had the government acted to improve co-operation among the service providers—so what you called for after the second outage—all of this could have been avoided.

Why didn't you act in 2021?

The Chair: Please keep your answer brief, Mr. Champagne.

Hon. François-Philippe Champagne: Mr. Deltell, look at what the U.S. did on July 6.

We are doing more than what the Americans did on July 6. We have taken three measures, and we have identified the problem. We have demanded that the providers take swift concrete action, and we'll be doing more.

I urge you, as a member of the committee, to ask those questions of the person who should be held to account, the president of Rogers.

On our end, we are going to work with you to make sure we build a more resilient system for Canadians.

The Chair: Thank you.

Wrapping up the last round is Ms. Lapointe for five minutes.

Ms. Viviane Lapointe (Sudbury, Lib.): Thank you, Mr. Chair.

Thank you, Minister.

Minister, when you met with the heads of Rogers and the other service providers, you asked them to work together on an action plan. You've said that a few times this morning. I get the sense, though, that the providers don't want to work with their competitors on a partnership initiative.

Is that your sense as well? What can we do to challenge that?

Hon. François-Philippe Champagne: I'd like to thank the honourable member for her question.

They actually don't have a choice. When I spoke to them, I made clear the frustration of more than 12 million Canadians. I directed them to enter into a formal agreement covering the three areas I mentioned, mutual assistance, emergency roaming and a communication protocol.

I also made clear to them that this was just the start, that more would be coming once the CRTC had completed its investigation. As committee members have mentioned, we will be looking at the investigation findings to see where we can take further action. I am quite ready to do that. Our focus is on finding solutions and improving network resiliency across the country.

Ms. Viviane Lapointe: What worries me is that the providers want market protection, and they want to play key roles in the country's infrastructure services. The Interac system is one that

comes to mind. The system ground to a halt, costing the economy millions.

What is the best way to protect Canadians and Canadian businesses?

Hon. François-Philippe Champagne: The first thing we need to do is improve resiliency and competition.

I also spoke with the head of Interac, and I think there are lessons to be learned when it comes to building more redundancy into networks.

As I told Mr. Deltell, the head of Rogers has to answer some serious questions. I asked him those questions, but I think the committee has a role to play in getting to the bottom of what happened and identifying what further measures need to be taken.

We took some immediate actions after the outage, first to restore connectivity, but then to increase resiliency. I hope the committee can get to the bottom of things. The CRTC is doing that, and its recommendations will inform the additional measures we take. We all want the same thing, after all.

We want a more resilient network, and that is what I've demanded of the country's telecommunications companies. We want them to work together to build the enhanced resilience Canadians expect from the country's telecommunications system.

Ms. Viviane Lapointe: One of the questions I have for the Rogers executives this afternoon has to do with the communication plan.

I know you talked about it, but do you think they really have a communication plan to give Canadians the facts?

Hon. François-Philippe Champagne: They need to have one within the next 45 days, because that's one of the three requirements I set out for the country's telecommunications carriers.

I think you've touched on the frustration of the over 12 million Rogers customers, who did not get the information they needed during the outage. Seeing what transpired, we directed the carriers to provide what I call emergency roaming, like our neighbours to the south, but we went further by requiring the companies to develop a very clear communication protocol in the event of another outage of this magnitude.

That means a communication protocol needs to be in place to ensure not only Canadians, but also government authorities, are adequately informed. That way, the authorities can provide support to the companies affected should something like this happen again.

● (1205)

Ms. Viviane Lapointe: You told us about the first steps. What are the next steps for Rogers and the other carriers?

Hon. François-Philippe Champagne: Thank you for your question.

The next logical step is to see what the CRTC recommends once its investigation is complete. Obviously, I'm going to look carefully at the CRTC's recommendations to see what other requirements we can set out for Canada's telecommunications carriers. Keep in mind that the three measures I have already asked for need to be formally implemented in the next 45 days.

The next step, then, is the CRTC's investigation and recommendations, followed by the implementation of additional measures to improve resiliency.

Of course, the committee may have its own recommendations, which I will pay close attention to.

The Chair: Thank you, Ms. Lapointe.

Thank you, Minister, and thank you to the officials accompanying you today. We appreciate your making yourself available on such short notice.

Hon. François-Philippe Champagne: Thank you, Mr. Chair.

Thank you to the honourable members for the opportunity to speak with the committee today.

The Chair: That concludes the first half of the meeting.

We will now suspend for two minutes, so the Rogers executives can take their seats.

Thank you.

• (1205) _____ (Pause) _____

• (1210)

The Chair: Honourable members, please be seated. We are resuming the meeting of the Standing Committee on Industry and Technology.

[*English*]

We'll resume meeting number 31 of the House of Commons Standing Committee on Industry and Technology, pursuant to Standing Order 108(2) and the motion adopted by the committee on Friday, July 15, 2022, for this committee to shed some light on the Rogers Communications service outages in early July.

Without further ado, we have with us here today Mr. Tony Staffieri, president and chief executive officer of Rogers.

[*Translation*]

Also with us is Ron McKenzie, Rogers' chief information and technology officer.

Thank you for being here today.

Without further ado, I will turn the floor over to you for five minutes.

[*English*]

Mr. Tony Staffieri (President and Chief Executive Officer, Rogers Communications Inc.): Good afternoon, Chair and members of the committee. Thank you for the invitation to be with you.

My name is Tony Staffieri, and I am president and CEO of Rogers Communications. I am joined today by our new chief technology officer, Ron McKenzie.

I appear before you today, because as Rogers' CEO, I'm accountable for the outage that occurred on July 8. I'm also responsible for the specific actions we are taking as a company to make sure this does not happen again.

