



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

44th PARLIAMENT, 1st SESSION

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# Standing Committee on Industry and Technology

EVIDENCE

**NUMBER 106**

Thursday, January 11, 2024

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Chair: Mr. Joël Lightbound





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• (1535)

[*Translation*]

**The Chair (Mr. Joël Lightbound (Louis-Hébert, Lib.)):** Good afternoon, everyone. I'll now call this meeting to order.

Welcome to meeting number 106 of the House of Commons Standing Committee on Industry and Technology.

Today's meeting is taking place in a hybrid format, pursuant to the Standing Orders.

Pursuant to a request by more than four members of the committee under Standing Order 106(4), the committee is meeting to discuss a potential study of cell phone package price increases.

Before giving the floor to my colleagues who submitted this request, I would like to wish you all a happy new year. I'm happy to see you again, even on a virtual basis and even though I was hoping that we would see each other a bit later. However, these things happen in parliamentary life. This meeting is being held with good reason.

Without further ado, I'll give the floor to Ms. Ferreri, who asked to speak.

[*English*]

**Mr. Brian Masse (Windsor West, NDP):** I have a point of order, Mr. Chair.

**The Chair:** Mr. Masse, go ahead.

**Mr. Brian Masse:** I just want to recognize the passing of Ed Broadbent today, a mentor and good friend of mine with whom I served in Parliament. I wanted to acknowledge that publicly at the first possible moment.

Thank you, Mr. Chair.

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

[*Translation*]

**Mr. Sébastien Lemire (Abitibi—Témiscamingue, BQ):** I'm sorry for your loss, Mr. Masse.

[*English*]

**The Chair:** Yes, I offer our condolences on behalf of the industry committee. Ed Broadbent was a great Canadian and parliamentarian. Thanks for bringing it up, MP Masse.

Ms. Ferreri, the floor is yours.

**Ms. Michelle Ferreri (Peterborough—Kawartha, CPC):** Thank you so much. Thank you for letting me sit at INDU.

Thank you to MP Masse for that as well. It's great to get that on the record right off the hop.

Happy new year to everybody.

I actually think Mr. Perkins had his hand up before me, but I can go first. I saw his hand come up first, but I'm happy to defer to you, Chair.

**The Chair:** Your hand appeared first on my screen here, but I can yield the floor to MP Perkins. He's second on the list.

**Ms. Michelle Ferreri:** That's great. Thank you so much.

Obviously we're here today to discuss something super important. As you've seen over the holidays—as I'm sure many of you have had the opportunity to be in your constituencies and, over these past couple of weeks, you've had the opportunity to meet, listen, maybe catch some phone calls, have some coffee chats, work in your constituency offices and hear the struggles that are happening in and around our country—there is some genuine suffering that is happening. Christmastime is a very difficult time for a lot of people.

In my community of Peterborough—Kawartha, we obviously have a lot of suffering happening with increased homelessness, etc., and seniors on fixed incomes.

Today we call this emergency meeting. Conservatives have put forth a motion to resume this committee, because one of the things we can do effectively in our role as the official opposition is to call out the government when it has made promises to Canadians. The promise that was made was that cellphone bills would not increase, and we've seen that not come true right now, basically, with what's happening.

We've put forth a motion, which we're going to be discussing here today. The motion that my colleague Mr. Perkins has put forward is:

That, in relation to recent reports that Rogers will increase customer cell phone bills following a pledge by Rogers CEO Tony Staffieri that “prices are going to come down” as part of the \$26 billion Rogers-Shaw merger approved by the Liberal Minister of Innovation, Science, and Industry, after committee experts and the Competition Commissioner warned that the deal would lead to higher prices for consumers, the committee therefore agree to be immediately recalled to undertake a study of up to four meetings, of at least two hours per meeting, to study the impact of the Liberal-approved merger and that these meetings begin at the earliest opportunity and conclude by Friday January 26....

The motion goes on to say more, but I'm going to let my colleague read it into the record because it is his motion that he put forward.

What I want to say right off the hop is that in doing some of this research.... I'm a guest, obviously, on this INDU committee, but when we look at this article, we see that the Liberal industry minister has put this on the record. This is a reference from Melissa Tait at The Globe and Mail. These were his words:

“If Canadians do not begin to see clear and meaningful reductions in price, within a reasonable amount of time, I will have no choice but to seek further legislative and regulatory powers to drive down prices in Canada,” Mr. Champagne said at the time.

I'm assuming that Liberal MPs, NDP MPs and everyone across the board is going to support this motion. The question from these comments, especially in a cost of living crisis when one in four Canadians can't afford to pay their bills—that's according to another article—is, what is a reasonable amount of time? That would be my first question about that: What is that reasonable amount of time?

I'm assuming there is support across all party lines to delve into this to help best support their constituents who are having a really hard time making ends meet, especially in January. For those of you who don't know, this coming Monday is considered “blue Monday”, the most depressing day of the year, when a lot of those credit card bills come due because people had to use credit to pay for Christmas bills. This is going to be a very challenging month, going into the winter months, to try to cover those costs. The least we can do is to ensure that people are not paying more for their cellphones, which many people need.

I'm going to end with this one other comment, because I think it's really important when we talk about cellphones. This was sent to me by Tracey Filtness Smart. She says, “I pay well over \$250/mo for myself and my son's phone. We are both disabled and absolutely need this service”. I think it's really important to have on the record that for many people this isn't a luxury; this is a lifeline of communication when we talk about cell service.

She continues, “but it's so hard to budget for it. Having my cellphone saved my life in 2019 as I had an aneurysm rupture and stroke but was able to dial 911 in time to get medivaced out. My phone is always with me for this reason. I pray it doesn't go up in price or I'm not sure how we can continue to pay. I am sure there are many other people in this situation as well. I appreciate you [for putting forth this motion, Mr. Perkins.]”

With that, I'll leave it with my colleagues, but I really urge my colleagues today that this is our duty. We are here as elected representatives to ensure that Canadians have a life that is not of suffering but is rather of the opportunity to live.

Thank you.

**The Chair:** Thank you, MP Ferreri.

Before I turn it over to MP Perkins, I have on my list MP Perkins, MP Vis, MP Lemire, MP Gourde and MP Masse.

Mr. Perkins, go ahead.

I believe you're on mute. This is the first time I've said that in 2024.

● (1540)

**Mr. Rick Perkins (South Shore—St. Margarets, CPC):** I know that sometimes you wish you had the control of my mute button, Mr. Chair.

Thank you, everyone, for coming to the meeting while we're on a constituency session.

I too would like to begin by acknowledging, if I could, Ed Broadbent's passing today. I was a young staffer, as many of you know, in the Mulroney days when Mr. Broadbent was the leader of the NDP. He was a remarkable leader for that party and a great parliamentarian who represented the people of Oshawa well in his many years in Parliament. I'd just like to acknowledge that.

Also, on a happier note, I acknowledge that MP Turnbull signed in today with his new addition. We haven't had a chance to meet since you had your second child. Congratulations, Ryan. We're all very happy for you.

The letter that was sent in calling for this meeting—for those who are watching it's an emergency meeting that has to be called within five days of five MPs signing a letter—discusses whether or not we should have a particular study, an urgent study, on an issue that has come up.

This committee, as we know, is very busy with Bill C-27 and is still awaiting the next level of scrutiny of the Stellantis contracts. It was a bit surprising, I think, for most of us to see. I think it was announced on January 3, and it was in most of the media on January 4 of this new 2024 year. It was a kind of shocking way to greet the year that the most expensive cellphone provider in the world, Rogers, announced that apparently they're not making enough money and that cellphone packages are going up seven to nine dollars.

As my colleague MP Ferreri said, this is a very ubiquitous thing. It is probably the thing that most Canadians share in common: 83% of Canadians, by the last time I looked, have a cellphone. That's more people than own a house. More than anything else, probably, Canadians have a cellphone, and for the reasons that MP Ferreri outlined. It's our communication lifeline, our phone lifeline and our connection to the world through the Internet. It's our emergency lifeline, as she outlined in that difficult situation of her constituent.

This is a cellphone price increase when, a year ago almost to the day, the big three—Shaw, Rogers and Quebecor—were before this committee saying that we needed to have the sale of the Shaw assets and that it would increase competition in this country and reduce prices for Canadians. We know that a month after the Freedom sale was done in April 2023, just in that one month, before the ink had even dried on the Liberal government's approval of Quebecor buying Freedom Mobile and Rogers buying the Shaw assets—and those two transactions removed two cellphone competitors from the Canadian market—Quebecor also put up Freedom's prices, even though they said they would not do that. They waited only a month to do that.

Like I said, why is that important? Well, 83% of us have a cellphone and we're in the middle of this cost of living crisis. We know that since 2016 Statistics Canada has reported that Canadians are paying almost 20%—I know it feels like more to most people—more per household out of their income than they were prior to 2016 for cellphone services. International studies, many of them that we know, show prices for cellphone services in the U.S., Australia and other countries are actually declining while ours are going up. Consumer reported in August of 2023 that Canadians pay 20% more than Americans and 170% more than Australians for the average cellphone package.

We hear the excuses. We heard before this committee from big telcos that the size of Canada is the reason. The size of the country with its low population is the reason we pay more. Rogers, Bell and Telus, though, are the most expensive cellphone providers in the world. I mentioned at the time a year ago—and I'll say it again—that their operating profits are quite high. Their gross operating profits are 62% to 65%. That's twice as high as the profits of the major carriers of cellphone and mobile services in the United States and Australia.

• (1545)

How bad is it? In Canada, the average price per gigabyte of data on your cellphone is \$5.37. In a country larger than Canada—because we hear that excuse all the time about the size of Canada—in Russia, not that they're in vogue these days, they now pay only 25¢ U.S. per gigabyte. Australia has about the same density and land area as Canada. They have more competition, and they pay only 44¢ a gigabyte for data on their phones, while we're paying over five dollars and our cellphone providers are making twice the level of gross profit.

It's clear that what we have here is a problem with competition. Those who have this protected status take us, consumers, and, quite frankly, the federal government for granted. It's the federal government that protects Bell, Telus, Rogers and Quebecor, this oligopoly, because they use airwaves that taxpayers pay them for. It's that pro-

tection that allows them to have this double-the-average operating profit and be the massively most expensive cellphone providers in the world.

Last year the Liberal government approved the sale of Shaw's assets to Rogers and Quebecor, removing two of the competitors in the market. The Liberals claimed at the time that the companies would respect the fact that prices would still go down, even though there would be fewer competitors. It has never actually happened in any competitive market that you have reduced competitors and prices go down. Now Rogers and Quebecor are thumbing their noses at this Liberal government by raising prices.

The Liberal Minister of Industry, in meetings, has had tough talks, we hear. We've heard it in the House that there have been tough talks on groceries and on cellphones, but the prices still go up. What did he say about cellphones? He said, "I'm watching closely", as MP Ferreri outlined. Watching closely doesn't help people pay the bills when the Liberals promised that the prices would go down, but they're actually going up.

Telus and Bell are refusing to answer the media's questions, in response to Rogers' increase, about what they plan to do. If they weren't planning to increase prices, we know that they would say, "We're not planning to increase prices," to the media. I guess they must be planning increases as well, or they would come clean on that in public.

Because the Liberal Minister of Industry, who helps oversee this cost of living crisis that we have.... These cellphone companies came before this committee a year ago, and before the Competition Bureau, claiming they would reduce prices if the Freedom sale went through. They claimed that, but they're doing the opposite now by increasing the cost to Canadians. That's why this committee needs to have urgent hearings with these players as to why they said a year ago we should trust them and prices would go down, but now they've done the opposite.

Canadians want this gouging to stop. It has been going on for too long. Not a single Canadian I know who doesn't work for Bell, Telus or Rogers thinks that prices have gone down. I suspect the people who work for them think that, but they may be the only ones.

Mr. Chair, I think the clerk has a copy of the study motion that I would like to propose. If she could circulate it, I'll just read it out for the committee members while it's being circulated. I move:

That, in relation to recent reports that Rogers will increase customer cell phone bills following a pledge by Rogers CEO Tony Staffieri that “prices are going to come down” as part of the \$26 billion Rogers-Shaw merger approved by the Liberal Minister of Innovation, Science, and Industry, after committee experts and the Competition Commissioner warned that the deal would lead to higher prices for consumers—

I’ll interrupt myself in the middle of it. This committee, by the way, recommended unanimously not to approve that deal, but the government went ahead anyway.

I’ll continue:

—the committee therefore agree to be immediately recalled to undertake a study of up to four meetings, of at least two hours per meeting, to study the impact of the Liberal-approved merger and that these meetings begin at the earliest opportunity and conclude by Friday January 26, in order for the committee to return to its regular agenda when Parliament resumes, and that the committee invite the following witnesses to appear before the committee:

(a) François-Philippe Champagne, Minister of Innovation, Science and Industry, and Simon Kennedy, Deputy Minister of Innovation, Science and Economic Development Canada;

(b) Tony Staffieri, CEO and President of Rogers; Mirko Bibic, President and CEO of BCE; Darren Entwistle, President and CEO of Telus; and Pierre Karl Péladeau, President and CEO of Quebecor Media;

● (1550)

(c) Navdeep Bains, Chief Corporate Affairs Officer for Rogers Communication, and former Minister of Innovation, Science and Industry;

(d) Matthew Boswell, Commissioner of Competition; and

(e) all other witnesses deemed relevant by the committee;

and, that the committee request that the department of Innovation, Science and Economic Development provide a progress report on Roger’s five legally binding investment commitments to improve connectivity over the next five years; and, subject to the approval of the recognized party’s whips, and the availability of meeting slots from the House of Commons, the committee hold additional meetings and/or extend committee meetings beyond an hour on each allotted day for each meeting on this matter.

We have a full agenda. I’ve suggested that we try to do these meetings before the 26th. I know that’s maybe a challenge, given that it’s not next week but the week after. I understand that we all have, at various times during the week, the pre-session caucus gatherings. As always when we all propose and study motions here, we’re open to improvements and suggestions on ways fellow committee members think we might be able to get this done within the agenda timing and with the many pressures that all of us have with various meetings.

With that, Mr. Chair, I’ll leave it there for now.

**The Chair:** Thank you very much, Mr. Perkins.

All members have heard the terms of the motion. It was also distributed electronically earlier today.

We’re now debating the motion moved by Mr. Perkins.

Go ahead, Mr. Vis.

**Mr. Brad Vis (Mission—Matsqui—Fraser Canyon, CPC):** Thank you, Mr. Chair.

Congratulations to Mr. Turnbull on the birth of his new child, and my condolences to the New Democratic Party and everyone across political lines who appreciates the massive contributions Mr. Broadbent made to our country.

This week, like probably some of you, I went grocery shopping. My wife sent me out late at night to buy a bunch of fruit for our kids. School started this week in British Columbia. No, it was last week, and.... No, it was this week. Man, all the days are running together. School started this week.

I was going to buy all of the stuff for their lunches and everything, and at the front of the Real Canadian Superstore on Gladwin Road in Abbotsford, they were selling little cartons of blueberries for six dollars. Where I come from, we’re the blueberry capital of Canada. We literally produce more blueberries and process more blueberries than practically anywhere else in North America, yet for literally a handful of blueberries, the grocery stores are charging six dollars. That does not relate to the motion at hand, but it does relate to the cost of living crisis that Canadians are facing. I’ve spoken to a number of people at local food banks over the Christmas break and with constituents in some of those coffee chats that my colleague Michelle mentioned, and it’s very clear that Canadians are struggling.

Some kids who go to my son’s school, Centennial Park Elementary School in Abbotsford, rely on the food bank for lunch every week. If Rogers decides to increase a parent’s bill by nine dollars or \$10 a month, it doesn’t seem like much, but these parents are already spending more than they’re making every month just to support their kids. That’s very common these days. Yes, nine dollars or \$10 for a family struggling to get by does make a difference.

This is also important because on January 25, 2023, the CEO of Rogers, Mr. Staffieri, came to this committee. He made it very clear in his testimony that this deal, especially for British Columbia and Alberta, would “inject a new and substantial source of competition”.

Competition usually means to me that we’re going to see some type of price decrease because there are going to be more players in the market. We didn’t see that. Now we’re seeing that anyone who has a Rogers cellphone that’s not on contract will see their monthly bill go up. I think that’s contrary to the testimony that Mr. Staffieri shared with our committee. He outlined two principal ways that this deal was going to be good. The second one that he outlined was that Rogers would “become a stronger, more formidable wireline competitor in western Canada.” He outlined that “Rogers’ cable footprint” would expand to other parts of western Canada that it doesn’t actually reach right now. He outlined that there would be a \$6.5-billion investment to improve connectivity in the very remote and rural indigenous communities that I represent.

If his first major action since this deal was approved is to increase prices, I’ve lost a lot of faith in what Rogers is actually telling consumers, what it’s telling us as parliamentarians and what it’s telling Canadians about its role in addressing the affordability crisis that all of us know is impacting the people we represent.

I do, obviously, support this motion because Canadians want to know that we're doing everything in our legislative power—that's why we called this meeting—to address the things that they're staying up late at night about, such as how they're going to pay their bills right now. Canadians can't pay their bills. We have to fight for Canadians, so we can hold this meeting and we can hold Rogers' Mr. Staffieri to account about what he shared with us last year, especially as it relates to British Columbia and Alberta, where he said that there would be more competition because of this deal.

Thank you, Mr. Chair.

● (1555)

**The Chair:** Thank you, MP Vis.

[*Translation*]

Mr. Lemire, the floor is yours.

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

Good afternoon, everyone. I would like to wish you all a happy new year.

I want to congratulate Mr. Turnbull and his family.

I would also like to express my condolences to Mr. Masse, the New Democrat Party family and all politicians for the passing of Mr. Broadbent.

I find it worthwhile to discuss telecommunications. The committee members know that I've been very interested in and passionate about this issue for the four years that I've been here.

During the previous parliament, I moved a motion to address the issue of high-speed Internet and the cellular network. This was done in connection with COVID-19.

As you know, I also tabled a motion on this topic in September. It was adopted by the committee on September 26.

At this time, I would like the chair or the clerk to clarify the procedure for proposing an amendment to Mr. Perkins' motion, in order to include the full text of my motion and thereby broaden its scope.

I think that Canadians and Quebeckers are expecting an update on the telecommunications situation. I gather that people in the industry have much to say. A great deal of information must be verified. There have been developments and setbacks when it comes to mobile virtual network operators, or MVNOs. The CRTC held hearings on this matter in 2017 and 2019 if I'm not mistaken. Some updates are in order. I think that we're ready for an in-depth study.

We all agree that our committee's priority is obviously Bill C-27. That said, I'm ready to do my part to address this issue in conjunction with our study of Bill C-27. The official meetings of the Standing Committee on Industry and Technology will still focus on Bill C-27 until the bill is passed. However, more meetings can be added. I think that we must look at this issue. People are certainly interested in this topic. We must carry out a real study.

Here in Abitibi-Témiscamingue, network access and cellular network quality pose challenges. I think that some of my rural colleagues, such as Mr. Vis, would agree that this is also true in their

areas. For a long time now, I've been calling on the federal government to set up a program to build cell towers so that every individual across the country can access the cellular network.

It's certainly a matter of economic development. It's certainly also a matter of public safety, quality of life and land use. In 2024, this issue should be resolved. There's also the issue of resilience in the face of climate change.

Is the industry still as viable as it once was? What about competition? In the recent spectrum auctions, companies made major investments, amounting to \$2.2 billion. These auctions revealed a long-awaited fourth player, Vidéotron, which invested between \$200 million and \$250 million in spectrum licenses.

