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Chair: Lisa Hepfner



Standing Committee on Canadian Heritage

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• (1530)

[English]

The Chair (Lisa Hepfner (Hamilton Mountain, Lib.)): I'm calling the meeting to order.

Welcome to meeting number nine of the Standing Committee on Canadian Heritage.

Before we start, I can confirm that all witnesses online have completed the required connection tests in advance of this meeting.

Please wait until I recognize you by name before you speak. All comments should be addressed through the chair.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Monday, September 22, 2025, the committee is meeting to study the effects of technological advances in AI on the creative industries.

I want to thank all of our witnesses who are with us today here in the room and joining us online.

We have, as an individual, Alexandra Kearney, co-founder, Artificial Agency. We have Wyatt Tessari L'Allié, founder and executive director, AI Governance and Safety Canada. We have Adrian Capobianco, CEO at BILI Social. We have Alain Strati and Lisa Broadfoot from the Canadian Media Producers Association. We have Jonathan Roberge and Etienne Grenier from Chaire de recherche du Québec sur l'intelligence artificielle et le numérique francophones, and Laurent Dubois and Véronique Roy, from the Société des auteurs et autrices de radio, télévision et cinéma.

Each organization will have five minutes to present us with opening statements and then we'll go into questions from our committee members.

We'll start with Ms. Alexandra Kearney.

Alexandra Kearney (Co-Founder, Artificial Agency, As an Individual): Thank you, Madam Chair. I am grateful for the invitation to share with the committee today.

I'm Dr. Alex Kearney, co-founder and head of agents at Artificial Agency, where we build interactive AI systems that are used by game developers and designers to power the next generation of interactive entertainment. Artificial Agency is a Canadian-based company, with over 90% of our team based here in Canada, and the overwhelming majority of those folks being in person in our Edmonton office.

I want to start today not by discussing our research or our product; rather, I want to acknowledge Artificial Agency's deep Canadian

roots. My co-founder Brian and I are both proud Canadians. Our careers were made possible by the world-class AI community here in Alberta. We both chose to move here, of all of the places in the world, because of Alberta's world-class research. Without the Alberta Machine Intelligence Institute and the dedicated work of our local AI community over the past half century, I would not be speaking to you here today.

The three Canadian AI research centres, Vector, Mila and AMii, are, without a doubt, national treasures. If there is one thing that we can do to succeed as a country in this century, both technically and culturally, it is to protect and nurture these research institutes, along with their output.

Brian and I feel that, for many reasons, Canada is the right place to build Artificial Agency, including a strong desire to contribute back to this community that we call home. We believe that all Canadians, especially Canadian creatives, deserve to benefit from the fruits of AI's success economically. This is why we didn't choose to build Artificial Agency in New York or San Francisco, where capital is close and accessible. We chose Canada, and we chose Edmonton. We want Canadian creatives to have the tools to define global entertainment in this century.

At Artificial Agency, we are unified by a singular vision: to make tools that enable game designers and programmers to put runtime intelligence into any aspects of their game, unlocking new experiences and genres of entertainment that could be made no other way. We are seeking to enable the next generation of digital storytellers.

Our behaviour engine is an AI system that interprets player input and game state to adapt the content of a game in real time. It is a form of agentic intelligence. It powers a system that is able to take actions to influence the environment, the narrative and the characters of a game. These agents operate within game worlds authored by studios. Agents can be characters that are able to improvise within the bounds set by game designers, or they can be game directors, silently adapting the game based on how players engage with the world.

One of our earliest advocates was a narrative designer. With our tools, he bypassed weeks of hand-off between writing and scripting. He could author character behaviour directly, see it immediately and tune it live. It made authorship for this writer interactive. That's the kind of feedback loop that AI should empower. Traditionally, this designer would write, and then it would take weeks for that work to be interpreted by programmers and technical designers. With our behaviour engine, he was able to immediately see the impact of his writing—how characters behave differently and express themselves—and to feel how the game felt. Our behaviour engine is, for these people, a new creative interface, one that expands what designers can do, not a threat to their authorship.