On that day, we failed to deliver on our promise to be Canada's most reliable network. More than a marketing slogan, we know just how critical the wireless phone and Internet services that Rogers provides are. Canadians need to be able to reach their families, businesses need to be able to accept payments and, most importantly, emergency calls to 911 simply have to work every time.

To those who were impacted by our outage, I am sorry.

Today I want to share with you how we are working to win back the trust and confidence of Canadians.

I will start with what happened and why there was a delay in restoring our service. I'll discuss the important steps we're taking to help prevent this from happening again, and I'll conclude with some of the steps we have begun to take to make things better for our customers.

Simply put, this outage was a result of a system failure following an update in our core network.

Given the enormous complexity of all modern networks, understanding what caused the outage took some time. Once the cause was identified, our technical experts needed more time to methodically bring traffic back up, as we had millions of customers trying to access their phones, home TV and Internet, all at about the same time.

To manage those returning traffic volumes, we had to physically disconnect the impacted equipment. Throughout this process, we had one singular and overriding focus: to get our customers up and running as quickly as we possibly could.

I understand the frustration our customers felt in not knowing when our networks would be back online. I wanted a timeline, but the fact is that we did not have one and didn't want to provide an estimate that might turn out to be wrong.

In the conversations I've had with customers and with small and large business owners, there is one thing everybody wants to know: What is Rogers doing, today, now, to learn from this outage and ensure it won't happen again?

I've said we will make every investment needed to do our best to make sure that won't happen. That investment begins with the work now under way through our enhanced reliability plan. Working with the government and our competitors, we are making significant progress on a formal agreement to ensure that 911 calls can always be made, even in the event of an outage on any carrier's network.

Making this a reality is the only responsible way forward, and I am personally committed to making it possible for all Canadians. I would like to thank Minister Champagne for his leadership on this.

When it comes to our network, we will do our part and then some. To guard against a system-wide outage, we will set a higher standard by physically separating our wireless and Internet networks and creating an “always on” network. To be frank, this added layer of protection will be expensive. We estimate that it will cost at least a quarter of a billion dollars, but we know it is the right thing to do.

We will also continue with our plan to invest heavily in reliability. We will spend over \$10 billion over the next few years to build out and strengthen our network. This investment includes additional oversight, more testing and greater use of artificial intelligence to ensure that the upgrades we make to our network work as intended.

Finally, we have partnered with leading technology firms to do a full review of our network systems to learn from the outage and emerge stronger.

When this work is complete, we will share the key lessons with our competitors and other industry partners.

When it comes to making things better for those who were impacted by our outage, we have already extended five days of credit to every Rogers' customer. As well, we are working with our business customers to better understand the implications of the outage on their organizations.

• (1215)

Chair, I know that it is only through our actions and with time that we can restore Canadians' confidence in us. We can and we will do better.

I thank the committee for inviting us to speak with you today, and I look forward to your questions.

The Chair: Thank you very much.

We'll now move to the first round of questions with MP Michael Kram for six minutes.

Mr. Michael Kram (Regina—Wascana, CPC): Thank you very much, Mr. Chair.

Thank you to the representatives from Rogers for joining us today at the committee.

I was wondering if either of you could describe for the committee the quality assurance practices that Rogers has in place for major software or hardware updates.

Mr. Tony Staffieri: Through you, Mr. Chair, we have extensive policies and procedures, and I'll have my colleague walk through some of those. I can assure you that not only have they been extensive, but we also upgrade those continually.

Network resiliency and redundancy are extremely important to us and in our industry.

Mr. Ron McKenzie (Chief Technology and Information Officer, Rogers Communications Inc.): This was an unprecedented impact to what's called the “core” of the network. The core of the

network you can think of as the brain of the network that controls all access of flow of information and flow of connectivity for all services to the Internet.

We have extensive...over two years in this particular program, with full rigour, full review and full analysis that was done. The implementation was part of a seven-stage program, and this was stage six. The previous five stages had no issues whatsoever.

This was truly an unprecedented incident. We have very thorough reviews, very thorough simulations and very thorough testing, but this was an unprecedented incident.

Mr. Michael Kram: Does Rogers have a testing environment in place where you test updates before releasing them into the live production environment?

Mr. Ron McKenzie: That's correct. We do.

We do both extensive simulation and extensive testing. We also rely heavily, side by side, with the equipment vendors who work with us. As we design and as we test, the equipment vendors work right alongside us. They provide the same infrastructure to all operators around the world, so we also gain the benefit of the learnings of all other operators in terms of how they've executed and how they implement.

Mr. Michael Kram: I guess the questions that have to be asked are, why was the root cause of this month's outage not caught in the testing environment, and also, why was the root cause of the April 2021 outage not caught in the testing environment as well?

• (1220)

Mr. Ron McKenzie: First of all, the events are very, very different.

Let me speak to the event of July 8. The way to characterize it is that there was no way for the engineer at the time... When it had been performed five times prior with no incident whatsoever, there was no belief, no information at the time, that there was going to be any issue.

What happened was that when the code change was executed and the filter removed, the behaviour of the equipment, in the way it's designed between one vendor and a second vendor, was very different. That was the unknown at the time: the behaviour of one device, one manufacturer, who executes a standard one way, versus another manufacturer. It was that sequence that caused essentially the event to then flood the core network.

Mr. Michael Kram: And the April 2021 outage?

Mr. Ron McKenzie: The April 2021 outage was a software update performed by our partner. The software update in that instance was tested, but the nature of the way it was deployed caused the impact. That was done by our vendor. It was tested. It had been deployed in other networks around the world. It was an instance that the particular dynamic of the way it was deployed caused the incident in April 2021.