My proposed amendment would involve adopting the content of the motion passed on September 26, in order to carry out a proper study.

My motion called for six meetings. Given the current situation, we could be looking at a 12-hour or even a 16-hour study.

The witnesses proposed in the Conservative motion seem appropriate. They include Commissioner Boswell; the Minister of Innovation, Science and Industry, Mr. Champagne; the deputy minister, Mr. Kennedy; and the CEOs of the major telecommunications companies.

I'm also thinking of the people whom we've heard from in various studies, such as the representatives of OpenMedia. Yesterday, I was in the municipality of Kipawa, in my constituency. I met with people who described the issue involving the lack of a cellular network for a number of individuals. They would like to have their voices heard as part of this type of study.

I think that we're ready to update our approach.

Mr. Chair, do you need me to reread the motion adopted by our committee, in order to proceed with an amendment?

● (1600)

**The Chair:** Mr. Lemire, I want to clarify the procedure.

The motion that you referred to was moved and adopted by the committee on September 26. If you want to move an amendment to replace the current motion with the September motion, I don't think that you can do so from a procedural standpoint. We would first need to vote on the current motion. You could then reintroduce the September 26 motion.

Otherwise, you must move an amendment that would clarify the motion currently under consideration by the committee.

That's the correct procedure. I don't know what you want to do with this information.

**Mr. Sébastien Lemire:** If this approach seems easier, then that's what I propose to do. It would be tedious for everyone to work through the text of the motion in this way.

I move that we reject the Conservative motion and prioritize the motion adopted by the committee on September 26, so that we can consider the issue in conjunction with the study of Bill C-27. We could then take steps as soon as possible, and perhaps even now, to invite witnesses and really conduct an in-depth study of the telecommunications situation.

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

Mr. Gourde, you have the floor.

**Mr. Jacques Gourde (Lévis—Lotbinière, CPC):** Thank you, Mr. Chair.

I'm pleased to be joining the committee today, in the place of my colleague, Bernard Généreux, who was unable to attend.

It came as no great surprise to learn recently, through the Journal de Québec, that Rogers was announcing rate increases for cellular packages as early as next week, on January 17. I then remembered all the work done last spring. I was among those who had concerns about certain players in the field. A merger leads to competitiveness issues. When fewer companies provide services to Canadians, rates inevitably rise.

The government promised us with great fanfare, at a press conference held by Minister Champagne, that Canadians wouldn't see rate increases. I would like to quote the minister's own noteworthy and convincing words regarding the decision to allow the merger of Rogers and Shaw:

If Canadians do not begin to see a clear and meaningful reduction in prices within a reasonable amount of time as a result of this decision, I will have no choice but to use further legislative and regulatory powers to drive down prices. And I must emphasize that we aren't ruling anything out.

The Minister of Innovation, Science and Industry made a strong statement on behalf of the government. He promised that there wouldn't be any price increases as a result of the merger. The minister undoubtedly held discussions with the companies in this industry—Rogers, Shaw and Québecor—to establish that, for the merger to gain acceptance, there wouldn't be any price increases. Today, we can see that this is totally untrue. A mere eight or nine months after the merger, rate hikes have already been announced for Canadians.

As you know, these are challenging times for Canadians. All costs are skyrocketing, and families with more modest incomes are feeling the pinch. These days, almost everyone has a cellphone, so

this issue is really significant. The rate increase affects the wallets of over 80% of Canadians.

I'll join my Conservative colleagues in supporting the motion. I think that it's worth bringing back the key industry players and the minister so that he can explain how he'll respond to the industry's decision to raise rates. He promised all Canadians that the merger was a good thing and that it would even lower costs. We're still waiting for that to happen. We're far from seeing a decrease. Instead, an increase in costs has just been announced.

I don't want to go on and on about this matter. I'll support the motion. I hope that the whole committee will agree to move forward. I think that Canadians have been shortchanged. They deserve to have their questions answered and to know how the government will ensure that rates are reduced.

• (1605)

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

Mr. Masse, you have the floor.

[*English*]

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

Thank you to my colleagues for their condolences for the Broadbent family.

Of course, Mr. Turnbull, congratulations. It's an exciting time for you and your family. I wish you all the best. Having a holiday baby as well will be even more fun.

I have similar concerns about the industry, and they go back for a long period of time. I also have concerns about the process here.

I looked at Mr. Lemire's motion, and this is like a subset of that motion. Quite frankly, I thought it might not even be in order in some respects, because Mr. Lemire's motion would carry a lot of these elements forward. In fact, it gave some latitude for this. I know that this issue in particular that has been brought forth—and I appreciate it—is fairly specific to Rogers, but it also affects customers of Bell and Telus. Why we throw them under the bus by not including them is something I have a concern about as well.

When you look at the telco policy and how we've arrived at the most recent decisions of the minister, they actually go back to the foundations of deregulation in this country.

When I received my posting in Ottawa, it was during the time when John Manley and Brian Tobin were starting to work on this issue, and they had the deregulation through the Mulroney years. We then had Allan Rock, who put through a process for removing foreign direct investment. He was the first minister I went through. Lucienne Robillard was after that. We then had David Emerson, who was a Liberal and later on a Conservative, going back-and-forth with his policies.



We then had Maxime Bernier, who had a lot of changes during his time in the Harper administration. I would certainly want him as a witness at this hearing, because it would help find the foundation of some of the problems we're faced with right now. We then had the late Jim Prentice, who was a terrific man. He was the industry minister briefly. He was followed by Tony Clement, who might also be an interesting person to bring to this committee because of the policy changes that took place under his tenure.

There was Mr. Christian Paradis, who moved the process that... When you look at the Harper government, they talked about a "first in telecommunications" plan in terms of advocacy for consumers. We then had James Moore. Minister Moore was here for a while. Again, he talked about innovation and changes. We then had Mr. Bains, who is referenced in the motion, and finally, our current minister.

It's no accident that Canada has had some of the highest prices in the industry and that some of the most abusive practices have taken place. This smaller chapter of those abuses is important, but I think we need to remind ourselves of some that have taken place over the years.

I remember that one of the first ones I dealt with was Bell Canada not giving pay equity to the women in Bell Canada. That was one of the first meetings we had in Ottawa. The CEO at the time, who is now hired by the Liberals, had to be dragged before our industry committee about that issue. We fought to finally get equal rights for women workers at Bell.

Part of this industry has also had a culture in the workplace that's been very disturbing for decades.

We also had the deferral accounts. For those who don't know about the deferral accounts or don't remember them, basically, there was an overcharge by the major corporations—except for SaskTel. SaskTel was actually the only one that didn't charge. In fact, at Bell it was over \$80, and it tried to keep those millions of dollars, even after it was awarded that it had to go through the court system. They had to fight to get the persons with disabilities who were awarded money some of those things. We had deferral accounts. That was another thing.

We had unlocking cellphones, which was a big challenge. I actually give Rogers credit for that, because we worked on that and it was the first one to unlock its cellphones. That was an interesting campaign that was done.

We still have issues right now with the right to repair. We have cellphone abuse in the industry for the aftermarket, whether it's fixing your screen or electronic waste with different [*Technical difficulty—Editor*]. It's nothing related to intellectual property and so forth, but you have consumers with the short end of the stick compared to other countries because we don't have the proper consumer supports for that.

We have foreign direct investment, which was supposed to be the panacea of opening up the industry. I know I mentioned earlier Maxime Bernier and the addition of foreign entrants into the market, which were later allowed by government policy to be bought up and absorbed into the system. Now we have even less competition.

That's the example we have right now. We have—and I predicted it at that time—the cannibalization of Shaw by our own domestic industry as the natural course of action that's going to take place. Actually, there are probably going to be further mergers in the industry that could possibly reduce more customers'....

• (1610)

We have had massive public subsidies in regard to this over the years to try to incentivize them to go into the markets in rural and other areas. Mr. Lemire has mentioned that.

This committee actually had a study on that specifically, the recommendations from which have not been followed by successive Conservative and Liberal governments. We should probably inventory all of those actual issues to see which have been followed up on and which haven't, because they actually correlate to some of the things that we have in the study right here. That's something we actually did. We tabled that and did a press conference. It was supported unanimously by all parties at the time. At the time, Mr. St. Denis was the Liberal chair. He led the committee on a unanimous report on rural broadband services. That's been buried as well.

Most recently—and we don't want to forget about this—the industry is more interested in its own fight than in the interests of Canadians and public safety, as we saw when we had the 911 debacle. Let's not forget about that. They put their interests about each other in front of that. The minister had to call in when he was overseas to get them to be accountable for that.

At the same time we've had this, we've had government policies over the years and what they've done is actually lower corporate taxes on these entrants and on these iconic organizations. That hasn't always led to investment. It hasn't led to new competition. It's led to the bleeding of the public purse. It's also led to a policy of spectrum auction—on which I have been advocating for a change for years—from which over \$22 billion has been taken into the public purse by successive Conservative and Liberal governments, back and forth, back and forth. That cost has then been passed onto Canadian consumers in the form of high prices so they can try to get that money back.

The public spectrum is a public asset. It's the same as our air. It's the same as our water. It's the same as our land. That \$22 billion has gone up in smoke, and at the same time it has given the excuse for the entrants to have their feuds over towers and their feuds over spectrum. There is actually even a system put in place whereby you can buy and resell spectrum basically as a niche business in the actual industry. We still haven't changed that fully, especially as we're moving to 5G.

What else do we expect is going to happen when we pass that bill on to Canadians?

I can't accept the motion as it is written right now because it's not fulsome enough. Again, I think it partly reflects the intent of Mr. Lemire's motion. It's something we should be looking towards. We've had the issue of a digital bill of rights. Issues of privacy have come up. We have had a series of motions for Canadians. Pricing is of course the number one thing that's on people's minds right now. This motion is devoid of the fact that the cellphone industry and the technology behind it are a benefit of the public use of the airwaves. On top of that, it's now an essential service. We need to do more now than ever before.

If COVID taught us anything, it is that being included in society and the cost of that are associated with and related to your mobile device. Whether you're actually trying to attend school, to communicate with friends, family or relatives, to get a job or to stay in touch with the world during a 911 emergency, it's now an essential service that requires more examination.

Some of the things in the motion here are quite correct and they are very important to look at. I appreciate them. I would hate to leave out organizations that have known and bled this for years. We have the Public Interest Advocacy Centre. We have OpenMedia. We have Professor Vass Bednar. We have Robin Shaban. We have the Consumers' Association of Canada. We have CARP. We have all those groups and organizations that, I'm sure, would want to get in on this and would want to have some more fulsome discussions about it.

I'm open to looking at the issue for sure. I would like a further analysis, though, and I would like to hear from colleagues about Mr. Lemire's motion and whether or not this is really in order. It's very specific but is a subset of what Mr. Lemire was trying to get at. It's at least worth talking about, because we have passed that. Most importantly, I don't want to leave the other customers of Bell, Telus and others basically to the wind because we didn't decide to do the proper thing and look at the industry properly. I have just detailed the bare bones of what has taken place over 20 years.

• (1615)

We're here for a reason, and this specific case is here for a reason, but even if we were able to fix this specific case, it's such a small part of the entire story that it really won't give the relief that's necessary or the justice that we could do.

I also want to make sure that this won't be shopped around to other committees at the House of Commons. That's been the practice recently. Industry stuff has been shopped around to other committees and to other places. It's caused confusion and it's caused issues. If we're going to do this, let's do it right. Let's not leave this to be tabled at some other committee for it to do the proper job that we should be doing here. Again, this is one of the reasons I support Mr. Lemire's motion. We've been doing our best to get Bill C-27 through things and to focus on prioritizing that. We've also entertained other things, but if we're just going to look at this one minuscule issue for an industry that really is titanic, in many respects, with Canadian consumers....

It's certainly one that could have been a source of national pride. It's also one that has a public interest side more than ever before. Again, we own the spectrum. We also give up land rights for some of the infrastructure that takes place for this industry to run, yet we

then cast ourselves to the wind. At the same time, successive governments have collected billions of dollars from Canadians and off of the spectrum auction, and then passed it on to them in their bills at the end of the day. There's another storm coming on that unless we change ourselves.

I'm open to looking at this. I'm open to doing some work on this. I want it to be a fulsome thing. Again, I don't want to look at just one niche part of it. It's a very important part, and I'm pleased that the motion has come forward with some description towards it, but I think it's a subset of all the things we need to get at. Time is running out. Our spectrum is going to go more out to auction in the future, and there still is a lack of consumer accountability. This is just one perfect example among many of why there needs to be an overhaul of the basically archaic system that we have.

Thank you, Mr. Chair.

**The Chair:** Before I turn it to MP Ferreri, perhaps I can answer your question, Mr. Masse.

Given that the motion aims to respond to a specific set of circumstances that are a little different from the motion we adopted on September 26, I think it's receivable. It is in order. However, there's one proposition that's on the table right now. It's up to the committee to decide what it wants to adopt. If it wants to build on a motion that was previously adopted by the committee, it can so decide. We will first debate this motion, but then we'll see where it lands. It is a possibility.

Go ahead, Ms. Ferreri.

**Ms. Michelle Ferreri:** Thank you, Mr. Chair.

Thank you to everybody. It sounds like there is definitely an effort here to row in one direction in terms of helping Canadians, which I like to see. I can't see how this motion wouldn't get unanimous consent to pass, because I think you've all explained that you care about Canadians.

I want to bring it back to the core of what we're trying to do with this motion—to bring emergency meetings to the industry committee to help Canadians have more affordable cellphone bills—as brought forth by my colleague MP Perkins. I will let him talk further about what that looks like to, sort of, find the ground on which we can all move forward with this.

I want to point out that Minister Champagne on Tuesday urged carriers to “seriously consider customers over profits at this time”, when the announcement was that Bell and Rogers cellphone prices were going to increase. He went on to say, “While prices for some wireless plans have declined by more than 22 per cent over the past year, the planned price increases to certain month-to-month plans that have recently been announced go against the spirit we’ve set, at a time when Canadians are struggling to make ends meet”. He went on to say, “I am prepared to use any other tools at my disposal to fight for Canadian consumers.” That’s what this committee is. It is the tool to fight for Canadian consumers. It is an urgency, as I stated before, in a cost of living crisis.

Under the motion that has been put forward, I also want to reiterate that, given the fact that the Liberal government approved the decision to make Canada’s telecommunications market smaller and less competitive, the Minister of Industry must answer for this latest price increase—which he said. He is quoted here as saying that he will use any “tools” necessary.

There is an urgency to this. This goes against.... Again, there’s the same quote about “reasonable” time. I just think that focusing on that, and on the motion and what we’re trying to do, this has an urgency to it.

I wanted to also just put on the record, as I spoke about earlier, that some folks wrote in to me. Jen McCarroll pays \$300 for two cellphones. These are outrageous numbers. Navine pays \$500 for four of them. Cathy pays \$250 for two lines. Chiu pays just over \$200 a month for three lines. McCarroll’s is really important. She pays three cellphone bills so that her grandchildren can call home at any time.

This is really interesting. This gentleman wrote in and said that in Mexico it’s 200 pesos, or approximately \$16 Canadian, for 31 days unlimited phoning to Canada, U.S. and Mexico. He has unlimited text, unlimited social media and 5.75 gigabytes of data.

Obviously, there’s an urgency to this. This impacts everyone, as acknowledged across party lines. Let’s come to an agreement here and get this motion passed as soon as possible.

Thank you, Mr. Chair.

● (1620)

**The Chair:** Thank you.

MP Sorbara, the floor is yours.

**Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.):** Thank you, Chair.

Going back to the beginning, obviously, congratulations to Parliamentary Secretary Turnbull on the addition of a new family member.

To Brian Masse and the whole New Democratic family, but really to all Canadians, we lost a passionate and great Canadian we were blessed to have for so many years. I still remember the first election campaign I paid close attention to at a young age. I think it was in 1988 and I was about 14 years old. It was the free trade election. I will never forget the debates that we were able to watch and

that Mr. Broadbent participated in, and the passion he brought to workers and how he fought for all Canadians.

Rest in peace. I send my prayers to his family and friends.

To Mr. Masse, I very much enjoyed your analysis of the wireless industry. It has always been the goal of governments—I say “governments” on purpose—to ensure that we have four participants in the wireless industry. We used to use terms in the private sector such as the “quad four bundle”.

With new participants coming in, how will they be financed? If you look around the world, in literally every country, it’s very unusual to have more than three wireless participants in most countries—large participants, as I would say. Here in Canada, getting to four participants in our markets has been a goal that, I think, we’ve achieved on many levels. Obviously, we need to continue to monitor it.

There are big sunk costs to enter into the market, whether they’re on the wireless side or the wireline side, with the Internet or cable, and all of the changes in technologies that have taken place over the top and so forth. Now we have the idea that you can become a straight aligned wireless provider and not provide any other services. There are even those thoughts happening within countries.

I enjoyed your comments on the wireless spectrum and how that happens. For folks who want to understand, auctioning the wireless spectrum is a pure economic theory that is done. What’s behind it is quite fascinating.

The issue here, and I agree with Minister Champagne’s comment, is that now is not the time for wireless companies to be raising rates on consumers and hard-working Canadians. I agree with the minister on that front. Canadians—my constituents, like all constituents—have been through a lot in the last few years. We’ve had COVID. We’ve had global inflation. We have a war in Ukraine that continues on and has ramifications. We know with global inflation that people’s pocketbooks have been pinched, to say the least.

We, as a government, have acted in unison with parties to put in place measures to help Canadians, whether on a temporary basis, like the GST/HST credit and the grocery rebate, or on a permanent basis, like the Canada child benefit and the national early learning and child care plan.

Here in the province of Ontario, by September 2025, we will have \$10-a-day day care on average for Ontarians. I just met with the officials in York Region and went through how that is going.

I’m moving toward a national dental care plan. I was, much like many of my colleagues, with our seniors just last night, talking about the implementation of that and how it’s going to save seniors. It’s going to save nearly nine million Canadians literally hundreds of dollars, and sometimes thousands of dollars.

Going back to the issue at hand and looking at this sector, being relatively new to the committee during the last several months, and going to Mr. Lemire's....

[Translation]

Good afternoon, Mr. Lemire. I would like to wish you a happy new year.

• (1625)

[English]

Going to his, what I would call, umbrella motion that was brought forward, I think it definitely needs to be done. We definitely need to take a look at the dynamics within the market. For those of us who like to follow the industry closely, there's always the CRTC monitoring report that comes out annually. It's a 300- or 400-page booklet that gives you a lot of information on market shares, pricing and dynamics.

Do you know what? It is a statistical fact that a lot of pricing changes have taken place over the last several years. There have been significant decreases in the various plans that are out there.

At the same time, we're very cognizant that Canadians, including ourselves.... As Brad said, we go to the grocery store, and we see what the prices of goods are. I have three kids at home, and I know very well what it's costing to raise these three girls I'm blessed with. I'm very cognizant of that, and I always fight for my constituents to make sure that their lifestyles and the expenses they face day to day are affordable, that there is no price-gouging going on, and that there are no anti-competitive practices going on.

I will remind the committee of Bill C-34, which was passed in this committee, on competition, and there are other measures that we've been putting in place in the recent legislation we brought to Parliament under Minister Champagne on anti-competitive practices. It's really important that we continue to follow this vein.