Our behaviour engine enables game designers to act as directors instructing actors in a performance. Through agentic intelligence, characters are transformed from flat, programmatic bots, into rich, dynamic improvisors with backstories, inner lives and goals. We're not just changing how games are made; we're redefining what games are. We're expanding the artistic medium.

Blanket restrictions on AI in creative domains risk ossifying the very things that we should be expanding. If policy-makers treat all generative systems as a monolith, we will constrain interactive mediums before they're able to reach their maturity.

In partnership with studios, we opt to use open-source models such as Llama or Qwen, but we don't use them to imitate. We use them to reason, adapt and react within the authored boundaries of a game. What matters here isn't the origin of the model. Rather, it's the intent and containment of its application. No content generated by our agents is meant to resemble, mimic or reproduce external works.

The creative risk here isn't from bad actors; it's from narrowing the definition of authorship to exclude the computational. If we lock down generative methods pre-emptively, we do not protect Canadian culture. Instead, we prevent it from evolving and impacting the world through new formats.

Thank you very much for your time.

• (1535)

The Chair: Thank you.

Next we go to Wyatt Tessari L'Allié from AI Governance and Safety Canada. You have five minutes.

[*Translation*]

Wyatt Tessari L'Allié (Founder and Executive Director, AI Governance and Safety Canada): Madam Chair and committee members, thank you for the honour of inviting me here.

AI Governance and Safety Canada is a non-partisan not-for-profit organization and a community of people across the country working to ensure that advanced artificial intelligence is safe and beneficial for all. Since 2022, we've been giving the federal government forward-looking public policy recommendations in the public interest. This includes submissions to Innovation, Science and Economic Development Canada and Treasury Board, and testimony before the Standing Committee on Industry and Technology during its study of Bill C-27.

We have broad expertise in artificial intelligence. Today, I hope to give the committee an overview of how artificial intelligence is affecting the creative industries against the backdrop of the broader challenges posed by artificial intelligence.

[*English*]

Last Tuesday, as part of our formal submission to the Minister of AI's consultations on Canada's national strategy, we unveiled our new white paper, titled "Preparing for the AI Crisis: A Plan for Canada".

The basic situation we face is this: With human intelligence staying the same and AI getting better by the day, we are heading into a world in which AI vastly surpasses us in all domains. This includes ones like running companies, caring for people and creating high-quality original content—areas where we currently still hold an advantage. Building this level of AI is the explicit goal of frontier labs like OpenAI, Google DeepMind and Meta.

Smarter-than-human AI will have significantly greater impacts on society than the generative AI models we've seen so far. In the case of the creative industries, some likely implications include the following.

First, smarter-than-human AI won't need to train on copyrighted human content. The models we see today that need to scrape millions of books and songs in order to produce anything intelligible are a passing phase. Much like the human brain, smarter-than-human AI will be able to learn from relatively little data—such as public domain data—and go on to create authentic and engaging works of art.

Second, the quality of AI content will improve far beyond human levels. Right now, we look at most AI content and we rightfully identify it as slop or low-grade. This is a passing phase. Within a few short years, the situation could be reversed, with the human-created content looking comparatively quaint and simplistic.

Third, we're already seeing platforms like Spotify and Amazon get flooded by AI content. This is just the beginning. Within a few years, when we will likely have high-quality customized AI content available on demand at very low cost, we could easily be in a situation where over 90% of what Canadians see on their platforms is AI-generated.

These are just some of the impacts on one sector. Every aspect of society will be affected. Think of your own roles as MPs. What will you, as politicians, be doing when every bill you write, every speech you give or every political strategy you develop will be better done by AI, and when your voters will know that, for every decision you make throughout your day, your best bet will be to ask the AI what to do? Also, to turn the tables again, what will we as a not-for-profit be doing when AI will be able to better monitor developments and advocate for better policies than us?

We don't know, but that's the level of AI that frontier labs think they can build in as little as one to three years, and a number of trends suggest they may be right. We hope there will be more time than that, but a responsible government needs to launch preparations immediately.

This brings me to our recommendations for the Canadian government.