Mr. Michael Kram: I have limited time in my questions, and I don't think we're going to get to the actual line of code in five minutes of committee work, but if Rogers could submit a document of a more technical nature to the committee, I would certainly find that helpful.

Mr. Ron McKenzie: What we have tried to do is.... In our disclosure in response to the questions from the CRTC, we have been totally transparent in explaining...because what's so important from this is not just to Rogers, as the design of a common IP core is the consistent architecture used by operators all around the world. We all use the same equipment. One of the learnings from this is to share that information with other operators around the world, including our competitors, who we've already been in discussions with.

This was an unprecedented event of the way that two elements of equipment interacted together, which was not known. In that instance, we do not want this incident to ever happen again, with any other operator anywhere in the world.

Mr. Michael Kram: All right.

We had the minister at the committee right before you arrived. He spoke about the CRTC doing an investigation as to what went wrong with this particular outage. Can you speak about the role that the CRTC can play in preventing future instances like this from happening again?

Mr. Tony Staffieri: We have co-operated, and we will continue to, with all levels of government and provide complete transparency on this incident. As you can appreciate, networks today are extremely complex. We will do everything that's available to us in terms of investment in resources and working with leading firms around the world to make sure we put in the resiliency and the redundancy we need to make sure this does not happen again.

We've talked about our plans, which I'll describe very generally and my colleague will go through the details on. There are really four main points. The first is physically separating our wireless and wireline networks so that if one were to go down in the future, we could switch over to the alternate. The second is what we describe as partitioning our network. If an incident happens in one specific location, we contain that problem to that specific location. The third is the changes we'll make to our processes and procedures in reviewing and implementing code, including the testing of it.

Finally, we are working on the memorandum of understanding with Minister Champagne's office that will allow us to more effectively work with our competitors so that in the event of an emergency and an outage, we can transfer over calls but most importantly ensure that every single 911 call transfers over to an alternate network.

• (1225)

[*Translation*]

The Chair: Thank you very much.

We now go to Mr. Erskine-Smith for six minutes.

[*English*]

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

I want to start with something you said, Mr. Staffieri, on just how critical the services you provide are—as you said, reaching families, businesses accepting payments, and obviously 911 calls, which you referenced a number of times. Government services in some cases were not fully available. I would point to IRCC as an example.

Would you agree that the services you provide are an essential service in this regard?

Mr. Tony Staffieri: We fully appreciate the reliance that Canadians have on our network and the networks of our industry. We take that responsibility seriously. That's why we have focused very much on not just this outage but how we fix this going forward. I've articulated the steps we're going to take to ensure that we prevent this from happening again.

Mr. Nathaniel Erskine-Smith: I appreciate that. We all want to make sure it doesn't happen again. But I think when you take a step back and reflect on what's happened here, there was a great frustration and anger, and rightly so, for millions of Canadians. I think there are two critical lessons learned, lessons that we can relearn in some ways. One is the nature of the service that you provide. That's what I want to just drive at first and see if there's a proper acknowledgement.

Different private companies deliver different services, but you are unique insofar as you're a private company that is providing an important public essential service. Do you think that's right?

Mr. Tony Staffieri: We do provide connectivity to millions of customers. To the extent that some of our enterprise and business customers have customers that rely on them, then we have a role to play in that. So in many respects—

Mr. Nathaniel Erskine-Smith: Okay. I think that's as close to a “yes” as I'm likely to get. I'll take that.

We heard Minister Champagne refer to the incident and compare it to an airline incident. Airlines, as you know, like your industry, are oligopolies. They're tightly regulated and they are essential for Canadians. In that setting, as my colleague Brian Masse referenced earlier, if something like this were to happen, it wouldn't be that the company would say, of its own volition, that it's going to provide two days' or five days' or seven days' compensation. There would be obligations for a certain compensation.

Do you think there ought to be a regulatory framework and legal framework, and that it shouldn't be up to you to decide what to compensate Canadians, but up to the law?

Mr. Tony Staffieri: As I said, we take our role extremely seriously. First and foremost, as I spoke to, for our customers, including businesses large and small, the number one priority is this: How do they get assurance that this will not happen again? That's our focus, first and foremost. Second is the compensation—

Mr. Nathaniel Erskine-Smith: But surely that would be in clear and ready focus if there were obvious consequences to not taking these steps, right? I want to get to the lack of consequences, in some ways. I appreciate that you've identified compensation. I appreciate that you've articulated a way forward to ensure that it doesn't happen again. But you also acknowledged, in your answer to the CRTC, which I'll read, and I think you reiterated today, "We failed in our commitment to be Canada's most reliable network."

Okay. Let's say I'm a frustrated consumer. We have a lack of competition in this country. So where do I go?

Mr. Tony Staffieri: What we've done, as I said, is made it clear what our commitment is to fix this moving forward, for us as a company and to improve as an industry.

In terms of compensation, our outage lasted a little less than a day. We had some customers where it extended for a few of the following days, so we made the decision to make it simple for customers and extended the credit to a full five days. We're going to proactively process those on customers' bills so, as I said, we make it easy for the customer. That equates to approximately just over 15% of a customer's bill.

Mr. Nathaniel Erskine-Smith: Well, let me return to this question of competition. At this committee, we continue to come back to this question. It's always been around price, and this frustration when we look to how much Canadians pay in comparison to other countries. It's a great source of consternation for me and other members of this committee, I think across all parties.

The other lesson we've learned from this outage is that the lack of competition not only means that Canadians are suffering as it relates to price but also that the resilience of the network is challenged.