Again, who are we fighting for? As Ms. Ferreri said, we're fighting for our constituents. We're ensuring that prices continue to decrease. We're ensuring that, when transactions happen in the marketplace, they're not detrimental to consumers. We're ensuring that consumers are benefiting from the most recent technology, whether it's 5G or AI and so forth in that vein. We continue to do that.

I look at Sébastien's motion, and I think it's incredibly important that we look at that because each committee is the master of its own domain. It gets to pick and choose what it studies and what it doesn't study. It gets to pick and choose, in addition to when the report is issued, whether there's a minority report that it wishes to issue or if there's a dissenting report that can also be done. That's the flexibility in committees.

I would like to add, Mr. Chair, that it's very important that we also have in front of us Bill C-27. I say to my parliamentary and esteemed colleagues from all parties that the nature of artificial intelligence and the nature of privacy and how it applies to all 40-plus million Canadians in this beautiful country are things that we really need to get to the—if I can use a football analogy—end zone on in a very diligent, very judicious way.

We know that the Europeans are on it. We know that the U.S. and other jurisdictions are on it. We need to show the professionalism, which we always do, and the leadership as industry committee members on what some would consider and what I would consider is probably one of the most important evolving technologies that we will see in our lifetimes. Potentially, from what I've been reading and from what other folks who I think are probably much wiser or smarter than me are saying, it will transform the way we do many things, and it is transforming the way we do many things in life. Hopefully it will be a beneficial mechanism to the standard of living of literally hundreds of millions, if not billions, of individuals in this world.

I'll just circle back and finish up briefly—Mr. Chair and colleagues, I thank you for your patience—with regard to the motion and why we're here today.

Thank you, Mr. Perkins, for bringing this motion.

We are parliamentarians. We do work every day, whether it's in our constituency offices helping our constituents or looking at legislation issues within our committee purviews. We do need to make sure that our citizens are benefiting from technologies and from market transactions that take place. We do need to make sure that they are seeing the benefits, whether it's lower prices on goods and services or it's improved competition, which drives innovation and prices. We need to see that.

I'm pro-capitalism; I'm pro-markets. The last thing I like to see is anti-competitive practices being adopted. To go back and finish up, I'm in full alignment with Minister Champagne. Now is not the time to be raising prices on Canadian consumers, whether it's a small percentage of customers or not. It's really important that consumers out there have confidence in the services they're receiving.

I know that a lot of us have plans at home with whichever wireless provider we have for services. I tend to call them all the time to ask what new pricing plans they have. We should all pressure them all the time to make sure that we're getting the best services and the best prices for the plans that we have.

• (1630)

It behooves the committee to continue to put that pressure on companies—especially on companies for which the fact of the matter is that there is no foreign competition. These are domestic participants. They've invested literally hundreds of billions of dollars in their businesses in totality.

I've covered this sector for many years. Whether it's at Bell, Telus or Rogers, the employees who work there are very proud to work there. They do a great job and they've invested billions of dollars in their businesses, building out.

I was reading today.... I grew up in northern British Columbia. I believe Rogers has invested more funds along the Highway of Tears—which is close to Prince Rupert, where I grew up—to Prince George. Anybody who has driven along that line of road, which is roughly 740 kilometres or so, will know there are many parts that have never had cellphone service in those areas in northern B.C.

That applies, as Mr. Lemire said.... When you look at rural Canada, our geographic landscape and the need and necessity for these companies to invest literally hundreds of millions of dollars, and billions of dollars, in building out cell towers and building out their services, they are investing in our communities.

We want them to be good corporate partners. We want them to be even better corporate citizens. We understand the interests they need to balance. At the same time, we know Canadians need to be assured of the affordability of life and that they're receiving the measures and the help they need to have. That's where I come in and say, "Do you know what? Now is not the time for price increases on Canadians."

Thank you, Chair. I will turn it back to you and the next speaker.

[*Translation*]

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

Mr. Turnbull, you have the floor.

[*English*]

**Mr. Ryan Turnbull (Whitby, Lib.):** I wish everybody a happy new year. It's great to see you all, a little earlier than I thought. Thanks for the well wishes for my newborn daughter.

My condolences, again, to Mr. Masse and all NDP members. My riding is next door to Oshawa and at one point Ed Broadbent actually represented the people of Whitby as well as the people of Oshawa because it was one riding. I knew Mr. Broadbent to be a great leader. I didn't know him well, unfortunately, and I feel bad about that. I think we all know what great a legacy he left; my condolences for that loss.

It's sort of life and death for me. When thinking about Ed Broadbent as a loss, I think of my newborn daughter as a gift, a miracle of life. It's great.

I think the debate is good and this is an important topic. We've had several attempts to study this, as it has been on a list of studies. When I saw this letter from the members who signed the Standing Order 106(4) request, I immediately started Google searching information on cellphone prices. I confess that I wasn't 100% clear as to where the market was at. I felt bad about that because I felt that I should know more about it.

I quickly found some Statistics Canada information that is quite easy to find on their website in relation to telecommunications in Canada. I was interested to see information that shows that cellular services decreased in price by 22.6% over the course of 2023, from November 2022 to November 2023. This sort of conflicts with the claims made in the letter that was signed for the Standing Order 106(4) request. It is important to dig into this topic and get to the facts.

Mr. Sorbara and others have commented that hearing that Rogers is increasing prices is challenging to hear. My constituents, along with all of our constituents, I'm sure, would be concerned to learn this. Within a broader context, we need to understand what is happening with cellphone prices.

I've been listening intently to the comments. They are making me question whether the media report of a price increase is within the

broader context that Statistics Canada is reporting on and maybe cellphone prices are actually going down. I think we should get to the bottom of this and talk it through.

I can see us doing a study. The challenge I have with the current motion, and I've heard this from other colleagues, is that perhaps Mr. Lemire's motion might give us a more robust study. Maybe there's a way that we could include Mr. Perkins' suggestion and do a broader study by using Mr. Lemire's motion that was adopted on September 26.

I would humbly submit that we should look at that as an option. I have some challenges in what's included in Mr. Perkins' motion, which says, "be immediately recalled to undertake a study". I think the timeline is too short to do a robust study on this topic. It's in the best interests of Canadians to do a good job and, as Mr. Lemire suggested, broaden the scope of the study.

I also feel that the subcommittee should probably meet relatively soon to determine whether we can get additional resources and what they should be spent on. I know that Bill C-27 is a really big deal for us and all of us know it's a priority for us as parliamentarians. On behalf of Canadians, I think the evolution of artificial intelligence is something the world is talking about. The more we delay on Bill C-27, the more we fall behind. That's a dangerous place to be in. I think we need to really focus our attention on getting C-27 done.

● (1635)

I'm supportive of doing this work. We have to think about how we prioritize it. I would suggest that we refocus our attention on perhaps amending Mr. Lemire's motion that was previously adopted by the committee so that we can do an even broader and more in-depth study. I know we can't move this because we're debating the current motion, and I don't want to take our attention away from that. What I would like to do is just let you know in advance what I would suggest. As I was listening to others, I was thinking about this and writing down how we could include what Mr. Perkins has suggested but still work with Mr. Lemire's motion.

I would propose adding one line to Mr. Lemire's motion. It would state, "and that it examines the position of each player in the market, explores companies' service offerings and the factors that can influence competitive dynamics".

That's a bit broader, I know, in terms of wording, but it gets at prices, at competition and at the service offerings. Mr. Lemire's previous motion also focused on operating cost and the maintenance of critical infrastructure. Mr. Sorbara made a really good point and Mr. Masse made a really good point about cellphone infrastructure being public infrastructure. We also know that private companies are investing a lot in that infrastructure. I have examples in the northern part of my riding, which is all rural, and the Durham region where I live is largely rural. There are urban centres close to Lake Ontario, but a large portion of our ridings in Durham region are rural. We've had significant investments in rural broadband and cellphone infrastructure, and those have been needed.

It's a combination of public and private investment that is making those things happen today. We have to think about how that impacts the industry, how we open that up and how we create more competition. There's been a lot of conversation about that.

I'm open to the conversation. I think it's a good study to have and I think we all agree that we have to ensure that cellphone prices come down. The way to do that is to have some witness testimony. I would love to hear from Statistics Canada, given the fact that I can find so easily from googling it on the Internet—it took me all of 10 seconds—information that shows that cellular service prices have decreased by 22.6%. That's over the entire industry in Canada. That's a significant amount given the fact that general inflation has been high. I actually found a graph that showed that cellular services are one of the only indexed CPI items that have come down dramatically. That flies in the face of what is being said in the letter that was sent. I would like to undertake a study that's broad enough that we can get to the bottom of that and really assess whether the competition policy of our government is working to bring down cellphone prices on average. I would really like to get to the bottom of that on behalf of Canadians.

Thanks very much. I can't move the amendment, but if we were on Mr. Lemire's motion, I would move an amendment in an attempt to get to consensus on this.

Thank you.

• (1640)

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

As you rightly pointed out, we're still debating Mr. Perkins' motion. We need to get to the end of this debate before we can perhaps move another motion that could add to Mr. Lemire's motion.

Right now, members, we are still on Mr. Perkins' motion.

Mr. Perkins, go ahead.

**Mr. Rick Perkins:** Thank you, Mr. Chair.

I've listened intently to all the interventions. I'll start off by saying, no, I don't think we have consensus that cellphone prices have been down. I don't think I have a single constituent in my riding who would agree that cellphone prices have come down or that they're paying 22% less than they were paying last year in cellphone prices.

I'll just help MP Turnbull. This wasn't some mythical thing. It was announced by Rogers on January 3. You can google the media

articles, if you like. The media articles state quite clearly that Rogers is putting up the price of new packages seven to nine dollars on average. That follows almost a month after your government approved the Freedom sale to Quebec, where Quebec put up the price on all BYOD. For those who don't know what that means, it's "bring your own device" packages. They put it up after sitting in this committee and saying that they would reduce prices.

We have contradictory...or I shouldn't say "contradictory". We have cellphone companies saying one thing to parliamentarians so that they can get their deal passed. Then we have the other—the actual actions by them, not even when the ink was dry, saying they were putting up cellphone prices.

Again, only a few days ago.... Maybe you should google that article. Perhaps Rogers is putting this up because former industry minister Navdeep Bains, who was in charge of reducing cellphone prices and has now gone to work at the most expensive cellphone company in the world, has given them advice that, you know, Parliament's on to other things, so don't worry about it; you can squeeze through a price increase and nobody will notice.

Well, Canadians are noticing. That's where this comes from. While I appreciate that some members have been busy with other things since Parliament has risen, it's been in all the news that cellphone prices are going up. I do appreciate MP Lemire's motion. I will agree that it is broader, although it has a lot of micro things in it. I think it's an easy thing to make an amendment to the motion I proposed.

I just want to be clear here, because I'm not sure everyone read the motion clearly or heard the motion clearly. The motion basically says that we will start, because we have this crowded agenda, by doing hearings the week before we come back. Specifically, we will ask first about these price increases and about the inconsistency with regard to the commitments these companies have made to the federal government. Second, it talks about the broader industry opportunity. It lists specific witnesses. To MP Masse's concern, it lists the four big companies and not just the two.

With regard to (e), I can't amend my own motion, but another member could amend it to add in some of the elements from MP Lemire's motion on the earlier study. It says in (e) that we can have all other witnesses deemed relevant. The list that MP Masse and others went through are all eminently invariable under that, but you certainly can add into that a broader look at the cost structures, competitiveness issues and access, if you like.

The motion also goes on to say—as MP Sorbara said, we are in charge of our own domain in committees—that we can add more meetings. The suggestion here is to tag them onto the end of our existing meetings that we have scheduled with the new committee schedule of Mondays and Wednesdays for this committee. Another hour can be added on, as we've been doing with the green slush fund, to continue and to add this on. Obviously, I think the Liberals would prefer that we not look at cellphone prices until Bill C-27 is passed so that we don't have to deal with it until April or May, long after this story on the issue of cellphone prices is in the news.

I think we can do two things at once. That's what this motion is trying to do. It's saying that we can do not just one thing at once but two things at once, as we did in December. We can start the study the week before Parliament comes back and continue it by adding on meetings.

● (1645)

I'm open, as I said in my opening, to anyone other than me—because the parliamentary rules are that I can't amend my own motion—adding to item (e) or perhaps adding a new item (f) that incorporates some, if not all, of the elements of Mr. Lemire's motion. Then we can get on with the study and get to dealing with what Canadians want, which is getting to the bottom of why it is that these cellphone companies promised the government that they would reduce fees and then announced that they are increasing them.

That's what this is about. I would think that all members of Parliament, including the government, would want to get to that. Heck, the minister even said that this is not what he was expecting when he laid out the rules of this merger. He was not expecting cellphone companies to be increasing fees. He expected fees to go the other way. I would think that Liberal members would want to hear about why they are doing that in contravention of the commitments that they made to the minister only a year ago. I would think that Liberal members would want to hear about that urgently, not some time before the summer.

I would hope that either an MP on my side or MP Masse or somebody would be able to make an amendment that finds a way to mush those two motions together so that we can get on with this study dealing with one of the major cost-of-living problems and issues that Canadians have: their families' growing cellphone prices.

Thank you, Mr. Chair.

● (1650)

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

MP Van Bynen.

**Mr. Tony Van Bynen (Newmarket—Aurora, Lib.):** Thank you, Mr. Chair.

Much has been said, so I won't repeat what has already been highlighted.

I have a continuing concern with respect to the way that the industry is going, with respect to the profound impact that we will see as a result of artificial intelligence and with respect to, if we don't act swiftly and decisively with respect to Bill C-27, the profound impact that it may have that we may not be able to undo. I don't

want anyone to minimize the importance of going forward with Bill C-27 because it's an important thing on an ongoing basis as well.

I also believe that if we're going to look at this, we should be sincere and should make sure that this is a fulsome, thorough and fact-based review. Already we've heard two different perceptions of what Statistics Canada tells us. I think we should look at opportunities where all of those facts are on the table for everyone to consider. I think it's important that it captures all of the dynamics of the issue in telecommunications and recognizes some of the changes that we've seen in the Competition Act.

Concentration in marketplaces is turning out to be not as advantageous as we thought it would be, so there's been some change there. I think we need to give this thorough thought, and I think we need to give this the time, the framework and the scope that's being proposed in Mr. Lemire's motion.

Therefore, I would agree with the suggestion that Mr. Turnbull has made.

Thank you.

**The Chair:** Thank you, MP Van Bynen.

MP Vis.

**Mr. Brad Vis:** Thank you, Mr. Chair.

I'm actually just working, as we speak, on revising the motion in good faith to include Mr. Lemire's key points as Mr. Perkins outlined.

Can I request that we suspend for five minutes just so that I can finish writing that up, Mr. Chair?

**The Chair:** I see that we have Mr. Masse, Mr. Vis. We'll go to Mr. Masse first. That will give you more time. I'll get back to you after Mr. Masse.

**Mr. Brad Vis:** Thank you.

**The Chair:** Mr. Masse.

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

I've been looking at this as well, and I'm wondering... Maybe you can answer some of this too. I'm looking at the motion here. There are some inclusions that Mr. Perkins has that we can expand on; there's no doubt about that. I still think this is really more of a subset of Mr. Lemire's motion, but that's just my personal opinion. I don't want to challenge the chair on it, but I still think this is covered by what we've already addressed. We just didn't assign a date to Mr. Lemire's motion.

If we're trying to work this through, though, I'm also worried about it unintentionally being a trap that complicates getting the proper witnesses because of the date timelines in here and trying to shoehorn this on the fly to make it work somehow. We only have a week—next week—to meet, because the following week, we have our caucuses that we'll be attending. That will also affect our capabilities.

I'm working on constituency stuff right now that's just as important as this issue. In Windsor, we're dealing with, quite frankly, significant economic issues and other matters. This is obviously crucially important to the constituents here, but there are still several other things that we're dealing with.

I don't know what else to abandon if we are going to go.... We could try to do some in Ottawa, I suppose, or some virtually, which I don't believe is as effective, especially if we want to bring the CEOs to the table. I want the CEOs at the table, and I thank Mr. Perkins for pointing this out, because I didn't want the impression to be that it was just Rogers on that alone. It's more about Rogers customers, but I want all of those CEOs in the room with us in Ottawa. That's what I would prefer to have, trying to do it properly.

I don't know how we can do that today. Maybe Mr. Vis will come back with something, but at the same time, I'm just wondering whether the best process for us is to agree to some elements of the motion and that we're going to do work on those, whether it's in a motion that would say we're going to merge Mr. Perkins' and Mr. Lemire's motion—a simple one like that—and then go to planning so that we can get the proper resources or....

Here's what we can do. We can try to get in a couple of meetings, if we can, and then find some really important and interesting stuff that needs to be followed up on—I've listed a litany of things that I won't go through again—but then we find out that we don't even have the House resources for them. We can't make a decision on how we'll allocate Bill C-27 and a new study on this. We then bring in one or two people from the industry. We leave the others out, because we can't accommodate the time frames, and we're stuck in the doldrums, like a boat with no wind in the sails, waiting to find out if we can actually get some time.

Maybe, Mr. Chair, you could provide some guidance on the challenges of trying to get the witnesses. I will subpoena a witness if I have to. This is a significant issue, and what's important for me is the CEOs, so if we have to do that.... We've seen CEOs come to Parliament and come to our table, and not even tell us at the right times the right things that are supposed to be happening.

We even had at the industry committee the CEOs from the grocery store industry when they ended pandemic pay. All three of them came on the same day and basically threw a loophole in the system. That was actually important work that came out later on, and another committee is working on following up on it, but it was important because it was this committee that brought the CEOs of grocery retailers to Parliament for the first time.

I don't want to forget that, because I want to do this right with the same CEOs who are right here. It's outrageous that this is going on. Mr. Perkins deserves credit for highlighting a particular case and the whole whitewash on Canadian consumers that's taking place, but I also don't want to trap us accidentally, not do the right thing and almost start something that we can't even finish. It would be embarrassing.

I don't know how to wedge these two things together. I have a commitment to myself. Whether we can craft a motion that will say we're going to go to a committee business meeting or something....

We can even do it next week or whatever. It won't take the full operations of Parliament.

We'll focus on crafting a motion to merge the two that we will then start on. If we don't, then what do we do if we get one meeting or half a meeting, or maybe a couple of people at the table one day and nobody else can show up? We won't have any credibility with the CEOs and the public if we are giving people one business week to come in front of Parliament. That's going to light up the whole argument that they have to do it virtually and not even attend, and it will give them tons of credibility on that.

● (1655)

Second, they'll be able to escape that, and we've seen that with other industry initiatives that have gone from our committee to other committees that have had a hard time procuring witnesses at the last minute. They're still just spinning their wheels on some of that stuff because we're having a hard time getting people to show up.

My suggestion at this point in time is to see whether there's enough support to stand this down to some degree but also to have something committed to so that it gets the confidence of the author of the motion as well as the other author, Mr. Lemire, who has been sincerely waiting. He put that study forward a long time ago, and he did it with the sincere hope that it would be one of the things taken up when we had time and that it was a priority.

We have that commitment as well, and that was talked about when we were at the table. We said that to Mr. Lemire. We all did. We said that if we had some extra time and resources, we would go back and look at what we had done. That's why we passed his motion. We didn't have to pass his motion; we could have put it off to other business or something else. I haven't even proposed a motion as to how to actually go about allocating time use in this parliamentary session for industry, because I actually support what Mr. Lemire has put forth as a priority. That's the reason I don't have one waiting on the books, and I haven't pushed the committee to endorse it just to make a political point. It hasn't been done because Mr. Lemire actually has something that's pretty important. It's a pretty good way of looking at and using some of the previous industry committee work.