First, pivot to meet the AI crisis. This 2025 study on the impacts of AI on the creative industries is like a December 2019 study on that first coronavirus outbreak in Wuhan, China. You've stumbled across an early warning sign of an industry that has happened to be hit hard by an early wave of AI. The big story is what's coming next, and the biggest impacts will be elsewhere—namely, national security, public safety, geopolitics and economic and fiscal shocks. This is not a crisis you will be able to fit into an existing agenda or delegate to a ministry. For Canada's response to be adequate, this will require a whole-of-government effort.

Second, spearhead the global response. AI is a global challenge requiring global solutions. Canada is in a good position to host and lead global talks, and doing so will put us in a better position when we negotiate with multinational firms.

Third, build Canada's resilience. Turn the fact that the creative industries are getting impacted first into an opportunity to pilot the support measures that other sectors could soon need as well. Pass measures that are beneficial to all Canadians and are robust to future AI, such as labelling content and protecting against deepfakes.

Fourth, launch a national conversation on AI. Canadians deserve to be informed and consulted on a technology that will fundamentally reshape their lives. Minister Guilbeault and Minister Solomon are well placed to lead nationwide public hearings that could educate and consult Canadians on core decisions pertaining to our collective AI future.

In these brief remarks, I hope to have conveyed to you the momentousness of what is about to unfold in AI. To quote Prime Minister Carney, "We will have to do things that we haven't imagined before, at speeds we didn't think possible." The clock is ticking. Let's get to work.

Thank you.

• (1540)

The Chair: Thank you.

Next, we have Adrian Capobianco, from BILI Social.

You have five minutes, sir.

Adrian Capobianco (Chief Executive Officer and Co-Founder, BILI Social): Thank you, Madam Chair, and thank you, honourable members of the committee, for the opportunity to participate and present today.

To provide a brief introduction, my career background was serving as an executive and CEO at various regional and global advertising agencies, working with many of the best-known Canadian and global brands, and overseeing hundreds of millions in advertising spend annually.

A few years ago we launched BILI Social. Our mission at BILI is simply to help connect brands with social media influencers. I've seen more disruption and opportunity in the last few years than in the last few decades. This is only being accelerated by the impact of AI.

For a bit of context, we're a company founded in Canada that operates across North America. I'm proud to say we fight and win above our weight class. We're modest in size, yet manage to compete against very well-established peers and international conglomerates, in part by leveraging AI in our business.

In the context of this committee's study, our involvement with creativity relates to advertising, digital media and social media content. Our creative community is social media influencers, many of whom are small businesses themselves that are earning livelihoods through digital platforms.

While we are mindful that the world of social media is far from perfect and that AI poses risk, our approach to AI is that we believe it is not only preferable, but also it is a requirement to test, learn and leverage AI tools to help us build and scale our business. We work with many athletes, as an example, so I'll offer a sports analogy: We use AI for the assist, not the goal. We don't fully lean on AI to create artificial influencers, as an example, but we leverage AI in many ways in our business. We believe that leveraging AI is important not only for our business but for many Canadian businesses like ours.

For additional context for the committee, I'll share a bit of information on how we operate. In doing so, I'll explain five ways in which we leverage AI and how it impacts our business.

First, the first time we used AI was almost three years ago when ChatGPT first launched. We knew we could use AI to create text content more quickly, but we weren't sure if we could do it better, so we tested it. We used AI to help refine social media text posts and we tested it versus human-written posts. What we found in our research was that the AI-enhanced post generated 28% more engagement. That's 28% more likes, shares, comments and views, which for our clients, ourselves and our creator partners is important. All that was available to us for free.

Second, we provide social content services. We call this BILI Boost. This is the creation of influencer social media posts to help promote products and services for our clients. For context, in North America there are approximately 10 million creators and we have data on all of them. To be efficient, we use AI to find, audit and filter these creators to help narrow down to the 100, 10 or one that is relevant for our client partners. This would be impossible manually.

Third, we provide commerce services. We call this BILI Base, which is directly selling products via online referrals. We use AI to match our creators with products and content that are relevant to them, so that they can deliver more relevant and interesting content to their audiences.