When we get to this idea of opening up networks from competitors to your customers, in the context of the outage, you told the CRTC that "no competitor's network would have been able to handle the extra and sudden volume of wireless users (over 10.2M) and the related voice/data traffic surge."

Isn't the concentration of customers in one particular company, not only for the sector, but let's say your company in particular, a challenge to resilience in and of itself?

• (1230)

Mr. Tony Staffieri: There are two parts to your question, sir.

I'll start with the first, being what I would describe as the "technical solution" and the ability to ensure and work as an industry to ensure that there's reliability and redundancy for Canadians.

The first part of your question relates to the competitiveness of the industry. We work every day in a very competitive environment. We work hard to bring the best value for money for our customers and for Canadians. It's in our interest to do so. They have alternative, and they have choice—

Mr. Nathaniel Erskine-Smith: Wait, wait; do you think Canadians have alternatives and choice in this marketplace?

Mr. Tony Staffieri: Very much so.

Mr. Nathaniel Erskine-Smith: You're saying that with a straight face.

Okay. I'm running out of time, so here's another one that you can maybe answer with a straight face. Do you think this is the end of the Rogers-Shaw deal?

Mr. Tony Staffieri: The coming together with Shaw is about creating scale in an industry where scale is important. It allows us to do two important things. One is to make investments that neither one of us could do on our own, investing in more Internet in rural and indigenous communities, but also investing in resiliency and redundancy of networks more than either one of us could do alone. With the—

Mr. Nathaniel Erskine-Smith: Or perhaps it's to further concentrate industry, whose very concentration is undermining resiliency and affordability for Canadians.

I'm out of time, but I appreciate your being here today.

[*Translation*]

The Chair: Thank you, Mr. Erskine-Smith.

It is now over to Mr. Lemire for six minutes.

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

Thank you for being here today, gentlemen.

I find your attitude refreshing. You've come before the committee in all humility and without complacency.

You said that you were accountable and that Rogers had failed. That's a good place to start rebuilding trust in the short, medium and long term.

I have a whole lot of questions about the state of Rogers' governance right now. Basically, it all comes down to one man, you, Mr. Staffieri.

We know that almost every member of Rogers' board was fired last year.

We also know that your company experienced a major outage some 15 months ago. Back then, we didn't sense the same level of accountability we are seeing from you today.

We know that you fired your chief technology officer, Mr. Fernandes. I gather he was held responsible for the outage.

You control nearly half of the country's telecommunications infrastructure, so tell us how we are now supposed to trust you to lead the way forward in the short, medium and long term?

[*English*]

Mr. Tony Staffieri: Thank you for your question, sir. You touched on a few things.

Since becoming the CEO of this company early this year, my focus has been on a number of things, but importantly the network. Network resiliency is very important. The amount of investment we have made in the network is significantly more than we have made in prior years, and we'll continue to do more. The outage has shown us that it's critical to make those investments.

We want to make changes quickly. There are things we know we need to do, and we learned from the outage, so we acted very quickly. I have full confidence that our new chief technology officer, Ron McKenzie, will execute on those changes. Ron is an engineer by background and has over 30 years of telecom experience at a very senior level. Most recently, he was president of our business operations, where he led the design and implementation of complex technical solutions for our customers. I have full confidence that he and his team will execute on the changes that we need to make to achieve what we need to do in terms of network performance.

• (1235)

[Translation]

Mr. Sébastien Lemire: In your response to the Competition Bureau on the Shaw transaction, you talk about significant efficiencies that would outweigh any detriment to consumers as a result of the transaction, mainly by significantly reducing redundant infrastructure. That's in paragraph 40.

Do you think this month's events prove that we can trust you to oversee these types of telecommunications services, especially considering how much you will have to spend as a result of the Rogers-Shaw merger?

[English]

Mr. Tony Staffieri: As I've mentioned, the coming together with Shaw is about giving a scale and making the necessary investments. As part of our proposed merger with them, we will be selling Freedom Mobile and we have an agreement with Quebecor to purchase those assets. We believe that will create a very important and stronger fourth competitor for the wireless industry in the Canadian marketplace. That acquisition will allow them to serve over 87% of the Canadian population in at least four provinces. We think that's significant.

In terms of redundancy and reliability, which is the topic today, coming together with Shaw will give us the ability to provide an alternate network. Our intent is to keep the Shaw cable network as independent, and we will have our wireline cable network become part of that and be completely separate from our wireless network. In terms of our plan, the Shaw transaction will allow us to execute on the ability to separate them in half the time than it otherwise would take.

[Translation]

Mr. Sébastien Lemire: You said your company's sole objective was to close the Rogers-Shaw deal. If that does happen, the focus will be on managing a balance sheet with a significant amount of debt and integrating the new asset.

The acquisition would cost \$26 billion.

How will you be able to spend hundreds of millions more to re-vamp the network and make it more robust in order to prevent outages like this one?

[English]

Mr. Tony Staffieri: In planning for our coming together with Shaw, we were very careful in looking at the complete financial picture, as well as the benefits it would provide to all stakeholders. I can confirm to you, sir, that our plan is to conclude the transaction and increase the amount of investment that we intend to make in infrastructure and in networks. Networks are the lifeblood of our industry. In our 60 years of entrepreneurial history, it's always been about the network—the wireless network and our cable wireline network—and that will continue to be our priority.

[Translation]

The Chair: Thank you, Mr. Lemire.

We now go to Mr. Masse for six minutes.

[English]

Mr. Brian Masse: Thank you, Mr. Chair, and thank you to the witnesses for being here.

To be fair, this committee has had to subpoena...not subpoena, but push hard to get some witnesses to come, so I'm glad you've come on your own volition.