My concern is that we accidentally end up boxing ourselves in. I recognize the value of this motion, but I think it makes Mr. Lemire's point and motion much stronger. Perhaps we could somehow merge them with a commitment, even through a motion, so that there would be a public commitment showing that we do care about what's been brought forth here today. We could do it in a way that would solidify that we are going to go to our subcommittee and get a final draft to bring back so we wouldn't waste any time when we came back. When we came back to the House of Commons, at the first meeting we could actually do the final stuff on that. We could then hopefully move on to Bill C-27 right away and start to line up the witnesses for this motion or the final one that we have.



That might be a better use of our parliamentary time and resources and provide a more concrete opportunity for others outside of the lobbying halls of Ottawa, who always seem to get their time here. They might also be able to participate in a more fulsome study.

• (1700)

**The Chair:** Thank you, MP Masse.

I have MP Turnbull and MP Vis.

**Mr. Ryan Turnbull:** I actually agree with Mr. Masse to a large degree.

I think Mr. Lemire has been waiting patiently. I think three out of the four parties in this meeting have agreed to do a study on this topic that is fulsome and thorough and have agreed that it is a priority. I would suggest that it's a way forward. The Conservatives wanted to do this study and Mr. Lemire has a more sufficient motion, which is on the docket of things to study.

Why don't we move to amend that to be inclusive of what Mr. Perkins and others have suggested here? I think that seems to be a better way forward to get us to a consensus. Perhaps it's not sufficient to have CEOs appear all together. It might be advantageous to have them appear one at a time if that's what the committee desires. I think Mr. Lemire's motion may allow us to do that as well.

That's what I would suggest as a way forward here. I don't know whether Mr. Perkins does not like getting what he wanted. It seems strange that we would have an ability to move forward and then have resistance. It's not really about the wording or who put the motion forward. If we're working on behalf of Canadians and we have a way forward and we agree on doing this study, then let's get it done. Let's move to Mr. Lemire's motion and amend that.

Thank you once again.

**The Chair:** Thank you, MP Turnbull.

MP Vis.

**Mr. Brad Vis:** I just worked with my team here on an amendment to the motion on the floor, which incorporates what Mr. Lemire included in his original motion. It's all going to be sent to you right now. We would include language encapsulating Mr. Lemire's comments.

If you look at the motion, it would read, “the committee therefore agree to be immediately recalled to undertake a study of up to”, we'll say, “six meetings, of at least two hours per meeting, to study”—and this is where we incorporate Mr. Lemire's comments—“the modernization of the regulatory framework, examine technological advancements such as 5G, fiber optics, Wi-Fi 6, and many others; that it examine innovative opportunities for businesses and consumers in Canada and internationally; that it scrutinize the operating costs of these technologies and the maintenance of so-called critical infrastructure; that it examine the need for network resiliency in the face of climate change; that it investigate unused spectrum in more remote and rural areas as well as deployment targets; that it examine the need to expand mobile connectivity to improve public safety, and examine telecommunications tower construction programs and infrastructure deployment financing”.

Then under item (a) regarding Minister Champagne, we'll add that he appear by January 26.

Then under item (b) regarding Mr. Staffieri, we'll add that he appear by January 26.

The Conservatives are trying to encapsulate the existing motion of Mr. Lemire, in good faith, to work positively with our colleagues, while acknowledging that the intent of this Standing Order 106(4) meeting was to hold the big telcos to account for increasing prices. They came to this committee on January 25, 2023, and said they would provide more competition, which means lower prices in western Canada especially, just under a year ago.

That motion should be circulating right now. I encourage all committee members to take a quick look at it. Canadians don't want to wait until we get back. We can do this work right now on their behalf to address the affordability challenges they are facing.

Thank you, Mr. Chair.

• (1705)

**Mr. Brian Masse:** I have a point of order, Mr. Chair.

I appreciate the work from Mr. Vis on this, but here is what I fear in terms of where this goes. I believe it's really more about amending Mr. Lemire's motion versus Mr. Perkins' motion. I think you need to make a ruling on that at some point.

Let's get it and take a look. We have another 25 minutes here. I would like you to have a look at that because I don't want to get into a debate as to whether it's admissible if other members feel that way or not. I suspect, because of the way it's been done, it's kind of like the tail wagging the dog. Not because of Mr. Vis's work, but because of the way that things have evolved. It is through no fault of his own or that of Mr. Perkins or Mr. Lemire. The reality is that we already passed a motion. Again, I would rather clear things up and have a direct path after this meeting. If we don't, then we have to schedule another meeting and that means an even longer time to try to get witnesses for this. That's another lost opportunity.

I think if we are going to take a break, we only have a little bit of time left, and I would like to be cognizant of that. We have to pass something, or we come back to another emergency meeting as we try to continue to craft something as the time ticks away for the witness notifications that can take place.

Thank you, Mr. Chair.

**The Chair:** Thank you, MP Masse, for that point of order. I will entertain your point of order and I think you're correct, basically.

Mr. Vis, although I appreciate the effort to try to find a path forward, this is basically asking the committee to vote on something that we've already agreed to, with an amendment.

Colleagues, just so we're clear, we have Mr. Perkins' motion. We have different paths. Either we adopt the motion, or we defeat it. Either we amend the motion or we don't. If the motion was defeated, a member could bring another motion that would seek to amend Mr. Lemire's motion. We would need unanimous consent to revisit a motion that's already been voted on by the committee. What we could also do is just adopt the motion that adds to Mr. Lemire's motion to say that, building on what the committee voted on on September 26, the committee has decided that it wants to add a couple of meetings or to invite such-and-such witnesses. That's a possibility.

The way you presented your amendment, Mr. Vis, I'm afraid it would be more akin to amending Mr. Lemire's motion, which we already voted on. We would need unanimous consent, and then that would take us away from the motion that we're debating right now, which is Mr. Perkins' motion.

We're back to square one. Mr. Masse is correct that we have only 21 minutes left. I don't see any more hands up, which means that the debate on the motion of Mr. Perkins will collapse, and that will bring it to a vote. We still have some time for that 106(4) meeting that was called, and there are other venues, which I've just outlined for the committee.

Mr. Vis, go ahead.

**Mr. Brad Vis:** Thank you, Mr. Chair.

Just to the other committee members, if we received unanimous consent to move forward with Mr. Lemire's motion, would committee members be amenable to, by January 26, having the CEO of Rogers and the minister appear before our committee?

• (1710)

**The Chair:** I understand you're just asking that. That would be easier done if we were all in person today, because we're just trying to get a feel for the temperature in the room and it's harder when we're all on Zoom. We can't do that while we're debating a motion, and we're still debating Mr. Perkins' motion right now. We can't be seeking unanimous consent for that. I don't know how you can communicate with members on that front, Mr. Vis, but that was a good try.

I will defer to Ms. Ferreri.

**Ms. Michelle Ferreri:** Thanks, Mr. Chair.

I was going to say the same thing my colleague Mr. Vis said. I just think it would send a great message to Canadians watching if we did our due diligence. This has come to us. Can we take the temperature in the room, as you said? I don't know how best to do that—whether with a thumbs-up or what. The reality is that I think we can do this. We need the minister and we need the CEO here before January 26. That is imminent, and I think it would be critical for us to agree on at least that and to then expand and meet the needs that colleagues from across all party lines have brought forth with respect to doing a fulsome study. Right now we need to try our best to have the minister and Rogers here before January 26.

Can we get this? I don't know how to do this. I see Tony looking. It's very hard to do this in Zoom, as you pointed out, Mr. Chair. I don't see any thumbs-up. I will leave it at that.

**The Chair:** Thank you, Ms. Ferreri.

Mr. Perkins, go ahead.

**Mr. Rick Perkins:** Since I started this, maybe I'll provide probably the final comments.

Here's where we're at. We have a price increase that's happening by Rogers. We have a price increase that's already happened by Quebecor. We have two other of the four major players refusing to tell the public what they're going to do about price increases this year. We're in a position where, if I hear the Liberal members right, they think this is an urgent thing too, except they want it to wait until after we finish Bill C-27, which will be a few more months. I can understand why they want the delay on this. Obviously, more study on cost of living increases for the government is not something they want to have hearings on. The reality is that these companies are ignoring what this government said about reducing prices.

I guess I would feel more comfortable, because nobody's willing to do the thumbs-up, if the committee said this: Do you know what? We can walk and chew gum at the same time. We can add on to Bill C-27 a third hour to begin a study on this when the House is back.

If it's on Mr. Lemire's motion, fair enough, but waiting until Bill C-27 is over is irresponsible given the cost increases. If, as MP Turnbull said, it's urgent and MP Sorbara said it's urgent, but just not the Conservative motion, then let's get to it and add on the time. We can't get another meeting slot, but we can add on, as we did in the fall with the green slush fund. We still have to finish that. As with the green slush fund, we can add on an extra hour. I'm certainly willing to spend three hours with the amazing members of this committee and the amazing testimony, where we do the two hours on the remaining elements of Bill C-27 and work on this in the third hour.

I fear that where we're going is that it will wait until after, because that's what the government wants. They'll hope that it goes away and that other things take over. I am very disappointed that the government members say that it's urgent but actually don't want to study it. I would encourage everyone on this committee, particularly those on the subcommittee, that, if you believe it's so urgent, when we have the agenda committee meet, hopefully before the House resumes—I think that's what we were talking about to organize our agenda—all will be unanimous in moving forward with adding a third hour to our meetings.

That's presuming, of course, and maybe I'm being a little too presumptuous, that my motion will fail. I hope you still have time to change your mind, see the error of your ways and see that Canadians believe that this is something that needs to be urgently questioned, that these CEOs need to be urgently questioned and that we can find time, sometime in the next two weeks, to call the CEO of Rogers before this committee to explain why he told us prices were going down but will be doing the opposite.

Apparently, or it looks like, my motion will be defeated. Members on this committee don't feel such urgency to figure out why the prices are going up when the commitment is to bring them down.

However, I will give everyone the benefit of the doubt. I look forward to your support in the agenda committee to adding a third hour to our hearings, starting when the House comes back and we have our normal meeting schedule.

Thank you.

• (1715)

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

For your information, while we're all here, I am hoping that we get steering committee done by the end of next week or early the week after that, before national caucuses.

MP Masse, the floor is yours.

**Mr. Brian Masse:** I thank you for that, Mr. Chair.

I also thank Mr. Perkins for submitting this because we weren't really having those discussions yet, so this has kind of created that.

I do want to point out that Mr. Lemire's motion has been on the books since September. This is the latest round of what's taken place for Canadian consumers. Just because it pops up when the House of Commons isn't sitting and is a specific target on the minister doesn't mean that we don't care about all of the other things that have taken place. There could have been action on this or several other things that have taken place, and we could have broken off meetings at any point in time. We're the authors of our own destiny here.

I would hope, and my intention is, to go to the steering committee to try to find these extra resources or the time to do something more substantial than just a one-hit wonder on Rogers in this moment, to do something that's going to be meaningful for Canadians and to not have it later on after Bill C-27 that we have it. I mean, this is the reality that we're faced with right now. It's a Hail Mary pass motion during a time period right now where we have very little time to even notify the witnesses to come and guarantee that they will be here. Otherwise, we'll have to go in a circle again and come back to look at just this one narrow piece of it.

I'm not hearing...and I'm hoping that some Liberal members might chime in and say that they're committed to actually working with the steering committee to find the resources so that this doesn't get lost again. However, that's the reality. We could have abandoned our Bill C-27 study at any point in time. Any motion could have happened at any point in time on this or other issues. Mr. Lemire's motion has been on the books since September, and we have not acted on it. We haven't acted on it for a lot of different reasons.

I hope that we could actually then do what you're saying, Mr. Chair: meet together and get an appropriate combination that's more.... You know, the fact is that Mr. Lemire deserves some credit for being ahead of this. He's not reacting to what's taking place in just a small subset of a larger problem in the industry. Mr. Lemire actually approached the committee in earnest with a motion. He put

it on the table. We voted on it and supported it. It's been sitting patiently, as he has been in this committee.

I'm hoping that other Liberal members will commit to making sure that we're going to do more than just wait around for Bill C-27. That's not the intent at all. For me, this is invigorating in the sense that we're actually going to get to something that I think is very much something that the committee should be spending some time on. Bill C-27 is soaking everything up, but we actually have some of the biggest responsibilities.

I'll conclude with this. This is why some of our work has been shopped around to other committees as well. It's been done by certain parties that have tried multiple motions on the same subjects in different committees, trying to take work away from us so we're not even finishing the stuff that we have actually passed motions on and that we actually still having witnesses coming forth on.

I guess the thing we have to discuss, whether it's going to be publicly now, openly later on or outside of our other meeting—we can have the subcommittee meet in public too—is whether we are going to abandon all of the other work, money and investment that went into Sustainable Development Technology Canada, that went into the auto motions. Are we going to actually give all of those things up too? I don't know. I don't know how we solve that on the fly like this. I just hope that we have a commitment here to do what we probably should have done: been more proactive on Mr. Lemire's motion.

[*Translation*]

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

Ms. Ferreri, you have the floor.

[*English*]

**Ms. Michelle Ferreri:** Thank you, Mr. Chair.

Listen—this is like going around in circles. It's super frustrating.

I think Mr. Lemire's study is obviously relevant. There's something bigger here. The looming fact is that we were elected as members of Parliament to work. I'm not understanding the rationale within this group, if I'm to be honest with you. Canadians were promised that cellphone bills would not go up with this merger. That was the promise of the minister. It is front-page news. They are going up. They are going up in a cost of living crisis in one of the worst months of the year, January.

I tried to feel the vibe of the room here. Everybody here has said that, yes, this is a problem, but that, no, we're not going to vote in favour of this motion to bring forth the minister and the CEO of Rogers.

I put it forward as a friendly suggestion, but now, because I couldn't get a thumbs-up, I'm just going to put it forward as an official amendment that, within the motion that was put forward by my colleague Mr. Perkins—it's the same motion—I would like to remove (c), (d) and (e). We would still have Minister Champagne and Tony Staffieri, CEO and president of Rogers, appear before the committee.

These are questions that need to be answered. We have a big study of Bill C-27. We have the time. To say that we don't have the time to conveniently log on to our computers from our constituency offices and speak for Canadians who are suffering doesn't make any sense. We're talking about two meetings. This is two hours of our time. We were elected to do this. This is our job.

That's what I would put forward to the committee members. At least we'd be getting the minister in front of us. The minister has even said that he would use any tools necessary. He wants to deal with this. The Liberal minister has said he wants to deal with this.

What are we even contemplating here? It doesn't make any sense.

I would get rid of everything after "Rogers" in (b). It's just Tony, just to clarify. Again, the amendment would keep (a) as is, and under (b), it would be Tony Staffieri, CEO and president of Rogers, and that would be the end of it. Everything after that would be deleted. There would be none of Mirko, and so on. We would not be calling on those people. You can delete the rest of that. That is the amendment I am putting forward, that they would appear before January 26. If we have to put that to the clerk, let me know. I just think this makes the most sense.

We can agree on this. This is simple. This is what the minister has said. He will use any tools possible. Let's put Canadians first. Let's get this done.

Thank you.

• (1720)

**The Chair:** Okay.

Thank you, MP Ferreri.

We've all heard the terms of MP Ferreri's amendment to the motion. Now we're debating this amendment.

I will recognize Mr. Turnbull.

**Mr. Tony Van Bynen:** On a point of order, Mr. Chair, just to clarify, don't we have a motion by Mr. Vis on the floor as well?

**The Chair:** No, Mr. Van Bynen. I ruled his amendment out of order, unreceivable.

We have an amendment by Ms. Ferreri on the floor.

Mr. Turnbull, go ahead.

**Mr. Ryan Turnbull:** Thanks.

I wasn't anticipating an amendment, but I was listening intently to Ms. Ferreri's attempt to amend the motion.

From my perspective we've literally been saying that we want to do a more fulsome and robust study. What Ms. Ferreri has just suggested cuts that study down even further. It makes it more narrow rather than more robust, which is counter to where the committee conversation has been going.

I'm not really sure why we would be doing that or why that would move us closer to consensus, when it's really going to make the study more narrow. I think we heard from Mr. Lemire that his motion, which was adopted by the committee, has been sitting

there. He's been waiting patiently. Mr. Masse said he thought that was a better place to start. I think I agree with that. It ensures that we do a more robust study.

I certainly would reassure members of this committee that, if the subcommittee can meet, I'm sure we could take Mr. Lemire's motion and work towards a study or wording for this motion on which we could achieve consensus. That would include some of the things that were in Mr. Perkins' original motion for which we've tried to suggest there's a path forward to do.

[*Translation*]

**Mr. Sébastien Lemire:** Mr. Chair, sorry to interrupt my colleague, but I have a point of order.

**The Chair:** Sorry, Mr. Turnbull.

Thank you, Mr. Lemire. I was just getting the same message from the interpreters.

• (1725)

[*English*]

Mr. Turnbull, I think your bandwidth is low. It makes it hard for the interpreters to hear you properly. Also, the image is freezing a fair bit.

Maybe you could try turning the camera off and pursuing your comments. I don't know if that's going to help with our situation and get the interpretation back, because this takes up a lot of bandwidth, but it's been going on for some time now.

Would you mind trying again? We can see if the interpretation works.

**Mr. Ryan Turnbull:** Okay. I'm sorry about that. I've just disconnected my other two devices from the Internet. I apologize. It may improve things...no.

**The Chair:** It's not helping all that much. I'll keep you on the back burner, Mr. Turnbull.

I have MP Van Bynen and Mr. Vis next.

Perhaps you could connect directly to the source. In any event, we have four minutes left.

I'll go to Mr. Van Bynen.

**Mr. Tony Van Bynen:** Thank you, Mr. Chair.

I want to come back to the urgency that we talked about with respect to Bill C-27 and reinforce the discussion we've had about how important this issue is.

I think if we all believe in the importance of making sure that the industry is held accountable and is responsive, we can take the time to do this right.

My father used to have a saying: "Act in haste and repent at leisure." My concern is that we're in such a rush to get this done we're not going to have an accurate analysis of what the issue is.

Again, I have to go back to the fact that there are a lot of components at issue here, not the least of which is investment and technology, not the least of which is the dynamics of competition and not the least of which is the difference between price and cost that is determined by the volumes that people have and whether those volumes go up or down. You could have the same price, but if your utilization goes up, the cost goes up.

There are a lot of things that need to be examined very thoroughly, very clearly, in depth and wholesomely.

I'll go back to what Brian said earlier. If this is important, we should give it the fullness of our attention, but it needs to be prompt. At the same time, I've heard that we can walk and chew gum at the same time. We can do two things at the same time. My biggest fear is that we're looking at doing one and a half things at the same time.

I'm really disappointed that we're not giving it the thoroughness it needs. We're not giving it the level of investigation and the level of facts so that we can have a fact-based decision and go forward with making sure that we're doing what's right for our communities.

There is the authority for rollbacks on prices as well. However, at the same time, we haven't done anything to slow down the runaway technology that Bill C-27 has, and that's a genuine concern that I have.

Let's make sure that we're doing what's right for the country and not just trying to grab media headlines. It's important that we give full consideration to the issue at hand. If we're genuinely concerned about it, let's make sure that it's a thorough analysis and that we get all the facts.

With respect to the amendment that's being proposed, I'm not sure that if we say everything after (c) is deleted. It includes the paragraph that talks about the progress report, which I think is essential. That could form a part of what's being proposed by Mr. Lemire.