Fourth, we're looking to identify quickly changing trends and insights to keep our clients informed. For this project, our existing staff didn't have the time to support the initiative, so I started working with a group of business school students. Interestingly, their first instinct was to use AI to search, source and package up these trends. This is a service we'll now be able to offer our clients, which previously would not have been feasible. It allows us to compete with larger international competitors and vastly larger teams.

Fifth and finally, for a peek at where this is going, as I mentioned, we work with a number of athlete creators. For example, we're the exclusive social commerce partner of the CFL union and the NHL alumni. We want to use AI to help open new markets to these athlete creators. For example, using our video AI tools, an English-speaking creator can now deliver content in French and Spanish, which opens them up to a North American market, or in Mandarin, Cantonese and Japanese, which opens those creators, and the Canadian brands they promote, to Asian markets.

In conclusion, our philosophy at BILI Social is that we have very little ability to impact what the world will do with AI and it's very

clear the world is progressing at full steam with its adoption. Our decision, pragmatically, is what we choose to do with this. Going back to the sports analogy, we believe Canada can either participate as players and owners in the AI game or sit on the sidelines and pay to watch others win.

Our decision at BILI is clear. We play in the game and compete to win. To fuel this approach, it would be great if we had the support, funding and encouragement of our government to help accelerate the adoption of AI for thousands of businesses just like ours, so they can continue to fight above their weight class.

Thank you for the invitation to participate today.

• (1545)

The Chair: Thank you.

Next we'll turn to the Canadian Media Producers Association and Alain Strati and Lisa Broadfoot.

You collectively have five minutes.

Alain Strati (Senior Vice-President, Industry and Policy, Canadian Media Producers Association): Thank you, Madam Chair and members of the Standing Committee.

Thank you for inviting us to appear before you today.

The Canadian Media Producers Association, CMPA, represents more than 600 independent production companies working in film, television and digital media. Our members employ Canadian talent and bring Canada's stories to audiences here at home and around the world.

Producers are storytellers and entrepreneurs. They bring to life the cultural expression that unites Canadians while driving investment, jobs and innovation in every region of our country.

The work of producing is fundamentally human. Producers take ideas and bring them to our screen by raising financing, managing budgets, hiring crews and assuming the financial and legal risks that make production possible. They collaborate with writers, directors, performers and skilled trades whose creativity and experience bring Canadian stories to life.

While AI can assist human creation, it cannot and should not replace it. Our comments today may at times sound familiar, since they centre around the three pillars of authorization, remuneration and transparency. These are common-sense principles grounded in established law that should anchor Canada's approach to generative AI. Simply put, works should not be used without consent, creators must be paid when their works are used and the process must be transparent so that creators know when and how their works are being used.

Consistent with these principles, there is no need for a new text and data mining exception in the Copyright Act. The act is technologically neutral and has proven capable of adapting to new tools and workflows over decades of innovation. New exceptions would simply authorize what is now unlawful, the mass ingestion of copyrighted material without consent, credit or compensation. Canada's copyright system already accommodates innovation while crucially ensuring that creators are paid for the use of their work. Undermining that balance would weaken both our creative economy and the public trust that underpins it.

Lisa Broadfoot (Vice-President, Industry and Business Affairs, Canadian Media Producers Association): The CMPA supports the development of a vibrant licensing market where producers and other rights holders can freely negotiate for the use of their intellectual property for AI training and other uses. Producers negotiate complex licensing and distribution agreements across multiple territories. They are highly skilled in the creative licensing marketplace and can translate this expertise to negotiating with AI platforms. We acknowledge that this is an emerging marketplace; however, its growth and legitimacy depends on clear rules of engagement and transparency.

We know that these platforms have trained on copyrighted works, but rights holders have no way of knowing if their works have been used. Transparency keeps platforms accountable and gives producers and other rights holders the ability to negotiate a licence for that use. The need for transparency is twofold. It will assist rights holders as they navigate new licensing opportunities and help them to identify infringement when it occurs, but it is also necessary in assessing the validity of data, inherent biases within AI models, and helping to ensure that these systems are lawful and accountable.