However, I do want to make sure that I understand what is being proposed. Did I hear correctly that the separation of the lines to make sure 911 would work would cost around \$250 million? Is that specifically required to ensure that 911 does not fail again? That's one of the largest problems in all of this. One thing is the inconvenience, but second to that, 911 is critical. Is it correct that \$250 million is the fix for 911?

• (1240)

Mr. Tony Staffieri: If I could clarify this, as part of the investments and the fixes we're putting in place, first and foremost, emergency 911 and essential services are core to what we're doing. As part of the memorandum of understanding that we will deliver together with our industry in the next 60 days, we have been working on and will deliver a robust solution for 911 so that it works.

What we saw in the outage was that our planned solution, as an industry, failed. Many calls—

Mr. Brian Masse: So, it's not a....

Sorry, go ahead.

Mr. Tony Staffieri: Many calls did go through, but many did not, and even one is too many.

As part of the fixes, we will have the redundancy that I spoke about. In addition to that, we will have failover measures, so that in the event there is an outage and it doesn't fall over to our alternate network, it will fall over to one of our competitor's networks within seconds.

Mr. Brian Masse: I just want to make sure that I get this correct. It's not a technical problem in terms of providing 911 guaranteed service; it's more that it was a business decision that led to the lack of capacity or redundancy in the system.

Mr. Tony Staffieri: The failure of 911 calls was a technical problem. It had nothing to do with lack of resources. We clearly prioritize emergency calls.

With regard to the specific technical problem—and I'll ask my colleague to provide a fuller explanation—what happens is that when there's an outage, certain phones would continue to try to connect to our network even though the network was down. That's the frustration that we incurred.

Mr. Brian Masse: I don't need a technical answer for that. I appreciate it, but what I'm looking for is that it was a business decision at the end of the day, and it's a business decision to fix this. That's the critical item.

Mr. Erskine-Smith mentioned essential services. Would you categorize that any provider in our system providing 911 is essential?

Mr. Tony Staffieri: There's nothing more important than the completion of 911 calls. The inability for calls on 911 to complete on July 8 was a technical issue. It was not for a lack of resources. There was no business decision, other than the one to confirm that 911 calls are important and we need to ensure that they are able to be made.

Mr. Brian Masse: At the end of the day, it was a business decision because there wasn't the provision of cash.

It's either one of two things. It's either a technical problem, which we have to discuss as a committee if we're letting our carriers do that, or we're letting them make decisions that don't prioritize it enough to actually have the redundancy. That's the follow-up that I think is necessary to find out, to make sure....

You had this problem before, and there was a promise to fix it. What happened between that time back in 2021 and today? That's where I think consumer confidence has to be reasserted, for the business application aspect.

I think we might have to separate the 911 itself at the committee, but what happened between then and now? What's different? Why didn't that fix from 2021 get done for this situation?

Mr. Tony Staffieri: I'll commence.

The outage that occurred last April on our wireless services was due to a specific technical issue that was different from the one we encountered on July 8.

Following the April outage, changes were made to our network and to our processes to prevent that type of outage and other outages. We just could not foresee the type of outage that we experienced on July 8.

Mr. Ron McKenzie: I'd maybe just add that the instances are very different. The instance on July 8 was essentially the core of the network, the brain of the network, that supports all wireless, wire line, internal communications and connectivity. It was a complete loss of connection. With the technical issue on the 911, as much as our fellow operators all offer to help, there is no technical

way, with loss of connectivity.... We wish we could have helped, because we wish we could have transferred—

Mr. Brian Masse: Thank you. I have one quick question left. I'm sorry to interrupt, but it is an important one that I wanted to get in.

Part of the problem we have right now is that nobody in your organization thought to call the minister, even with 911 being down.

Now you're kind of making up stuff in terms of what to do next for consumers and things like that. It's not a negative comment. It's the same with the minister: He's making up some new things in terms of regulatory...and processes.

Would Rogers support a universal process that's transparent for consumers, businesses and the public, for all carriers, so that there would be like a bill of rights for consumers and carriers alike? It doesn't matter whether you're sitting in the seat or somebody else is in the future. Is that something Rogers would support?

● (1245)

Mr. Tony Staffieri: We are very much focused on what we need to do to ensure the resiliency and redundancy of our networks so we can earn back, in this competitive environment, the confidence and trust of our customers and of Canadians. We will make the investments needed to make this right.

The Chair: Thank you. That's all the time we have, Mr. Masse, but we will get back to you.

Now we'll move to Mr. Généreux for five minutes.

[*Translation*]

Mr. Bernard Généreux: Thank you, Mr. Chair.

Thank you, Mr. Staffieri and Mr. McKenzie.

I believe you have customers in Quebec. In fact, I know you do since I, too, was affected by the outage. I wasn't able to use the Interac system.

Was the Quebec government notified as quickly as Mr. Champagne was? My understanding is that Quebec government officials had to call you because you didn't contact them.

Did you notify the Government of Quebec of your service outage?

[*English*]

Mr. Tony Staffieri: Again, through you, Mr. Chair, sir, throughout the day, beginning in the late morning, once we knew and had access to our networks, which was a little after 10:30, we started the communication. What we knew stakeholders wanted to know was the cause of the outage—in particular, if this was a cybersecurity incident—and when we expected the networks to get up. You could imagine our focusing on those two issues first and foremost. We notified the minister's office shortly before noon of our outage and that we did not have the answers to those two questions. I spoke with the minister in the early evening.

To answer your specific question, we did not notify the Premier of Quebec until that evening as well, and in retrospect, I regret that, and I'm disappointed that we didn't reach out sooner. There are reasons, as I said. We were focused on the solution and getting our customers up and running, but nonetheless, those communications should have happened sooner for an important stakeholder such as the government.