We need to give this due and thorough consideration. We need to make sure that what we're doing is in the best interests of the country, and not necessarily politically expedient.

Thank you, Mr. Chair.

**The Chair:** Thank you, Mr. Van Bynen.

I see that we're getting to the end of this two-hour meeting.

Given that we haven't reached a decision, the meeting will be suspended.

I'm hopeful that the subcommittee, which will meet in the coming days, will be able to work out our differences and come back with a plan that's going to make good use of the resources of this committee on behalf of Canadians.

I want to thank you all for this first committee of 2024. It's good to see you all—

**Mr. Brad Vis:** Do we still call the vote?

**An hon. member:** Do we get to vote?

• (1730)

**The Chair:** No. The meeting is suspended because we've reached the time allocated for the hour, unfortunately. It will be the first thing when we resume. A meeting that is suspended then continues, as you all know.

Thank you, all. I'm looking forward to seeing you all in person.

[*The meeting was suspended at 5:30 p.m., Thursday, January 11*]

[*The meeting resumed at 11:07 a.m., Monday, January 29*]

• (44305)

[*Translation*]

**The Chair:** Good afternoon, everyone. I call this meeting to order.

Welcome to the continuation of meeting number 106 of the House of Commons Standing Committee on Industry and Technology, which was suspended on January 11.

Today's meeting is taking place in a hybrid format, pursuant to the Standing Orders.

[*English*]

We'll begin today's meeting with a bit of committee business. Then we'll proceed to hearing our witnesses on Bill C-27.

Thanks to all of you for being with us today. As members know, we suspended our last meeting, which was meeting number 106. To move on to Bill C-27, we would need unanimous consent to withdraw Mr. Perkins' motion.

I will yield the floor to Mr. Perkins.

**Mr. Rick Perkins:** Thank you, Mr. Chair. I'm prepared to withdraw my motion. If I could get unanimous consent, that would be appreciated.

(Motion withdrawn)

**The Chair:** I want to thank you, Mr. Perkins. The motion has been withdrawn.

Secondly, you have all received report number six of the subcommittee on agenda and procedure. If there are no questions, comments or amendments, I would seek unanimous consent to adopt the steering committee report.

[*Translation*]

(Motion agreed to [See *Minutes of Proceedings*])

• (44310)

**The Chair:** Wonderful.

Pursuant to the order of reference of Monday, April 24, 2023, today the committee is continuing its consideration of Bill C-27, An Act to enact the Consumer Privacy Protection Act, the Personal Information and Data Protection Tribunal Act and the Artificial Intelligence and Data Act and to make consequential and related amendments to other Acts.

I would like to welcome today's witnesses.

We're joined here by Todd Bailey, vice president of intellectual property at Scale AI.

With us by video conference, we have Gillian Hadfield, chair and director of the Schwartz Reisman Institute for Technology and Society.

We're meeting in person with Wyatt Tessari L'Allié, founder and executive director of AI Governance and Safety Canada.

With us by video conference, we also have Nicole Janssen, co-founder and co-chief executive officer of AltaML.

Lastly, we're joined by two representatives of the Canadian Red Cross. Catherine Gribbin, a senior legal advisor for international humanitarian law, is joining us in person. Jonathan Horowitz, a legal advisor for the International Committee of the Red Cross's regional delegation for the United States and Canada, is joining us by video conference.

I want to welcome everyone. Thank you for taking the time to discuss this significant bill.

Without further ado, I'll give the floor to Mr. Bailey for five minutes.

[*English*]

**Mr. Todd Bailey (Chief Intellectual Property Officer and General Counsel, Scale AI, As an Individual):** Mr. Chair and honourable members, I appreciate very much the opportunity to speak to you this morning.

My organization, the Scale AI supercluster, is the only truly national AI organization in Canada. We've supported over a hundred AI industry projects from coast to coast, providing us with unique insights into the business side of Canadian AI.

In 1933, Franklin D. Roosevelt stood before his nation and said, "the only thing we have to fear is fear itself—nameless, unreasoning, unjustified terror which paralyzes needed efforts to convert retreat into advance." I think FDR's words echo here today. In the natural world, fear is survival, but in the human world, we balance fear with reason. The past year has seen incredible advances in AI progress. Fear is understandable, but it can't govern our response.

Here are five things that I think our rational minds needs to keep close. The first is that AI is still just math that makes predictions based on data, even ChatGPT, even Stable Diffusion. When progress catches us by surprise, we must adapt.

For example, we've known forever that photos, audio and video can be altered and even faked. Hollywood CGI even now seems to bring dead actors back to life. The first time we saw deepfakes, yes, we were shocked, but now it's time to adapt. If Joe Biden gives you a robocall later tonight, Mr. Chair, I don't think you're going to be fooled. Fool me once, shame on you; fool me twice, shame on me.

Second, we know that fear leads to poor decisions. History shows us regrettable legislative decisions motivated by fear of political belief, of race, of orientation. Fear is not a worthy legislator. For example, we know that AI doesn't create discrimination. Bias is a human failing. It shows up in our data. It shows up in our processes. Nevertheless, bias and ethical AI are now the subject of impor-

tant discussion and research within the Canadian AI community, because these are also Canadians who care about their privacy, their human rights and their children, just as we do. As Canadians, we are much better off having our fellow Canadians working on these problems rather than hoping foreign companies will solve them in line with our values.

The third thing to know about Canadian business is that it needs Canadian AI. We lead in AI research, but Canadian businesses' adoption of AI has been slow. Scale AI is working to correct this because it's essential to narrowing Canada's famous productivity gap. We're supporting everything from predicting consumer demand to keeping trucks on the road and our roads in good shape to improve Canadian productivity. Avi Goldfarb of the Rotman School of Management sat here and said that, if Canadian businesses do not continue to adopt AI, the standard of living of all Canadians will be affected.

The fourth thing to stay rational about is that we can't regulate the unknown. Vague or overly broad rules won't protect Canadians, but they will force Canadian AI companies to go elsewhere to find predictability, leaving us in foreign hands. That's not better. I have some examples to share if anyone wants. However, we must stay true to our legislators' instincts. Clearly defined, known or foreseeable things create clear requirements with a mechanism to adapt when the unknown finally arrives.

The last thing that we must recognize is that this committee has had almost no guidance from AI businesses. They've made up just 5% of your witnesses. Shouldn't we give a voice to those who are affected?

The joining of AIDA with parts 1 and 2 hasn't helped, and splitting them apart for a proper study makes sense. The Canadian AI CEOs that you have heard from say that they are ready for regulation, but they were also unanimous that the legislation must be clear and internationally consistent.

JF Gagné sat here and said that, if the goal is to have a framework that actually works, then it's important to ensure that it's not overly general because that makes it difficult for Canadians to innovate or have confidence in their regulatory framework. Business confidence in regulation can be an advantage. In the fifties, despite intense fear around nuclear technology, clear Canadian regulation fostered the development of the ultra-safe CANDU reactor, a competitive advantage for Canada that sold around the world.

As I said, international alignment is essential, but the EU and U.S. positions are not yet clear. President Biden has essentially only ordered his departments to study and report back, and a key EU member state has now already signalled that it doesn't support all of the EU act.

How can we align at this moment? Some want us to hurry AIDA forward, alleging that there's an AI wild west, but that's the fear talking. Existing laws apply to AI just as everything else. There is no legal vacuum. We have time to make it clear and to make it consistent.

• (44315)

In closing, I encourage you to respect your fears but not to let them legislate. Canada needs Canadian AI. Canadian AI needs clear and consistent legislation, and that needs guidance from Canadian AI businesses.

Thank you very much for your time.

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

I'll now yield the floor to Ms. Hadfield for five minutes.

**Professor Gillian Hadfield (Chair, Schwartz Reisman Institute for Technology and Society, University of Toronto, As an Individual):** My name is Gillian Hadfield. I'm a professor of law and economics at the University of Toronto, where I hold the Schwarz Reisman chair in technology and society. I'm also a CIFAR AI chair at the Vector Institute and a Schmidt Sciences AI2050 senior fellow. I basically don't think about anything except AI these days.

I'm appearing here in a personal capacity. I really appreciate the opportunity to speak to you about this crucial piece of legislation.

In my view, Parliament should move to enact AIDA as soon as possible. However, there are some outstanding areas of concern that I would like to highlight, along with some recommendations.

First, I think AIDA should recognize and address the fundamental, systemic and potentially catastrophic risk posed by large models. I don't think this is just fear talking. AIDA is currently focused on individual harms. I think that means we are neglecting potential systemic issues like financial instability, election interference and national security threats posed by advanced AI systems. Recent regulatory actions in the U.S. and the U.K. highlight the need to address systemic risks in AI alongside individual harms.

Proposed amendments to the definition of "high-impact system" remain focused on individual harms and should be expanded to include coverage of AI likely to cause systemic harms regardless of domain.

To further address systemic harms, Canada should swiftly establish, either as a part of AIDA or in separate legislation, a mandatory registry for large AI models to provide basic insights into developers, associated risks and legal compliance to ensure effective regulation amid the rapid pace of AI development.

Second, AIDA needs to retain the flexibility and adaptability that I saw in its initial draft. This is because of a basic tension at the core of AI regulation: Legislation does not move quickly; advanced technologies do. Consider the very process of passing Bill C-27. It's

been well over 500 days since Minister Champagne introduced this legislation in June 2022, yet the bill remains at some distance from becoming law. Meanwhile, AI has been racing forward. Since that time, we have all witnessed the emergence of ChatGPT, GPT-4 and additional large models. Companies have scrambled to integrate AI into their operations. AI continues to demonstrate its practical applications across diverse fields like law, health care and finance. As I mentioned, other countries are taking action.

The rate of change of advanced technologies demands responsiveness and adaptability in the regulation we impose on them. The original draft of AIDA was extremely flexible in this regard. It set out broad parameters for AI regulation, leaving specific details to be worked out in regulations and administrative decisions. Minister Champagne's letter of November 28 last year reduced this flexibility by moving key regulatory requirements into the legislation itself. As you consider this bill and these amendments at committee, I urge you to be mindful that, while this may provide greater clarity to businesses in the short term, it will impair AIDA's flexibility and, therefore, its long-term effectiveness as the foundation of Canada's AI regulation.

I think the most important point I want to make is to emphasize that additional supports must be implemented to operationalize the desired flexibility, longevity and balance of AIDA. Relying on regulations that will take at least two years to develop will leave stakeholders in a dynamic and rapidly advancing area with significant uncertainty, as you've heard. Canada can make itself a leader in AI regulation, however, by implementing two low-barrier regulatory schemes to provide AIDA with the flexibility it needs while increasing certainty for stakeholders.

One is to have safe harbours that would offer time-limited guidelines for acceptable AI use to shield organizations from legal repercussions. The other involves a proposal I've made regarding regulatory markets, which would involve licensing private regulators to ensure flexible and efficient regulation.

These solutions aim to balance innovation and safety, to promote effective technology regulation without stifling innovation and to ensure that citizens are protected from AI-related risks. I'll note that Eric Schmidt, the former CEO of Google, wrote a piece in *The Wall Street Journal* just last Saturday advocating this regulatory market approach.

I'd like to thank the committee for your hard work on this important bill, and I look forward to your questions.

Thank you.

• (44320)

[*Translation*]

**The Chair:** Thank you, Ms. Hadfield.

I'll now give the floor to Mr. Tessari L'Allié for five minutes.

**Mr. Wyatt Tessari L'Allié (Founder and Executive Director, AI Governance and Safety Canada):** Committee members, thank you for giving me the honour of being here.

AI Governance and Safety Canada is a cross-partisan not-for-profit organization and a community of people across Canada. We started with the following question. What can we do in Canada, and from Canada, to ensure positive artificial intelligence outcomes?

In November, we submitted a brief with detailed recommendations concerning the Artificial Intelligence and Data Act. We're currently preparing a second brief in response to the amendments proposed by the minister.

The witnesses at previous meetings already discussed the risks posed by the current systems. I'll focus today on the upcoming economic and safety challenges posed by artificial intelligence; on the time constraints involved in preparing for these challenges; and on what all this means for the Artificial Intelligence and Data Act.

[*English*]

Let me start by stating the obvious. With human intelligence staying roughly the same and AI getting better by the day, it is only a matter of time before AI outperforms us in all domains. This includes ones like reasoning, caring for people and navigating real-world complexity, where we currently hold a clear advantage. Building this level of AI is the explicit goal of frontier labs like OpenAI, Google DeepMind and, more recently, Meta.

The first implication of smarter-than-human AI is for public safety, due to the weaponization and control problems.

The weaponization problem is straightforward. If a human being can design or use weapons of mass destruction, then a smarter-than-human AI system can too. This means that, in the hands of the wrong people, smarter-than-human AI systems could be used for unprecedented harm.

The control problem comes from the fact that a system that is smarter than us is, by definition, one that can out-compete us. This means that if an advanced AI system, through accident or poor design, starts to interpret human beings as a threat and takes actions against us, we will not be able to stop it.

Moreover, there is a growing body of evidence backed by research at the world's top AI labs suggesting that, without proper safety precautions, AI systems above a certain threshold of intelligence may behave adversarially by default. This is why hundreds of leading AI experts signed a statement last year saying, "Mitigating the risk of extinction from AI should be a global priority".

The second major implication is for labour. As AI approaches the point where it can do everything we can, only better—including designing robots that can outperform us physically—our labour will be increasingly less useful. The economic pressures are such that a company that doesn't eventually replace its CEO, board and employees with smarter-than-human AI systems and robotics will likely be a company that loses out to others that do. If we don't manage these developments wisely, increasing numbers of people will get left behind.

I want to be clear, however, that AI is also a very positive force, and we can't let fear take us over. The world we create with advanced AI could be a far more peaceful, prosperous and equitable world than the one we currently have. It's just that, as discussed so far, AI and, in particular, smarter-than-human AI represents a tsunami of change, and there's a lot we need to get right.

How much time do we have? The reality is that we're already late in the game. Even the rudimentary AI that we have today is causing issues with everything from biased employment decisions to enabling cybercrime and spreading misinformation.

However, the greatest risks come from AI that is reliably smarter than us, and that AI could be coming soon. Many leading experts expect human levels of AI in as little as two to five years, and the engineers at the frontier labs whom we've talked to are saying there's even a 5% to 10% chance of it being built in 2024. While accurate predictions about the future are impossible, the trends are clear enough that a responsible government needs to be ready.

What we can do? In our white paper "Governing AI: A Plan for Canada", we outline five categories of action needed from government, including establishing a central AI agency, investing in AI governance and safety research, championing global talks and launching a national conversation on AI. Legislative action is the fifth, and essential, pillar.



The main reasons Canada needs an AI and data act are, first, to limit current and future harms by banning or regulating high-risk use cases and capabilities; second, to create a culture of ethics, safety and accountability in the public and private sectors that can scale up as AI technology advances; and third, to provide government with the capacity, agility and oversight to adequately protect Canadians and respond to developments in the field as they arise.

The minister's amendments are a good step in the right direction, and I'd be happy to provide feedback on them.

To conclude, while the challenges we face with AI are daunting and the timelines to address them are very tight, constructive action to govern the risks and harness the opportunities is possible, and bills like Bill C-27 are an essential piece of the puzzle.

As the wheels of history turn around us, one thing is clear: Success on this global issue will require every country to step up to the challenge, and Canada's on us.

Thank you.

[*Translation*]

I look forward to answering your questions.

● (44325)

**The Chair:** Thank you.

I'll now give the floor to Nicole Janssen for five minutes.

[*English*]

**Ms. Nicole Janssen (Co-Founder and Co-Chief Executive Officer, AltaML Inc.):** Thank you for the invitation to share my thoughts with the committee today.

My name is Nicole Janssen. I'm the co-founder and co-CEO at AltaML. AltaML is the largest pure-play applied AI company in Canada. We create custom AI software solutions for private industry enterprises, as well as the public sector. AltaML is not quite six years old, but we've worked with over a hundred companies on over 400 AI use cases.

I want to start by saying that Bill C-27 is both necessary and a solid step in the right direction. Canada has the potential to be the global leader in responsible AI. That is the title that is up for grabs—

**The Chair:** I'm sorry, Ms. Janssen. Could you pause for just one second? I think we have a technical difficulty. We'll try to get this resolved—apologies for that.

In the meantime, we'll move to the Canadian Red Cross, with Catherine Gribbin and Jonathan Horowitz.

We look forward to whoever wants to start from your organization.

Ms. Gribbin.

**Ms. Catherine Gribbin (Senior Legal Adviser, International Humanitarian Law, Canadian Red Cross):** Thank you.

**Mr. Jonathan Horowitz (Legal Adviser, International Committee of the Red Cross, Regional Delegation for the United**

**States and Canada, Canadian Red Cross):** Good afternoon, everyone. Thank you for the invitation to appear before you.

Catherine and I will be focusing solely on part 3 of Bill C-27.

We are representatives of the International Committee of the Red Cross and the Canadian Red Cross. Our organizations work to minimize the suffering of victims of armed conflict, and we work with governments to ensure respect for the laws that regulate armed conflict.

We appear before you today to emphasize that, when governments regulate AI, you need to consider how AI is, can and will be used in armed conflict and to ensure that it does not contribute to unlawful harms.

Today, we are observing in real time that privately made AI systems developed and designed for civilian use are finding their way onto battlefields, whether adapted by militaries, armed groups or civilians. We are particularly concerned with the use of AI that can result in death, injury and other serious harms. This includes the use of AI in misinformation and disinformation campaigns and how they can disrupt and interfere with humanitarian operations. Artificial intelligence allows harmful information to be generated and spread at a scope and scale never before imagined, with real-world dangers for civilians in armed conflict as well as those who work in these contexts.

To address these concerns, we recommend that the bill require that all Canadian-made AI systems used in armed conflict must be designed to comply with international humanitarian law in accordance with Canada's pre-existing legal obligations. International humanitarian law, or IHL, is the body of international law that places limits on how warring parties may fight each other in armed conflicts and, importantly, it provides protections to civilians and others no longer participating in those hostilities.

To ensure IHL compliance, it will also be critical that the bill include language that preserves effective human control and judgment in the use of AI that could have serious consequences on human life in situations of armed conflict; that the bill ensure AI systems are traded in compliance with Canada's export control obligations; and that the bill clearly regulate AI systems used in misinformation and disinformation campaigns and must contain language that ensures the definition of "harm" in proposed subsection 5(1) includes types of harm that AI systems may cause through the creation and spread of misinformation and disinformation.

**Ms. Catherine Gribbin:** Our second major concern is that the bill includes the exemptions, as you already know, for the Minister of National Defence and the director of CSIS, as well as the chief of the CSE and other government positions, so while the bill's focus is on preventing harm by private industry, the bill does offer you a critical opportunity to reduce the risks of AI even further by providing clarity and certainty that AI uses by those who are currently exempted are currently regulated by pre-existing laws.

Novel AI capabilities can produce unpredictable effects and can operate with a lack of transparency that can be extremely dangerous for civilians and other victims of war, so the legal uncertainty created by the current bill places many people at much higher risk, in our opinion. The opportunity to make these changes should not be missed, and we believe that your silence should not be misinterpreted or cannot be misinterpreted as suggesting that government use of AI in armed conflict is unregulated.

We recommend that, alongside that, the private sector's design of AI be in line with pre-existing legal obligations. That includes international human rights law and international humanitarian law. We also strongly recommend that the bill be amended to provide legislative clarity to government actors and that the bill, as Jonathan mentioned, should be explicit about compliance with export control obligations and pre-existing legal obligations.