[Translation]

Mr. Bernard Généreux: You talked about spending \$250 million on fixing the problem and separating the two networks, and investing another \$10 billion in technology infrastructure system-wide in the future. Your products and services impact people's lives. I want you to really understand that. People rely on your services to call 911. That's how important they are.

Today, you are telling us that you will be spending \$250 million on your infrastructure and more than \$10 billion in the future. Shouldn't you have made those investments a while ago to ensure your customers had access to high-quality service?

[English]

Mr. Tony Staffieri: Today we invest close to \$3 billion every year. This year we will invest \$3 billion, and that number has continued to grow. Of that \$3 billion investment we make every year, this year, more of that goes to the network than would have been the case in the past. Network investment this year will be double what it was two years ago, and, as we look to future years as that capital investment continues to grow, more and more of that proportionately will be spent on networks. The \$250 million is the immediate incremental investment we will make in what I would describe as urgent fixes to the redundancy and resiliency of our network.

[Translation]

Mr. Bernard Généreux: Tell us about your business with Interac.

I know the answer, but for the benefit of those following today's proceedings, I'd like you to describe your relationship. I was affected by the outage. I had to use my credit card instead of my Interac card to pull out cash.

That business relationship affects Canadians all over the country who aren't necessarily Rogers customers, so tell us about it.

• (1250)

[English]

Mr. Tony Staffieri: I'll start, and Ron can complement this.

Interac is a customer of ours, and we provide connectivity to Interac across the nation. In our relationship with Interac, we were responsible for providing primary and secondary connectivity through our wireless and our wireline network. Because this outage impacted our core gateways, as my colleague outlined, it caused both to go down, so, as a result, we failed Interac and we failed Canadians.

[Translation]

Mr. Bernard Généreux: I have one last question.

Are any members of your board French-Canadian or even women, English- or French-speaking?

If not, you should explore that possibility.

[English]

Mr. Tony Staffieri: Thank you for the comments.

Board decisions are made by the board, and I will refer those comments to our board.

[Translation]

The Chair: Thank you.

We now go to Ms. Lapointe for five minutes.

[English]

Ms. Viviane Lapointe: For all Canadians, it's difficult to understand how a scheduled upgrade could cause such a massive failure of Rogers' network. Normally one would expect the upgrade to be tested extensively and deployed in a sandbox test environment. In fact, when Mr. McKenzie was responding to MP Kram, he indicated that this was done.

I want to dive a little deeper. Did you use both Cisco and Juniper in the sandbox test or only one of those manufacturers' products? How will you ensure future sandbox testing will have greater rigour and resilience?

Mr. Tony Staffieri: I'll start with two broad comments. One is that pretesting of certain changes, where practical, is always done. In certain cases it's impractical, and what you saw here was an outage that made its way throughout the entire network. It's difficult to have a test environment that replicates the entirety of a very complex network across the nation. That's why in this case we would have been unable to test this in what we would call a lab environment.

Mr. Ron McKenzie: It's very difficult to simulate the live full environment. It can be parts. Because this was the sixth time we had done this and in the previous five times there was never an indication of any issue, this was a very unique case in the way one particular manufacturer designed their system and how it handles flow control and traffic. The way it went into one mode flooded because the other mode handles traffic in a very different fashion. It was within minutes there was a complete loss.

Ms. Viviane Lapointe: Could the Canada-wide failure have been avoided with a staged regional deployment whereby you would have first deployed it in some smaller regional networks and then expanded gradually across the country, even over a few days if no issues were detected?

Mr. Ron McKenzie: All carriers use, and have used for many years, the concept of a common IP core. The common IP core is what's at the root here. A common IP core is obviously designed for security purposes. It lets you manage, and essentially I would describe it as the brain of the network. It's not something that traditionally is regionalized. All operators use a common core and then use what are called "access networks" to feed into that. The access networks can be managed. In this case—

Ms. Viviane Lapointe: Thank you. I have limited time.

I want to focus on what occurred during the 16-hour outage. The question I have to ask is, does Rogers have a robust and tested emergency preparedness and disaster recovery plan? I ask because part of a disaster recovery process is regular communication with affected stakeholders. That did not take place in this instance or, for that matter, in last year's outage. Even regular, hourly messages indicating that Rogers was aware of the issue and working to isolate and resolve the problem would have been better than the silence we saw.

As to the second part of my question, Mr. Staffieri, when did you learn of the outage and why didn't you inform the public and the government?

Mr. Tony Staffieri: In response to the first part of the question, we do have an emergency response team. Shortly after the incident occurred, that team, which is well prepared, pulled together the resources needed to go through a plan that is put in place well in advance on how to react to these types of situations. We were delayed in this instance because our own network had gone completely dark. Nonetheless, we quickly made arrangements for alternative connectivity and that caused some delay.

Notwithstanding that, in terms of communication, broadcast started as early as 5:30 in the morning that there was a network problem. We did not know fully until much later the full extent and that it was a national outage. Once we knew, we communicated that on social media, which was just before 9 a.m., and on radio stations.

When I spoke to Canadians—customers—afterwards, what they really wanted to know, which is what we wanted to know, was the root cause and when this was going to be fixed. We didn't know the answer to that. We always strive to be extremely transparent with customers and Canadians and share as much information as we know, but we didn't know the answer to those questions. As we got more information, we shared that publicly. We did not know until late afternoon that we had a fix that would allow the network to come back up. Once we knew that, we promptly communicated it through all the relevant media channels.

• (1255)

[Translation]

The Chair: Thank you Mr. Staffieri.