You will find those proposals in our written submission.

In conclusion, we trust that your goal is to ensure the use of AI enables rather than impedes the protection of civilians during times of armed conflict and ensures the provision of humanitarian assistance.

As you contemplate how best to regulate AI, we ask that the law that is put in place help to prevent AI from resulting in unlawful harm in armed conflict, knowing that AI systems, whether designed by the private or the public sector, might appear on the battlefield in unexpected and unintended ways, whether by militaries, by armed groups or by civilians.

To achieve the bill's purpose of preventing the harms and risks that AI can cause, we believe that the bill must better incorporate Canada's pre-existing obligations under international law, including humanitarian law, and a human-centred ethical approach to AI.

Thank you.

● (44330)

**The Chair:** Thank you very much.

We still have a bit of a technical issue with Ms. Janssen. We'll start the discussion and perhaps interrupt it at some point to give her the opportunity to share her thoughts on Bill C-27.

I will turn it over to Mr. Perkins for six minutes.

**Mr. Rick Perkins:** Thank you, Mr. Chair.

Thank you, witnesses, for another fascinating presentation on this bill.

Perhaps I could start with Mr. Bailey and Monsieur L'Allié.

On the one hand, we have this issue where, you know, it's just advanced math and don't worry about the fear. On the other hand, you also said don't worry about the fear, but it could end humanity within two to five years if it becomes smarter than us, which you're saying it will. It's pretty hard for us to juxtapose those two issues.

Perhaps, Mr. Bailey, you could start, and then Mr. L'Allié. How do we balance that? Contrary to perhaps one of the witnesses, I also have a problem with a bill that removes Parliament from setting the legislative framework about the limits on any part of our public policy, which this bill does.

**Mr. Todd Bailey:** Working in Canadian AI as I do, I speak to experts who are assessing these various claims. I think there's a consensus that this sort of world-ending risk is maybe 20 years out, maybe 30 years out, or something like that, and that we have time to regulate these things now. I would say that my focus in the remarks I made is that we have a choice between whether we want foreign companies to be deciding this or we want Canadian companies to be playing along.

One of the concerns is that some of the regimes that have been proposed right now sort of lock you in the current state, in which obviously Canada is not a big player. We can go and write laws if we like. Are they going to be followed? Are we going to be able to enforce them? This is the thing. The power that we can give ourselves is the opportunity for Canadian....

For example, one important aspect is that we talk a lot about ChatGPT, but there are now hundreds of large language models that are open source. These are by people and companies that don't necessarily have the regulatory department to deal with the regulations that are maybe being proposed in some corners.

**Mr. Wyatt Tessari L'Allié:** I think there's not necessarily a contradiction between our positions. The purpose of this bill is to make sure that the good types of AI, the beneficial ones, the ones that are harmless, are developed and that Canada's leading in that.

On the timeline piece, look, nobody can predict the future, but the reason so many people think it's short term is that, if you look at the trends, whether it be the amount of compute going into the algorithms, the amount of data going into the algorithms, the amount of efficiency algorithms or the amount of money going into this space, all these trends are exponential. Now, the incident report is that everything is doing this. I mean, if you remember COVID, for the longest time it was nothing and then all of a sudden it was something. That scenario is entirely possible with AI, where we go from not much AI to machine learning to generative AI to, oops, suddenly the human level relatively quickly. It's very unintuitive but quite possible, and that's what you have to be ready for.

• (44335)

**Mr. Rick Perkins:** Thank you.

The minister proposed amendments at the beginning of this process more than 500 days ago—as someone said, almost two years ago—on both the privacy side and the AI side for a flawed bill. We've had a lot of witnesses on the AI side say it's a very flawed bill. Many want us to just defeat it and start all over again.

This bill started with an attempt to basically control what was called a “high-impact system”. The minister's amendments introduce two new levels of control. One is machine learning in the legislation. The other is general purposes, which, to me, seems like just about everything that would come in AI and gives the minister total regulatory power to oversee them, fine them, police them and all of that.

On the schedule, on the back of the high-impact systems, first, do you agree that now almost everything is covered with the minister's proposed amendment because they put in general-purpose AI and machine learning as well? Second, do you agree with the definition of “high-impact” that is attached in the schedule for the minister's amendment?

Mr. Bailey, please go ahead first.

**Mr. Todd Bailey:** From the perspective of business, there are really two aspects to this regulation I want you to understand, whether it's in the U.S. or the EU or here in Canada. There's the infrastructure piece. We need to put in place an infrastructure with a commissioner and understand who will do what. Then there are the actual rules themselves. As one of the witnesses said here this morning, as things progress quickly, nobody really knows what the rules should be. Nobody has agreed, whether in the U.S. or even the EU for that matter, what the rules should be, but we should definitely be in a hurry to get an infrastructure in place.

On specifically whether or not I agree with the definitions, I'll defer on that and say that I'm not an expert in drafting legislation. What I am an expert in is that Canadian businesses need to be able to read it and understand it, and that, as legislators, if we don't understand what it means.... We shouldn't abandon our tradition of understanding the laws that we're writing.

**Mr. Wyatt Tessari L'Allié:** Specifically with regard to the definition of “high-impact”, the minister's amendments are a very significant step in the right direction. Including the general-purpose systems is very good. For the particular schedule, our main recommendation is to include not just use cases but also capacities. This is because a lot of these capacities, especially things like autonomous self-improvement or [*Technical difficulty—Editor*], and I can go into details of what they are, are dangerous by default. You don't necessarily want your system to be making a thousand copies of itself onto somebody else's computer without necessarily controlling it. Our recommendation would be to expand use cases and capabilities.

The second piece is that this bill is specifically focused on making systems available for use in the context of international trade, which will catch a lot of it, but it's not going to catch all of it, specifically open source and also R and D. It's understandable to want to give companies the ability to do research and development

without legislation, but the problem is that, for the most advanced systems, once that system is built, it can be hacked, stolen and misused. Accidents can happen at the R and D stage, so R and D has to be included in the bill, as well as government, open source and military.

**Mr. Rick Perkins:** Thank you.

I'm going to go on to a more philosophical question. I could start with the Red Cross witnesses, and then if anyone else wants to comment, that would be great.

We talked about what essentially the western democracies are trying to do to get together to have some sort of coordinated approach on how we legislate and protect against harms, but we're not the only players in the game. We know that China and Russia in particular—maybe Iran—are already spending enormous amounts of money on this.

How do you deal with the issue that they operate from a very different moral compass, I'll call it, than we do in approaching these issues, whether it's about warfare, corporate things, individual privacy and freedom, deepfakes or all of those things that are starting to happen now?

**Ms. Catherine Gribbin:** I'm going to give the floor to Jonathan first, and then I'm happy to weigh in.

**Mr. Jonathan Horowitz:** Hi. Thank you very much for that question. I think it's a very important one.

One of the things that Catherine and I have both emphasized—and it goes back to a remark that was just made about a lack of legal frameworks—is that there actually are some legal frameworks that exist at the international level, particularly international humanitarian law, which puts limits on different means and methods of warfare, including ones that have already been created, ones that are emerging and ones that will be created in the future.

The reason I mention this is that there may be questions around interpretation. There may be questions around compliance with international humanitarian law, depending on the context you're dealing with or different actors that are being referred to. What doesn't change is that the rules remain set in stone; they're firm. There are going to be complications, of course, around different interpretations, but there is a baseline. There is a de minimis set of rules that the international community has agreed to, particularly with regard to the use of artificial intelligence in situations of armed conflict, and that legal framework is international humanitarian law. That's one response for your consideration.

Thank you.

• (44340)

**Mr. Wyatt Tessari L'Allié:** I'd like to add that, fortunately, China is actually ahead of us in terms of AI regulation. I think part of it is that.... I mean, the western democracies are afraid of losing control of AI systems. The Chinese and the Russians are terrified because they depend on control, so if their system is not doing what they want it to do, if it's spitting out non-party line [*Technical difficulty—Editor*], they're more concerned about that than we are. Therefore, there are mutual common-ground areas within AI regulation, fortunately.

**Mr. Rick Perkins:** Mr. Bailey and any other witness, we have the U.K.—

**The Chair:** Mr. Perkins, we're already three minutes over. It was a fascinating question, so I let it go. However, we can't do more.

Go ahead, Mr. Van Bynen.

**Mr. Tony Van Bynen:** Thank you very much, Mr. Chair.

I continue to be amazed at the additional information that we're getting through these witnesses.

I certainly appreciate your being here to contribute to a very important question that we need to address.

My first question is for Professor Hadfield. I'm intrigued by your comments about safe harbours and regulatory markets. We've heard from witnesses who've emphasized the importance of having a law now, even if it's imperfect, in order to protect Canadians and to provide certainty for businesses. Others have said that we need to split the bill and start all over with AIDA.

I'd like you to comment on this and particularly on whether you think “high-impact system” could be defined in law in a way that would not become obsolete as technology advances. I'd like you to answer that in the context of your safe harbours and regulatory markets suggestions.

**Prof. Gillian Hadfield:** I'm glad we're focusing on this part of the approach.

I do think that the effort, which we've also seen in the European Union, to specify that these are the domains in which we are concerned, which we've raised in terms of applications, is unlikely to be robust and stable over time because there are domains we haven't thought about. The point of a general-purpose system, the GPT-4 type of system, is that it's going to find its way into absolutely everything we're doing. That's point number one, so I think that coming at it from the point of view of saying, “We're only going to carve out these ones,” is not going to be stable.

Let me go to the safe harbours and regulatory markets approach. I'll start with the safe harbours one because the term was used here...and it's one I use a lot. We need to get the infrastructure in place to give us the capacity to act as we learn, and we will learn only over time how things are playing out. Industry needs some certainty, and the idea of a safe harbour is to say, “Let's work through where we think, with these kinds of controls in place, this kind of thing is currently safe,” so that entities that are applying AI, building AI, can reach the certainty they need by saying, “We've done what's in the safe harbour. We're protected for now.” Now, that may need to evolve. There's just no way to get around the fact

that this is going to be a domain of uncertainty and it's going to evolve. That's true across a complex economy, but safe harbours are a technique I think we should be exploring.

The regulatory markets approach would then also say, “Okay, let's identify and let's start with those areas where we know there are concerns.” We know a lot about the use of models to discriminate, for example. Can we foster the development of new technologies that will help us track things like that and have government give its stamp of approval to those types of technologies, again, in an iterative, evolving type of way? There's no way to get around the fact that we cannot write a piece of legislation that is going to say, “Here are the things we're concerned about. Here are the precise things we're concerned about, and here's what you can do to completely avoid any liability and concern.” I don't think there's any pathway like that.

• (44345)

**Mr. Tony Van Bynen:** My next question, then, is for Mr. Bailey. Do you think that high-impact systems can be defined in law in a way that they would not become obsolete as technology progresses?

**Mr. Todd Bailey:** I believe so, yes.

One of the concerns I have right now with the definitions that have been proposed is that some of them are a bit broad and some of them are a bit more focused. For example, there's one that relates to health care, and it basically says “anything in health care”. Scale AI has funded 15 projects in health care that have to do with everything from scheduling operating rooms to keeping the lights on at the hospital, and so on. I don't think this is what the drafters had in mind when they were talking about high-impact systems. For example, number two, relating to providing a service, 100% of what's available to us technologically is a service of some sort, so are we now making the entire ecosystem “high-impact”?

There are knobs and dials that need to be adjusted on this, but I do believe there needs to be a balance between what's in the regulation and what's in the law, just from a point of view of having Canadian businesses able to understand what they're supposed to be doing.

**Mr. Tony Van Bynen:** I have just one quick question, and I'll come back to you. You mentioned we need infrastructure. Do you see that infrastructure being an independent commission, or do you see that infrastructure as being part of the government?

**Mr. Todd Bailey:** From my perspective—again, I'm not a professor or an expert in these things—the role that I see the AI commissioner doing is actually.... AI is not a completely new thing. It affects workers, and we have departments of the government that deal with that. It affects privacy, and we have commissioners who deal with that.

I think one opportunity for an AI commissioner is as an expert within the government on what AI technologies there are and what the issues are that are presented to businesses and citizens, and as a bit of a coordinator. If you look to the U.S., in President Biden's executive order he's ordering many different departments to go off and do work, but there's no coordination between them. I do see a role. It's not necessarily a mirror of the Privacy Commissioner's role, though.

**Mr. Tony Van Bynen:** Ms. Gribbin, go ahead.

**Ms. Catherine Gribbin:** Just to pull in an analogy from my area of work, under international and humanitarian law there's article 36 that asks for a weapons review. It talks about the review of weapons and of the means and methods of warfare, and that review has to take place before to ensure that the weapon, the means and methods can, in fact, be used in accordance with international humanitarian law.

Having heard what others have spoken to this morning, I do think that there is a means by which to provide the clarity that is needed and the instruction to those who are concerned, and that there is a possibility. We have that currently in Canada's legislative system, so I think there is a means by which that clarity and instruction can be given, just to use that comparison.

**Mr. Tony Van Bynen:** Thank you.

I think that's my time, Mr. Chair.

[*Translation*]

**The Chair:** Thank you.

Mr. Garon, the floor is yours.

**Mr. Jean-Denis Garon (Mirabel, BQ):** Thank you, Mr. Chair.

First, I'd like to tell you how happy I am to be here. Thank you for having me.

I also want to thank the witnesses for coming.

Mr. Tessari L'Allié, there are obviously various interpretations of the imminent dangers of AI. In my opinion, it's very simple: there are pros and cons.

You talked about the labour force and the fact that humans could be replaced. However, an important report on AI was published recently by the Massachusetts Institute of Technology task force headed by David Autor and his colleagues. They seemed to say that, every time there's a major technological revolution, people fear that new technologies are replacing humans. This was the case with the automobile, as well as with the Internet. Typically, adapt takes time. These cycles take 30 to 40 years.

Still, there's a sense of urgency because it seems that, in the very short term, the negatives outweigh the positives. We need only think of conflicts or misinformation.

Is that why the adoption of a regulatory and legislative framework is urgent?

**Mr. Wyatt Tessari L'Allié:** Yes, absolutely.

When it comes to jobs, there's a difference with previous technological revolutions. To date, humans have always been able to do something that technology couldn't. When that's no longer true, the very nature of the economy will change. As long as we're able to do something that AI cannot, there will be jobs. However, that will change.

With regard to the immediate risks, it'll be absolutely essential to manage this transition. If it's managed well, we'll be able to create a very beneficial world, thanks to AI. However, in order to benefit from AI in general and avoid doing more harm than good, we need

to minimize the security risks, manage the economic transition and ensure that no one is left behind.

• (44350)

**Mr. Jean-Denis Garon:** Ultimately, you're saying that we need rules. At the same time, as Mr. Bailey said so aptly, we don't know what rules we need. This means adopting a flexible framework to allow the rules to evolve quickly, and probably in less time than the legislative cycle.

The bill provides ample room for the industry to self-regulate. Self-regulation is, in fact, the mechanism that the industry prefers in order to ensure flexibility. However, I think that, if the industry preferred self-regulation, it would already be a fait accompli.

What do you think of that approach?

**Mr. Wyatt Tessari L'Allié:** There are many examples throughout history that demonstrate that it's never a good idea to let an industry regulate itself. Although the industry is demonstrating a lot of good faith right now, it's absolutely essential that this be enshrined in legislation, that the industry must abide by that law and that it be applied equitably to all companies.

What's good about the minister's proposed amendments is that the schedule can be adapted, meaning that classes of use can be added or removed, and that each line in the schedule can be amended by regulation. That ensures significant flexibility, which is a good approach.

After that, as I said, questions about capacity, open-source code and research and development need to be added. That said, overall, what the minister is proposing through these amendments is a good idea.

**Mr. Jean-Denis Garon:** Mr. Bailey, I'll come back to you on that point in a moment. I know that you've got something to say.

Mr. Tessari L'Allié, would you be in favour of including a mechanism to ensure an automatic review of the legislation, so that it isn't static and we can continue to move forward?

**Mr. Wyatt Tessari L'Allié:** Yes, absolutely. I'm aware of such concerns. I think Michael Geist was the one who said there was a promise to update the Personal Information Protection and Electronic Documents Act a few years after it came into force, but it never happened. When it comes to AI, I think that public concerns and political interests are significant enough to merit a legislative review.

**Mr. Jean-Denis Garon:** Mr. Bailey, I'll re-ask you the question. You said that no one knew what the rules should have been. Who will know and when?

[*English*]

**Mr. Todd Bailey:** I'm an engineer by training, so I take a very practical approach.

We here in Canada are not going to change what happens outside of our borders with our regulations. We need to balance these important harms with a mind to making sure.... We need to create more Shopifys and more Coveos. As Tobi Lütke, the founder of Shopify, in a Star Wars reference mentioned, the way you defeat the empire is by arming the rebellion.

Our rebellion is Canadian AI businesses. There are a lot of harms here. This is not an easy balancing act. You can't bite off more than you can chew. You have to start simple. You have to make sure you're protecting against the concerns of my friends here, and make sure it's something that Canadian businesses.... AI businesses in Canada are overwhelmingly—

[*Translation*]

**Mr. Jean-Denis Garon:** From what I understand, when it comes to regulations, the European Union is leading the way right now. The Americans have moved forward very quickly by enacting an executive order, but the outcome is unclear.

What you're saying is that Canada's a minor player and has yet to make a move. Canada doesn't know what rules to adopt yet, because it has to follow other countries.

**Mr. Todd Bailey:** Essentially, yes.

[*English*]

The whole world is going to have to work together. We can be first, but if we're going in the wrong direction, it's not going to help Canadian businesses to do that. If you look at what's happening in the U.S. and EU, the rush is to get the infrastructure in place, but nobody really wants to be the first one to jump into the boiling pot on regulating the technology because nobody knows what's going to happen.

Even in the U.S., they've drawn a line and said that you have to be above this line before these regulations are going to apply. Guess what's going to happen. Everybody's going to stay right here on the border.

[*Translation*]

**Mr. Jean-Denis Garon:** Thank you.

**The Chair:** Thank you very much, Mr. Garon

Mr. Masse.

[*English*]

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

Welcome, Monsieur Garon, to our committee. We also acknowledge Mr. Lemire's work on the committee. He was a very good member, and we wish him well in his new committee.

One thing you mentioned about the Red Cross was interesting, but it leads to other discussions that I want to get your thoughts on such as policing domestically and security—private security. I'll maybe go around the table at some point, but maybe start with the Red Cross. I think we should be having some concerns there. In the United States, there's already been AI making mistakes on facial recognition.

I had a chance to attend a number of conferences as part of the Canada-U.S. parliamentary association. The national and state leg-

islatures, Congress and Senate, from all across the U.S. have a lot of workshops. We heard from some of the large AI players that we haven't even heard from here, but there was quite a recognition of the racial biases that are currently being programmed right in there because they don't even have the right people.

Can we maybe talk a bit about it domestically? I take your point with regard to the international issues, and I want to thank your organization for a lot of good work. I have a vulnerable community that has a lot of people from across the globe, so I want to thank you for that.

Perhaps we'll start with that and go across the board, if anybody else, online as well, would like to contribute to this part.

● (44355)

**Ms. Catherine Gribbin:** I'm happy to and happy to hand it to Jonathan.

Not to get too legal, but under the current framework a policing operation is going to take place under international human rights law and domestic human rights law. That's where Canada has taken its international obligations and has brought them into how we legislate.

When you're looking at the legal regime on the use of force under international and domestic human rights laws, it provides that instruction to police. That's why we have it referenced in our recommendations about compliance. It's not just with international humanitarian law, which, as Jonathan mentioned, applies during times of armed conflict, but it's realizing that we have that interplay between human rights law and humanitarian law and the domestic context of that applying in Canada as well as for Canadian operations overseas in partnered military operations.

That's why we absolutely referenced those two legal regimes and the fact that AI and those capabilities all have to be used in compliance with that pre-existing body of law. Again, we see it as a missed opportunity to make that explicit, and that's how it could be included in definitions, etc.

I'll pass the floor to Jonathan for anything additional.

**Mr. Jonathan Horowitz:** Thank you for that.

The only thing that I would add is that some of the ICRC's concerns that are primarily focused on armed conflict are transferable and translatable to other situations where AI is being used to assist people in making decisions. Some of those concerns are, as you mentioned, with the bias that's in the data being used. There's also concern around user bias. Do the users know what the system is supposed to be used for? Will they become overreliant on that system to the point of removing their own human judgment?

We have concerns, as you may know, around lack of transparency in AI systems that can have serious consequences and around lack of predictability, not knowing exactly why the AI system provides the output to the user that it provides. Particularly important during situations of armed conflict, but not always, is that artificial intelligence systems can produce results at a speed that, if they have certain autonomous features, outpaces human decision-making.

These are all things that are of particular relevance in situations of armed conflict, but I think you can imagine that they would also be relevant outside of situations of armed conflict, whether it's in the Canadian context or in any other domestic context.

Thank you.

**Mr. Brian Masse:** Dr. Hadfield.

**Prof. Gillian Hadfield:** Yes, I think this is a good context. Think about facial recognition and different error rates across different groups. I think it's a great example if we're thinking about how safe harbours and regulatory markets might work, and why we're limiting ourselves when we say it's only in these domains. Look, we can have facial recognition across all of these domains. We should be asking this: Are there steps anybody who is deploying facial recognition technology in any domain—who's developing it or purchasing and deploying it—can take to verify that it's meeting minimum legal standards?

A safe harbour would require that by establishing that, as long as you've done these kinds of tests or as long as you've employed this kind of technology and maybe this independent third party provider of a technology, whom we've certified and approved, to verify that the accuracy of your facial recognition system is equitable across different groups.... That's the kind of thinking we need to be developing, and we need to recognize that it's something that will evolve. The technology is going to evolve. The systems will evolve. You need that agility to do that.

That's an example where you give companies greater certainty to build. I think we should all be thinking about how we encourage AI development and deployment throughout Canada. However, you reduce that uncertainty by providing some safe harbours and some mechanisms at a lower cost that companies can use to verify that.

● (44400)

[*Translation*]

**The Chair:** Thank you very much, Mr. Masse.

Mr. Vis.

[*English*]

**Mr. Brad Vis:** Thank you, Mr. Chair.

Thank you to our witnesses today.

I just want to touch on some of the themes that Mr. Garon and Mr. Perkins touched on earlier.

In question nine of our document that we were all sent from the Library of Parliament, it states that, according to the AIDA companion document, “Canada...will work together with [our] international partners”.

It also notes that the United Kingdom recently released a regulatory proposal for artificial intelligence that is said to be flexible and pro-innovation. Unlike the AIDA, it proposes to create principles for the development and responsible use of artificial intelligence. These principles will be released in a non-statutory form and implemented by existing regulators, who will be encouraged and, if necessary, specifically empowered to regulate AI in accordance with these principles in areas within their regulatory authority.

Mr. Bailey, what do you think of the United Kingdom's approach?

Some of those principles, I think I should outline, are transparency and expandability, privacy and confidentiality, and the avoidance of harm.

What do you think of that approach as it relates to business development and innovation versus the approach taken by the Government of Canada?

**Mr. Todd Bailey:** The first thing I'll say is that I'm not familiar with that, but just based on the description that you've provided, I don't think self-regulation is a viable path to be following on this. There needs to be government regulation. I think in that sense it's good that we are here talking about part 3 of this act.

I certainly haven't suggested that part 3 should not go forward. What I'm just saying is that it requires its own.... I'm glad its getting a good light shone on it today, but in terms of that, I think the approach of regulation, of government defining rules and then enforcing those rules, is the right approach versus what I understand is being proposed in Europe.

**Mr. Brad Vis:** What if the United States goes along with the U.K. approach? What if the EU goes along with that approach as well? Is Canada going to be the outlier?

**Mr. Todd Bailey:** One of the reasons that I'm suggesting that Canada not be first and not forge ahead is that we need to exist within this world. We're not a leader. We're a leader in research; we're not a leader in adoption. We're a small market. If rules get written elsewhere and they don't apply in Canada, this will be worse than just not getting the Super Bowl commercials. We'll get cut off.

**Mr. Brad Vis:** Okay. Thank you.

Ms. Hadfield, in your letter to our committee, it states that we should focus not on domains but on degrees of impact in the definition of “high-impact system”. According to that point you raised there, what are your thoughts on the definitions that have been outlined by the minister in some of the companion documents he has sent to committee members?

**Prof. Gillian Hadfield:** Thank you very much for the question.

This is an important point. It goes to an observation that I think we heard previously. If you say your high-impact area is health care, that can be everything from a scheduling application all the way through to a treatment and diagnosis application. Those have very different actual impacts.

Most of our legal system.... Think about the background law that's here, which is tort law or malpractice law, for example, in the health care domain. It keys on how big the impact is that you could have in a given context. It doesn't say that everything in health care, everything in education or everything in adjudication is high impact.

I see that the definitions of "high-impact" are still going by domain. That does track with what the EU is doing. I think this is the mistake that the EU is making as well.

This is why we need to be thinking of this as an iterative process, where we need to find out where somebody can be suffering a real harm or where society or the economy can be suffering a real harm and not just say that anything in this domain is.... I think that's going to be really excessive and burdensome for industry because we are going to require a ton of process around things where, honest to gosh, it's really not going to make a big difference to people's welfare.

I think we should be finding methods that don't say, "If it's health or education, it must be high impact." I think you want to look at specific applications.

● (44405)

**Mr. Brad Vis:** Thank you.

In some of the proposals we received at the end of November and early December, the government talked about creating a centre of expertise on AI within the Department of Industry.

Is the Department of Industry the correct place for government to be studying, examining and regulating AI? Should a body looking at some of the most existential harms our generation could face be an independent office of Parliament, for example? That's one suggestion.

That's for you, Ms. Hadfield.

**Prof. Gillian Hadfield:** Thank you.

I think this is a really important question. I want to go back to the observation that this is a general-purpose technology. It's going to change the way absolutely everything works. I think we do need to be asking all of our regulators throughout the system to look at this.

A body of expertise that can pull that together, coordinate and be a centre of expertise.... I do think this is the direction the U.K. and the U.S. are headed. I'm not familiar enough with the kinds of structures available in the Canadian system, but if there was an independent office under Parliament, I think that would be good.

I want to reference the earlier question about whether this should be an independent commission, like the one that's being proposed, for example.

I think there are dangers in having an independent commission that's charged with protecting against harms from AI, because I think that will not put enough weight on the enormous economic and welfare benefits that will derive from AI. I think the appeal of having it under the ministry right now is that there's an obligation to balance the risks and the benefits, and the costs and the advantages.

However, I do think—

**Mr. Brad Vis:** Some people have criticized the department in terms of how a single department can, in one respect, be responsible for economic development, yet also enforce the very economic development that may derive from the department's involvement in the industry itself.

In the first part of the bill, we've spoken a lot about the protection of privacy for children, for example. We haven't even touched upon the impact that AI is going to have on youth development in our country.

Can a department really be committed to doing both of those things, when you factor in things like the sensitive information of children?

**The Chair:** We'll need a brief answer, Ms. Hadfield.

**Prof. Gillian Hadfield:** Thank you.

I think we're going to need a lot of places where we have this protected. AIDA is now almost two years old. I thought it was perfectly fine to have it inside the ministry at that point. I think things are moving along. I think we're going to need other places focusing on this as well.

[Translation]

**The Chair:** Mr. Tessari L'Allié, I'll let you briefly add something.

[English]

**Mr. Wyatt Tessari L'Allié:** The concern is absolutely valid. For the purposes of practicality, this is a huge issue. You're probably going to need dozens, if not hundreds, of staff. It will probably have to be in ISED because it has to be coordinated across government.

I would highly recommend having an independent parliamentary office whose goal it is to oversee ISED to make sure it is not misusing the power.

[Translation]

**The Chair:** Thank you very much.

Ms. Lapointe.

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

[English]

Mr. Tessari L'Allié, in your opening statement you referenced the implications that AI has for labour. I believe the wording you used was that human resources would become "increasingly less useful".

In your opinion, how can we wisely manage these implications?

● (44410)

**Mr. Wyatt Tessari L'Allié:** That is a huge discussion. Alongside our efforts on Bill C-27, we're also calling for a national dialogue on AI because what the human being does in a context where everything can be done better by an AI system is a huge question.



Precisely because it is smarter than humans, we could create a world that is better. We could live more meaningful and more fulfilling lives, but right now nobody knows exactly what that means. This is why it's worth taking the time to talk about it.

It's also why you need a law to regulate it in the meantime, so if you have to slow down certain capabilities to give people time to figure out what's next, you can do that.

**Ms. Viviane Lapointe:** Thank you.

You also said that Canada needs an AI and data act to limit the current and future harms by banning high-risk uses and capabilities.

How do you foresee the enforcement of these high-risk uses?

**Mr. Wyatt Tessari L'Allié:** Actually, what the minister has suggested, with the powers to be able to audit and oversee operations, which is a huge one, is very important.

Basically, you need a very competent group of skilled people in government who are on the ball with what's happening and can work with industry to let them know to hold off on this and work on that instead, for example...with safe harbours or regulatory environments as well. Most important is that you have a big enough team with the authority to do things well and the oversight to make sure it is not incompetent and not being lobbied.

**Ms. Catherine Gribbin:** If I may, I'll jump in on Mr. Bailey's earlier point about the fact that AI, in whatever way it is going to be used in the future, is governed by the law. When we are talking about your question about how to ensure its lawful use, we are all cognizant of the fact that we do have pre-existing laws that already govern any use of AI. In the examples used earlier, there was anti-discrimination. We have that human rights framework. We also should realize that we have humanitarian law about its use.

Within IHL, it talks about that research and development aspect. It is really important for us to be aware of the fact that it's coming into existence where there are already laws that will govern its use and provide that instruction to those who are creating it as well as using it, so that it must be done in a lawful manner. That is an important realization and framework to remind ourselves of.

Thank you.

**Ms. Viviane Lapointe:** Thank you.

Ms. Hadfield, I found it really interesting when you talked about an area of concern where there's a need to focus on both individual harm and systemic risks.

Can you expand on this point, specifically from the lens of what the government can do around that?

**Prof. Gillian Hadfield:** It's very clear that AIDA is focused on individual harms. We've adopted a product safety-type approach—as has the EU—that says that companies should be looking at whether or not their products can cause this harm.

That is not addressing the question of what it means that we already have autonomous systems. Trading on our financial markets is an example. For the rapid advances that have been mentioned, like what could happen in the next two to five years, the talk is about personalized AI agents out there buying, selling, creating products and operating websites. We're about to see that kind of au-

tonomy, with autonomous agents starting to participate in our economies. Our thinking is still five years ago on this. We need to rapidly get up to speed on that fact.

The systemic harms that I think about are what happens to the equilibrium of our financial, economic, regulatory and political domains when we have huge amounts of autonomous action taking place. We've already seen that in social media. We need to think about how we'd act there.

The types of things I'd say we need to be thinking about are... All of our regulators should be doing what I've called a regulatory impact analysis to figure out how the introduction of the systems impact our capacity to control the liquidity and reliability of our financial markets to protect against antitrust behaviour in our other markets, or to ensure that our court systems, for example, and our decision-making systems are still safe and trusted.

We have to be thinking about it at that level. I do not think that the individual harm, product safety and risk management approach that AIDA and the EU are taking will get us there. That's the systemic point.

**Ms. Viviane Lapointe:** It speaks to the other comment that you made about the rate of change demanding responsiveness and adaptability. Can you advise this committee on how the government, specifically, can effectively accomplish this?

● (44415)

**Prof. Gillian Hadfield:** It's really critical to recognize that we are at a point in history we have never been at before. Our approaches on regulation and legislation are not going to keep up with this, and we will suffer for it, but there are approaches.

One of the things the government can do—and this is the regulatory markets—is to try to encourage private sector entities to build the technologies that will track. You've probably all heard about red teaming exercises. These are exercises that, say, OpenAI is doing to try to make sure that ChatGPT can't get hacked to tell people how to build a bomb. That's happening inside the companies right now.

The government can basically certify the providers of those services, independent companies and organizations and say... I don't know. I'm looking at Wyatt here. It's the back of his head, unfortunately, because I'm on the cameras.

You can have organizations that say they have hired those terrific engineers—and I know there are a lot of them out there who want to be working on this side of the problem—and we have tested their systems and then said this is a system that they trust to protect against this piece of it.

There's just no getting around that it's going to be iterative and peaceful in that way, but we need to get started. We cannot spend another two years talking about this. We need to get started.

**Mr. Todd Bailey:** If I could just add quickly to that, one of the things that has come to light recently is that the big tech companies are actually the ones stoking this fear. There's a gentleman by the name of Andrew Ng who has started to ask why.

There's a concept of regulatory capture, whereby entrenched businesses want the regulation to favour them. The idea of certification of OpenAI's tool is great for OpenAI because it's now a barrier to entry for smaller companies to come in. When I talk about this quote of the way you defeat the empire is by arming the rebellion, it's certainly not by entrenching the empire in regulation.

That's one concern that Canadian businesses face.

[Translation]

**The Chair:** Thank you.

Mr. Garon.

**Mr. Jean-Denis Garon:** Thank you very much, Mr. Chair.

I'll continue with you, Professor Hadfield.

You spoke about the regulatory framework. It's in the public interest to have a regulatory framework. However, you said that this framework shouldn't be overly general.

You also suggested creating a mandatory registry of large AI models. I'd like you to take a minute to tell us about this registry and what companies would have to provide or report to the registry.

Also, given what we've heard today, aren't you afraid that some companies will view this proposal as a threat to innovation or a business risk in relation to the code they've developed?

In short, I want to know what this mandatory registry would look like and if it would represent a business risk for innovators.

• (44420)

**Prof. Gillian Hadfield:** Thank you.

[English]

I want to say, first of all, that I think the framework needs to be general in the sense that it can reach all of the possible uses and all of the possible impacts that we need to learn about. We're going to have to introduce particular requirements along the way.

Let me talk to the proposal registry that has been partially adopted now in the U.S. executive order from the Biden White House. The idea here is that you would make it quite clear to companies who needs to register, and it's about the largest models that have that capacity for general intelligence and, as I was mentioning, the autonomous behaviour in the economy.

The commercial risk that you're recognizing is... What would the registry require? The registry would require that there be a government office or a government agency, and this goes back to the question of whether it should be an office under Parliament. Those are questions to explore.

It requires, as a starting point, a framework point and an infrastructure point, that those entities that are proposing to deploy into our economy and into our society should have to disclose to government what they've built, how big it is, what capabilities they know about and what kinds of data it was trained on. This is as a starting point for us to know what's out there because, right now, our governments don't have that visibility.

[Translation]

**Mr. Jean-Denis Garon:** Once companies send that information to government, for example, who would have access to it?

[English]

**Prof. Gillian Hadfield:** That information would only be available to governments. It would not be published. It would not be put on the Internet. There would have to be serious security around that information. It would be treated as confidential information and commercially secret information.

[Translation]

**The Chair:** Thank you very much.

Mr. Masse.

[English]

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

Mr. Bailey, you might be the best to answer this in terms of being in private business. There have been some who have called for the building of supercomputers by governments. The United Kingdom is doing that. There are calls for Canada to have the physical capacity to actually outpace the private market. What are your thoughts on that?

It seems that we are almost going to be in a computer arms race with the private sector if the U.K. goes through with its project, which they're funding massively. Other states are considering it, and Canada will probably be as well. A price tag of up to a billion dollars is what has been suggested or has been floated out there. Just look at Parliament Hill: I think it was Pat Martin who once said to just add another zero and another number on the project.

At any rate, could you reflect a bit on that situation?

**Mr. Todd Bailey:** Sure.

I'm not sure that government has the capacity to do that. That's not necessarily a criticism. I don't know that it's the government's job to build supercomputers. What the government should be doing is facilitating private industry to do those things and to perhaps be setting out rules. The supercomputers maybe are not as important so much as cloud capacity is. We do see some attempts, not at the national level but with SOSCIP, for example, in Ontario, around creating computing resources that are available. This is part of helping Canadian industry grow as well.

**Mr. Brian Masse:** I'll just throw this out there as I don't really have much more time, but we also have to consider whether this is going to affect our trade agreements.

For example, if the U.K. does this and it enters into a market decision with the private sector... We don't have a trade agreement with them right now, but for the United States and others, if we're getting into these types of operations, are they going to be consistent with our current trade agreements?

**Mr. Todd Bailey:** There's an arms race right now, so to speak, with these large models, but common sense tells you that when things get too big and too expensive, innovation takes you in the other direction.

I don't know if anyone is familiar with small language models, for example. They're actually much better at targeted tasks than these large language models. For example, you can compare that to someone who has to try to know everything in the world versus someone who is an expert on a certain thing. Even within this approach here, which I know is mirroring the EU act, the focus now on general-purpose technology is a little bit misguided, because you can get some of these harms and maybe even worse with smaller language models and with smaller models.

One of the things Professor Hadfield mentioned is that, in the U.S. executive order, they've put a limit on it. It applies only to bigger models. I mentioned earlier that if you look at dry counties in the southern U.S., for example, if you get to the border of a county, you're going to find all the liquor stores you ever want to find. The regulations will affect industry and it will push it in a way that, you know... What we want to do is set up regulations that direct innovation in the direction that we want.

**Mr. Brian Masse:** Thank you.

Thank you, Mr. Chair.

[*Translation*]

**The Chair:** Thank you very much, Mr. Masse.

Mr. G n reux.

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

Thank you to the witnesses.

The amendments being proposed by the minister include, in particular, high-impact artificial intelligence systems and their various uses, which are divided into classes. I don't know whether you had access to the document, but the uses set out in class 4 include moderation of content on on-line communications platforms, search engines or social media. The important word here is "moderation". Essentially, it means that the department could monitor what was happening on social media, search engines and so forth.

Do you think that is going too far, in a bill such as this? In Canada, we adopted Bill C-11, which has passed into law and allows the CRTC to undertake those audits and determine who can and cannot publish something on social media.

**Mr. Wyatt Tessari L'Alli :** I understand why we want to include that, because it's true that there are social repercussions. Personally, I think that this may be going too far, but the advantage of

adding that to the schedule is that a decision can be made later as to what needs to be included or not and adjustments can be made through regulatory amendments. For that reason, I'm neither for nor against it.

● (44425)

**Mr. Bernard G n reux:** What do you think, Mr. Bailey?

[*English*]

**Mr. Todd Bailey:** Social media is not an area of expertise for me.

All I would say is that I don't know of a lot of social media platforms that are based here in Canada, so this would be an exercise in regulating foreign companies and so on. We know that's difficult to do, but to me, it makes sense. Social media is a big part of Canadian life and it makes sense that the AI that's shaping the way that traffic goes would be high impact.