Thank you, Ms. Lapointe.

It's now over to Mr. Lemire for two and a half minutes.

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

Who was on your emergency response team to deal with the outage? Was Mr. Fernandes, your then chief technology and information officer, on it?

What did you learn from the event? Would you have the same people on your emergency response team if a widespread outage occurred today?

[English]

Mr. Tony Staffieri: In terms of our emergency response plan, we bring to bear, depending on the type of emergency, all the right resources, including me and whoever is responsible. You can imagine that every one of these has the full attention of the organization.

Certainly on this outage, Mr. Fernandes, who was our CTO, was immediately notified at just before 5 a.m., and was very much integral to the recovery plans and investigation of what went on that day, together with the rest of the network team. We have several command centres issued throughout the country. The outage happened just before 5 a.m. By 5:30 a.m., teams were already pulled together to start to work on the problem.

[Translation]

Mr. Sébastien Lemire: Thank you.

What do you make of the solution Mr. Champagne, the minister, somewhat forced on you? I'm talking about having to rely on your competitors for backup in an outage like the one that just happened.

[English]

Mr. Tony Staffieri: Minister Champagne's initiative to have the industry work collaboratively, in a very formal document, is going to be very constructive to a redundancy and resiliency program. As I've mentioned, we've made very good progress on moving that forward. We will have it completed within the 60-day time frame.

Importantly, it will provide for failover measures in the event that one network goes down; importantly, for 911, so that there is a robust plan to ensure that every single call transfers over; and finally, communication protocols, so that the minister and other important government agencies are alerted as quickly as possible about any future outages.

[Translation]

Mr. Sébastien Lemire: If your competitors ran into a similar problem, you would co-operate with them.

Is that right?

[English]

Mr. Tony Staffieri: We would very much co-operate with our competitors. In these types of situations, there is always collaboration with our competitors in order to obtain a fix. Early on, I received calls from the CEOs of the other telecom operators asking how they could help. There's always been that type of collaboration and co-operation. It's in our interest as an industry for all Canadians to ensure that we recover quickly, but as you heard earlier, for technical reasons we were unable to transfer over our traffic volume to our competitors' networks.

• (1300)

[Translation]

Mr. Sébastien Lemire: Thank you.

[English]

The Chair: Thank you very much.

We'll now move to Mr. Masse for two and a half minutes.

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

Following up from Mr. Lemire's questioning, the interesting aspect of this is that without any type of essential service bill of rights or something of that nature, we have to rely upon private meetings amongst the CEOs and the boards in private meetings with the minister to find a solution. Is that really what's being presented here, that we rely on that and you guys come back to us later on, after you have those private meetings? What transparency is there for Canadians? I mean, this sounds like something that really is not going to build the trust that I think is necessary.

Mr. Tony Staffieri: Throughout this process, we have been as transparent as we can be. If you look at some of the filings we have made, including most recently the CRTC filing, we want to share all the information on this outage. It only makes our industry better and more prepared for this...to happen in the future.

As part of this agreement with our competitors on this memorandum of understanding, we look forward to being very transparent—because Canadians deserve to know—on how the industry is going to ensure that this does not happen again at this scale.

Mr. Brian Masse: I guess I hesitate, because I've seen that show before, where we have a few industry players together and meeting in private and where there's no public access to any of those meetings. The minister can follow up, but the minister won't be able to provide documents, or doesn't have to, even to Parliament or this committee.

I fail to see how this process is going to build public trust. I think the other carriers that are going to be involved in this are probably going to get their reputations brought into this as well. Quite frankly, what's happened is that either through public negligence, through Parliament and the processes that we've had here, or through the industry itself, we have failed collectively on 911, something that was supposed to be guaranteed.

I'll finish with this, Mr. Chair. I don't think this process is going to satisfy the public. Those meetings will not be public. There will be heavily redacted materials. We'll have to go to access to information to find out what is going on even for scheduling and so forth.

I'm worried about it at this point in time, Mr. Chair.

[Translation]

The Chair: Thank you, Mr. Masse.

We now go to Mrs. Gray for five minutes.

[English]

Mrs. Tracy Gray: Thank you, Mr. Chair. Thank you to the witnesses for being here.

We learned that with your core system going down, that also included 911 calls going down. There were also four emergency alerts that did not work, one dangerous person alert by the RCMP and three Environment Canada tornado warnings. Is that correct?

Mr. Tony Staffieri: I'm not aware of all the specific messages that didn't go out, but as I've said, it's unacceptable that even a single emergency message did not go out. That's what we're focused on correcting.

Mrs. Tracy Gray: Okay. Did you have protocols and processes in place should there be an outage like what occurred, so that critical services like 911 and emergency alerts would still operate?

Mr. Tony Staffieri: We had procedures in place to ensure that 911 and emergency essential services would switch over to an alternate carrier's network. For very specific technical reasons, that automatic transfer did not happen.

Mrs. Tracy Gray: In the submission that you made to the CRTC answering questions, it read, "While considered many times during the day, shutting down the RAN"—the radio access network—"was simply not a solution."

Is that correct? Is that what you're referring to?

Mr. Tony Staffieri: That's correct.

Let me outline a few principles. Shutting down our radio access network—or the RAN, as it's commonly referred to—is not a significant decision. To be able to shut down the RAN, you need to have access to the network. When our network went down, it was dark until approximately 10:30 a.m. The earliest we could consider the RAN shutdown was after 10:30.

Mrs. Tracy Gray: Okay, um—

Mr. Tony Staffieri: If I could finish, we considered that option, but by that point we had already started to see areas where our network started to come back on, and so we decided not to shut off the RAN. Had we done that, it would have, in all likelihood, extended the outage for at least another day. That was a significant decision that needed to be made, and we took the view, given that we were seeing opportunities to get our network up and running sooner, we made the decision to not shut down the RAN.