[*Translation*]

**Mr. Bernard G n reux:** New terms, such as "deepfake" are constantly cropping up in the area of artificial intelligence. The bill uses current vernacular. However, the new reality of AI will mean new terminology and new expressions that aren't necessarily included here.

Isn't it overly restrictive, in some way? Personally, I think we should take that out.

**Mr. Wyatt Tessari L'Alli :** If changes can be made via regulations, it's not an issue. Indeed, these decisions can be made via regulations, instead of being set out in the statute. If the legislation is flexible, it'll allow adjustments to be made as this field evolves.

**Mr. Bernard G n reux:** Right. Thank you.

Mr. Bailey, I want to come back to you.

In your opening remarks, you talked about something that I think is important, meaning the currently widening productivity gap in Canada. Clearly, Canada has productivity problems, notably in the industrial sector. Canada's not adapting to new technologies as fast as other countries are. You alluded to AI when you talked about that.

Can regulations such as the ones we are discussing hurt us or, on the contrary, help us implement new technologies? What's your opinion on that?

[*English*]

**Mr. Todd Bailey:** My opinion on that, as you've had other witnesses here in front of this committee say, is that Canadian industry is very slow to make these sorts of decisions in the first place. They see this regulation now, and they don't want to do things that are going to get them into trouble, so for sure there is some hesitation. In this country, we talk about the risk that AI is going to take people's jobs. At the same time, we talk about how we don't have enough people to do the jobs that we need done.

What AI offers industry especially—we're not talking about ChatGPT necessarily—is the ability to mechanize effectively the repetitive jobs that no one wants, the low-paying jobs, and to help upskill those people into the higher-paying jobs where we need human intelligence, human empathy and all that sort of thing.

What I want to continue to convey is that with this regulation we're trying to solve a lot of harms, but at the same time, we need to get help. We don't want to create another barrier for Canadian industries to come off the sidelines and begin to adopt AI to solve some of these problems they have.

[Translation]

**Mr. Bernard Généreux:** You mentioned earlier in your opening remarks that current legislation already applies to AI.

**Mr. Todd Bailey:** Yes.

**Mr. Bernard Généreux:** So, why should we add a bill such as this to existing legislation? Don't you feel it would be yet another obstacle slowing the implementation of new technologies in Canada?

[English]

**Mr. Todd Bailey:** I think it's important for this law not to layer on top of the laws that we already have.

If you look at President Biden's executive order, you can see that he has created a great list of the various departments of government where AI is already relating to workers and relating to privacy. We know these things already. For example, where I see that an AI commissioner could play a role—I may have mentioned this earlier—it is not as an enforcer but as a coordinator to help these various departments. For anyone who is involved in technology, you understand the steep learning curve that you have all climbed on AI.

If every time a business, an academic or anyone walks into a room, they have to educate government again to get back up to that level, it would be very helpful to have someone within the machinery of government who understands those issues and is even able to raise issues and reach out to Health Canada or some other parts of government to say, “Hey, here's an issue, here's what the issues are, and this is what you need to do”, and so on.

[Translation]

**Mr. Bernard Généreux:** I think it was Ms. Hadfield who suggested earlier having a Canadian AI agency. Is that what you are referring to?

• (44430)

**Mr. Todd Bailey:** Yes, that's correct.

[English]

In my mind, it's not patterned after the Privacy Commissioner, which is more of a police officer, you might say. It's more that there's not one AI, and AI is not just affecting one department. The question was asked about whether it should be in ISED. It's technology, so it makes sense that this is the place, but it is very difficult to understand technology and it filters across all the rest of government. It makes sense that there's a quarterback somewhere that is able to sort of see the broader...and help coordinate.

[Translation]

**Mr. Bernard Généreux:** Mr. Chair, I see that the representative from the Red Cross has raised his hand. I don't know whether it relates to the questions I'm asking.

**The Chair:** Mr. Horowitz.

[English]

**Mr. Jonathan Horowitz:** Thank you for the opportunity.

I just want to return to the question about content and harmful information that can appear on social media or elsewhere.

This is not to comment necessarily on how the bill would manage that issue or how Canada's domestic law would manage that issue, but our emphasis is simply that, if this bill intends to mitigate or prevent harm that can be caused by or through AI systems, there should be an explicit recognition that misinformation and disinformation can cause the types of harms that are listed in the definition, under proposed subsection 5(1), of what constitutes “harm” in the bill.

Immediately what comes to mind is both physical and psychological harms. With respect to the humanitarian assistance community, misinformation and disinformation can lead to the prevention or disruption of the provision of life-saving humanitarian assistance. Of course, in certain contexts social media platforms may cause harm through active child soldier recruitment, through threats of spreading violence to terrorize civilian populations, and so on and so forth.

We just want to ensure that the bill clarifies the risks that can arise from misinformation and disinformation. They should be included among those things you are trying to regulate, mitigate or prevent.

Thank you.

[Translation]

**The Chair:** Thank, Mr. Généreux.

Mr. Sorbara, you have five minutes.

[English]

**Mr. Francesco Sorbara:** Thank you, Chair.

Welcome to all of our witnesses, and good morning to all of my colleagues.

Over the break period and the time we had in our constituency offices, I was able to meet with some stakeholders with regard to AI—with some folks who are much greater subject matter experts than I profess to be. I asked them specifically to frame AI for me so I could understand it better. One individual wrote something to me that has helped me understand, because AI includes everything from putting waves on your app to showing you how to get home by the quickest route.

The framing was, first, that it is for diagnosis or analysis using AI-defined patterns and insights more quickly than humans can find them. The second element is that it can propose action plans or generate content using further insights to determine what actions would provide the most effective outcomes while reducing risk—and I'm going to emphasize reducing risk—as much as possible. This is where content generation shines. This includes the ability to generate travel itineraries, treatment plans for health, essays—and I'll preface that by saying one should not do something wrong on the essay side—videos, music and much more. The third element is automation. In certain cases where it is appropriate to do so, one can give the AI system the autonomy to take the appropriate actions without human intervention.

When I think about this ecosystem and these three elements that this individual so nicely laid out for me, I think to myself that we have this bill in front of us and we need legislation and a robust framework that will allow AI to evolve—because it is evolving, and hopefully in areas such as health care it will be able to be used in a very effective manner for diagnosis and treatment. I think that's quite exciting.

Given those three elements and the thoughts on them that I've laid out, in terms of this AI system and the framework, does the current bill have the robustness to handle the evolving technological innovation that we are seeing within AI?

Todd, perhaps you can answer or comment on that, and then I'll ask the gentleman beside you, depending on the time.

● (44435)

**Mr. Todd Bailey:** Absolutely.

Thank you for the question. I think it's a great question.

We all struggle with understanding what AI is, partly because we are prone to thinking that it's one thing, and it's not.

With respect to what is in part 3, or AIDA, right now, I think you have two pieces. There's the high-impact AI portion that we've talked about, and then there's also the general-purpose technology. Both are mirroring what's in the EU, but in terms of defining what the high-impact areas are, I think we will not be able to capture everything that AI is going to become, so we need to start somewhere. I think this is a good start. I think some wordsmithing needs to be done because the definitions are a little bit broad.

When you move over to the general-purpose technology, this is also causing issues now. President Macron in France has said this general-purpose technology regulation is a little bit misguided, and we need to rethink that.

In terms of the high-impact piece, I think that makes sense and I think the approach we're taking is good.

Do I think it's perfect? No, but it's something we can work on.

**Mr. Francesco Sorbara:** Wyatt, before you jump in, I want to give some equal time to our virtual attendees. Sometimes they get lost when they're not 10 feet away and beside us.

Gillian, can you comment and add on to what Todd mentioned and what I mentioned prior to that, please?

**Prof. Gillian Hadfield:** Yes, I think it's important to act and to act now. I wouldn't want to see AIDA shelved or restarted or something. I would have started at a different place, but I do think it's important to act now. That's why I think creating an agency of some kind is important.

I think that framework needs to be general, as you've just very accurately mentioned. It's soup to nuts. It's everything across the board. We need to have a learning type of system that's going to be able respond in an agile way.

I would move ahead. I would have started at a different place, but I would move ahead for sure and leave the capacity for evolving as we discover the issues.

**Mr. Francesco Sorbara:** Okay.

With whatever time we have left, we'll go to Wyatt, and then, if there's time, to Catherine.

Go ahead, please, Wyatt.

**Mr. Wyatt Tessari L'Allié:** Thank you.

I think I agree with the comments that have been mentioned so far. There's one thing I would add in order to make the bill more robust and future proof.

Right now, in the minister's amendments, they've added value chain entities—for example, developing a model and making it available for use and operating. That value chain is still being evolved. I recommend instead using a second schedule, basically, and allowing regulations to identify the entities that need to be regulated as time progresses, so you can include things like AI hardware providers.

[*Translation*]

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

[*English*]

Mr. Williams, the floor is yours, sir.

**Mr. Ryan Williams (Bay of Quinte, CPC):** Thank you, Mr. Chair.

Thank you to our witnesses. This is great testimony.

I do apologize. I had to do some new business today.

Mr. Chair, Canadians are paying the highest cellphone bills in the whole world. I don't think that's news to a lot of people around here, but we did have testimony from the minister not too long ago, and from the CEO of Rogers, who said those prices would go down. What we've seen in the last two weeks through the news is that Rogers has indicated that they're going to increase their prices.

Stats Canada had some data out in the last couple of weeks. When we look at the numbers, we see that the average cellphone bill in Canada is \$106 a month. We can compare that to Australia. Australians are paying only \$30 a month. The increase is indicative of about an 8.5% increase, or nine dollars per bill. With these increases, we're going to see that discrepancy be about four times.... We're going to see an average cellphone bill of \$115 per individual in Canada, and it's only \$30 in the U.S. That's almost four times as much. I use Australia because Australia has the same large geography as us but a lower population—at least, it used to have.

When we look at what really needs to happen on this, I know that this committee has been adamant on focusing on cellphone prices, because we've had the Rogers CEO and other CEOs here to talk about it. The minister has been in the House saying that he wants lower cellphone bills.

He's also said that through this deal with the Rogers takeover of Shaw the cellphone bills would go down. As I indicated, this is just not the case, so I have a notice of motion. I'm effectively asking for this committee to condemn the price increases by this oligopoly, which is strangling Canadians, and to then, as soon as possible, have the CEO from Rogers and the minister here before committee so he can answer Canadians as to why prices continue to go up.

Mr. Chair, I'll read the notice of motion into the record. I move that:

Given the CEO of Rogers stated that the Rogers takeover of Shaw will result in lower prices, a claim repeated by the Minister of Innovation, Science and Industry, and that Rogers has increased cell phone prices this year, the committee call on the following witnesses to appear before the committee:

- a) Tony Staffieri, President and CEO of Rogers;
- b) Honourable François-Philippe Champagne, Minister of Innovation, Science and Industry;
- c) The Competition Bureau of Canada

And that these witnesses appear within two weeks of the motion being adopted.

● (44440)

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

I will recognize Mr. Masse and then Mr. Turnbull.

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

Thank you, Mr. Williams, for putting forward the motion. We did talk before committee.

What I would encourage as an amendment to the motion is that we report to the House and that we condemn as well all increases from any company and expand it a bit to include Telus and Bell and their CEOs. I think that would be appropriate for this matter. I thank Mr. Williams for bringing the motion forward and bringing it to the attention of Canadians.

Those would be the amendments that I would ask to move.

**The Chair:** We have Mr. Williams' motion, and now we have your amendment that we need to debate.

Mr. Masse, can you give us some exact wording?

**Mr. Brian Masse:** Yes.

The amendment is that, in the interest of affordability for Canadians, the committee condemn any price increases by telecom companies in Canada, and request representatives from Bell and Telus to appear amongst committee witnesses as well, and report back to the House.

**The Chair:** Just to be clear, does that replace Mr. Williams' motion? Would that be the new text of the motion? Is that it, or is it on top because there's...?

**Mr. Brian Masse:** I've amended it.

**The Chair:** Okay, so we have Mr. Masse's amendment.

I'm just not entirely clear how the motion would read exactly because Mr. Williams had the minister invited, and now it's not in the text that you've just put forward.

**Mr. Brian Masse:** I'm sorry, Mr. Chair. We didn't have a chance to plan this out fully, but I would just add that to his motion. His motion would stay consistent, with the addition of "That, in the interest of affordability for Canadians, the committee condemn any price increases by telecom companies in Canada, and also have Telus and Bell representatives appear at committee, and report this back to the House of Commons."

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

We have Mr. Masse's amendment, which needs to be discussed and voted on.

Mr. Turnbull.

**Mr. Ryan Turnbull:** Thank you, Mr. Chair.

I appreciate this. I believe that the subcommittee report adopted at the beginning of the meeting had a way forward in relation to any witnesses that would need to be called forward on the topic. I'm not sure whether we need any reference to specific witnesses in this particular motion. I like some of the wording that Mr. Masse has suggested, but I would be more inclined to support a motion that generally framed our displeasure as a committee or our condemnation of price increases by telecom companies in general in Canada.

I would suggest that we subamend Mr. Masse's amendment to read as follows: "That, in the interest of affordability for Canadians, the committee condemn any price increases by telecom companies in Canada".

I would propose that subamendment. Thank you.

**The Chair:** You're proposing a subamendment to Mr. Masse's amendment.

Can you just read again how the motion would read so that it's clear for all members?

**Mr. Ryan Turnbull:** Absolutely. Let me read it into the record: "That, in the interest of affordability for Canadians, the committee condemn any price increases by telecom companies in Canada".

**The Chair:** That would be the motion as it reads all in all, so there is no invitation given because, as you've mentioned, some of the witnesses suggested are already included in the subcommittee report.

We have the subamendment by Mr. Turnbull up for discussion or debate. Otherwise, I'll put it to a vote so that we can proceed.

Mr. Garon.

• (44445)

[Translation]

**Mr. Jean-Denis Garon:** Thank you, Mr. Chair.

Obviously, we'll be supporting this subamendment. I would, however, like to remind the committee that this is a complex issue. The media told us that fees would increase. In light of that, our committee will need to study a number of structural issues. Telecommunications infrastructure is now indispensable. We need it to be able to work. It's no longer an optional part of our lives.

I'd like to refer to the notice of motion tabled by my colleague Mr. Lemire, which indicated the need to conduct a more in-depth study on connectivity, resiliency and competition. We know that the legislation to amend the Competition Act is quite advanced. Such a study would allow us to see what's happening in that industry in terms of mergers, acquisitions and costs.

Naturally, we support the proposal before us, but it doesn't change the fact that the committee will need to undertake a meaningful and in-depth look at the telecommunications issue. I invite the committee to move in that direction.

[English]

**The Chair:** Do I have any other speakers to talk about Mr. Turnbull's subamendment?

Mr. Perkins.

**Mr. Rick Perkins:** I just have a question.

We have the main motion, an amendment and a subamendment. Did Mr. Turnbull read the full motion, or is that just a piece of the full motion? Can I get the full motion?

**The Chair:** As I understand what Mr. Turnbull is proposing, his amendment.... I'll let Mr. Turnbull read it, but that would be the full motion.

Mr. Turnbull, can you read your subamendment?

**Mr. Ryan Turnbull:** Sure. What I read would be the full motion as amended.

It would read, "That, in the interest of affordability for Canadians, the committee condemn any price increases by telecom companies in Canada."

**Mr. Rick Perkins:** Okay. If I understand it, the original motion called for condemnation and called for a meeting. Mr. Masse's amendment added to that with a report to the House.

Your amendment is just a statement of outrage by the committee, which removes all of the other discussion issues, including a report to the House. I'm opposed to this subamendment.

[Translation]

**The Chair:** Mr. Garon.

**Mr. Jean-Denis Garon:** Would it be possible to get everything in French, before we move to the vote?

**The Chair:** Yes.

Mr. Turnbull, can you send the clerk the subamendment in writing, ideally in both official languages, so that the committee can vote on it?

[English]

**Mr. Ryan Turnbull:** Yes. I will do that as soon as possible. Thank you.

**The Chair:** I'll suspend for two minutes for the text to be sent around.

• (44445)

(Pause)

• (44450)

**The Chair:** Colleagues, we'll come back.

I believe the text of the subamendment proposed by Mr. Turnbull has been sent around.

Colleagues, as we go forward it's important that, when you have an amendment, you clearly state what you're removing from the original motion. I say this for all members' benefit. It makes it easier to comprehend what we're actually debating and voting on.

We have Mr. Turnbull's subamendment. Are there any comments before I ask the clerk for a recorded vote on Mr. Turnbull's subamendment, which you've all received via email? Go ahead, Madam Clerk.

(Subamendment agreed to: yeas 6; nays 5)

● (44455)

[*Translation*]

**The Chair:** Mr. Turnbull's subamendment is agreed to.

[*English*]

We then have to vote on the motion as amended by Mr. Turnbull.

Are there any comments on the motion as amended?

**Mr. Ryan Williams:** Mr. Chair, can you read the complete motion?

**The Chair:** Based on the subamendment that was adopted, the motion would read, "That, in the interest of affordability for Canadians, the committee condemn any increases by telecom companies in Canada".

**Mr. Ryan Williams:** Mr. Chair, I'm going to make an amendment to add "and report back to the House".

**The Chair:** Okay, there is an amendment by....

Go ahead, Mr. Masse.

**Mr. Brian Masse:** I think I did include "report back to the House" in the original amendment.

**The Chair:** The subamendment was adopted, which narrowed it.

I'll receive Mr. Williams' amendment, which adds "and report back to the House" to the motion as amended.

It would read, "That, in the interest of affordability for Canadians, the committee condemn any price increases by telecom companies in Canada and report back to the House."

Am I correct? That's the amendment by Mr. Williams to the motion as amended by Mr. Turnbull.

Mr. Turnbull.

**Mr. Ryan Turnbull:** I'm a little bit confused, Chair. Maybe I'll just ask for clarification from the clerk.

Would that matter not have been already decided in the previous vote, given the fact that there was an amendment that suggested a

report back to the House, and then I made a subamendment to not include that? It seems like we've already decided that question by voting in favour of the last....

**The Chair:** Hold on for just one second, Mr. Turnbull. I'll confer with the clerk.

Mr. Turnbull, thank you for that point of clarification. It's a bit convoluted because your subamendment is to an amendment, and I think I will entertain the proposed amendment by Mr. Williams so that members can vote on it and respect the will of the committee.

Mr. Turnbull, I see you have your hand up. Go ahead.

**Mr. Ryan Turnbull:** Thank you for that clarification, Mr. Chair.

I think we need further debate and discussion on this particular item. I'm not sure.... I think that, based on what we decided in our subcommittee, which I think we achieved consensus on, it would be helpful for us to consider this and return to it at a later date.

I'm not prepared to vote on the motion as amended today. I wonder if I could move to adjourn today's meeting.

● (44500)

**The Chair:** I didn't catch the last bit that you said, Mr. Turnbull.

**Mr. Ryan Turnbull:** I move that we adjourn the meeting.

**The Chair:** Did you move that we adjourn the debate or the meeting?

**Mr. Ryan Turnbull:** I'm sorry. I might not have been coming through clearly.

I moved to adjourn the meeting so that we can return to this.

**The Chair:** Okay.

This is a dilatory motion, so we'll call the vote on the motion to adjourn the meeting.

(Motion agreed to: yeas 6; nays 5)

**The Chair:** We're right at 1 p.m., so the meeting is adjourned, colleagues. Thank you. See you Wednesday.









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