• (1305)

Mrs. Tracy Gray: Okay. Well, thank you.

It sounds like, as you were considering different options, there weren't strict protocols actually in place, considering what happened. That's not overly reassuring to the public.

I have a few other questions here for you.

What was Rogers' annual revenue in 2021?

Mr. Tony Staffieri: All of our figures are publicly disclosed.

Mrs. Tracy Gray: Okay. How many staff, approximately, do you have?

Mr. Tony Staffieri: We have a team of approximately 25,000 employees throughout Canada.

Mrs. Tracy Gray: Approximately how many customers do you have?

Mr. Tony Staffieri: We have over 12 million customers across the nation.

Mrs. Tracy Gray: Does Rogers have a chief risk officer or a chief risk management officer?

Mr. Tony Staffieri: We have a risk officer. They report into our audit and risk committee. As part of the processes and reviews, there are very specific areas that they focus on in identifying potential risks. Network and cyber would rank as amongst the most important risks a company like ours faces. Therefore we have very specific emergency recovery procedures in the event that an incident like this happens.

Mrs. Tracy Gray: Is that person in your executive? Are they in the executive role as a chief risk officer?

Mr. Tony Staffieri: They are part of the chief financial officer's accountability and responsibility. It's a senior level within our company.

Mrs. Tracy Gray: Okay.

Many organizations that are far less complex and large actually have this senior type of position, a CRO, in their organizations. Why have you not hired or brought someone into that senior CRO position at Rogers?

Mr. Tony Staffieri: We are confident that through the processes we have today, we have a very methodical and encompassing approach to ensuring that we identify risks and we have the proper plans in place to manage, mitigate and deal with any exposures that come out of that risk.

Mrs. Tracy Gray: Well, obviously the results of the outage that occurred in July of this year speak differently from what you just said.

You've had two system-wide failures within your organization, created by your organization, putting public safety at risk. Who is losing their jobs—or should it be you? Do you have the confidence of your board?

Mr. Tony Staffieri: I'm accountable to ensure this doesn't happen again. As I've said, we have already undertaken processes and actions to make changes so that we quickly move forward with the plans that are articulated to ensure this does not happen again.

The Chair: Thank you very much.

We'll move to Mr. Dong for the last round of questions.

Mr. Han Dong: Chair, I'll cede my time to Mr. Gaheer to ask questions.

Mr. Iqwinder Gaheer: Great, thank you.

I'd like to thank the individuals from Rogers for making time to be at this committee.

My question is for Mr. Staffieri. I can already predict the response to this question, but it's a question that I asked the minister. There are experts who now argue that telecommunications networks should be considered public utilities because of the nature of the service; it's critical digital infrastructure.

What do you think of that statement? Do you think the service that your company provides is so important that it should be considered a public utility?

Mr. Tony Staffieri: What I can tell you, sir, is that, together with 25,000 employees throughout the country, we come to work every day with the view of trying to be better for our customers.

In this case, as I said, we let them down. We are going to make the changes. It's in our interest to do that in the environment we operate in. As a competitive company in this industry in this country, it's in our interest to do all the things we need to do to ensure this does not happen again.

Mr. Iqwinder Gaheer: Thank you for that.

As we know, when talking about compensation, payments couldn't occur, sales were missed, meetings were missed, work couldn't be done and businesses couldn't operate fully. The extent of damages is quite substantial. I know Rogers has committed to compensating customers for five days' worth of services.

Can you give the committee details about how you arrived at that five-day credit as a suitable amount and whether you think it's a suitable amount, given the repercussions of this outage?

• (1310)

Mr. Tony Staffieri: The outage lasted just under a day. We immediately looked to a few things. As I've said, as I spoke to customers and Canadians, what they really wanted to know is how we ensure this doesn't happen going forward. That's what we're focused on.

In terms of the compensation, we wanted to do the right thing. The outage lasted a little less than a day. We initially made it two days of credit. What we found was that, once the network was up, there were still some customers who were experiencing some issues throughout different parts of the country for an additional one to two days. We just decided to make it five days. We wanted to make it easy for customers. It's a full five-day credit, and it will show up on their future bills. There's nothing that customers need to do in order to obtain that credit.

Mr. Iqwinder Gaheer: I look forward to seeing an estimate of the costs of this outage to the Canadian economy.

My last question is this. I know the minister met with all of you to talk about collaboration on several items with other telecom providers. Can you update the committee on how the plan is coming along and what collaboration between the telecom companies will look like?

Mr. Tony Staffieri: We're working collaboratively as an industry on the memorandum of understanding, which will encompass three important areas.

The first is failover measures in the event of an outage and the preparedness of each of us for that. The second, and it's probably the most critical, is how we ensure that 911 and emergency calls transfer over all the time without any failure at all. The third is communication protocols.

We've been working not only as an industry but together with the minister's office and ISED to move this along. It's our commitment to ensure that we conclude that within the 60-day time frame that the minister outlined.

Mr. Iqwinder Gaheer: Thank you.

[*Translation*]

The Chair: Thank you, Mr. Gaheer.

That wraps up our second and final round.

Thank you, Mr. Staffieri and Mr. McKenzie, for making yourselves available to meet with the committee.

I would also like to thank the clerk, the interpreters, the analysts and the support staff.

Just a reminder for all members and the public that the committee will be meeting again this afternoon at two o'clock to examine the Rogers service outage that occurred in early July.

Thank you everyone.

The meeting is adjourned.

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