Like all entrepreneurs, producers adapt to new tools that make their works more efficient and their productions more competitive. AI tools are no exception. They are already being used to streamline workflows and maximize efficiencies. The CMPA supports the use of AI in this operational context.

Recent efforts by AI platforms to define their own copyright rules exemplify a disturbing trend. Innovation is being pursued without consent from creators. This is a beg for forgiveness rather than ask for permission approach. OpenAI's initial suggestion that

users opt out of having their works used in Sora 2 is one such example. To echo comments made to this committee last week, an opt-out flips copyright on its head. What rights holders need is assurance that the Copyright Act will continue to uphold their right to voluntarily opt in to an equitable licensing arrangement. Transparency underpins their ability to do so.

• (1550)

Alain Strati: Upholding copyright, promoting a fair and vibrant licensing market and ensuring transparency are the necessary conditions for a healthy and competitive economy in the age of AI. Anything beyond that risks overstepping into areas the market can manage itself.

These measures don't restrain innovation. They are the necessary preconditions to enable it. They ensure that AI grows on a foundation of trust, creativity and the rule of law.

Thank you. We look forward to your questions.

The Chair: Thank you.

[Translation]

I'll now give the floor to Jonathan Roberge and Étienne Grenier, who are representing the Chaire de recherche du Québec sur l'intelligence artificielle et le numérique francophones and who are both appearing by video conference.

You have five minutes for your remarks.

Jonathan Roberge (Full Professor, Chaire de recherche du Québec sur l'intelligence artificielle et le numérique francophones): Thank you, Madam Chair.

I want to thank the committee for giving us the opportunity to speak today.

My name is Jonathan Roberge. I'm a full professor at the Institut national de la recherche scientifique, or INRS, where I also hold the Quebec research chair in francophone artificial intelligence and digital technology. Founded in 2024, the chair has three areas of research: first, the study of artificial intelligence ecosystems, particularly the impact of artificial intelligence on creative industries and the cultural sector; second, the issue of cultural content discoverability; and third, policy development, including at Canadian Heritage. This is all based on scientific expertise in the humanities and social sciences, which mainly stems from sociology, political science, law and communications. I previously held a Canada research chair for 10 years.

I mainly want to emphasize the need to develop public policies based on facts, research and expertise, particularly at Canadian Heritage. I'm saying this because, if we look at Canadian Heritage's track record, we don't see a growing body of research and expertise in this area, but rather a shortfall. This has almost become a hallmark of the department in Ottawa. I can give you the example of our two chairs. In 13 years of existence, they have never been given a research mandate by the Department of Canadian Heritage.

For example, if we look at the department's recent approach to addressing the impact of artificial intelligence on cultural industries, two main things stand out. First, when it comes to Canadian heritage, the government is biased towards artificial intelligence, often to the detriment of cultural industries. Take, for example, the consultation between Canadian Heritage and Mila, formerly known as the Montreal Institute for Learning Algorithms. The entire consultation process came to an abrupt end, since stakeholders in the cultural sector simply rejected the idea of building a cultural policy based on data licencing. We see the same work or the same lack of legitimacy in the consultation on copyright.

All this goes to show that Canadian cultural policies would be better equipped if they had a stronger foundation in research data. This issue also affects the government's ability to better understand the international environment, particularly the capacity to carry out comparative studies. For example, the French department of culture's strategy for artificial intelligence, a comprehensive document of around 30 pages with no Canadian equivalent, includes the stipulation that progress must be made in research and that impact studies must be carried out. Once again, Canadian Heritage doesn't take this approach, either in terms of consultations or scientific research.

On that note, I'll give the floor to my colleague.

• (1555)

Étienne Grenier (Doctoral Student, Chaire de recherche du Québec sur l'intelligence artificielle et le numérique francophones): Madam Chair and committee members, thank you for inviting me to appear before you.

I'll pick up where my colleague left off.

As Professor Jonathan Roberge pointed out, the Canadian government's latest consultations on artificial intelligence and culture have been techno-centric. In other words, they have focused mainly on resolving the issues caused by the mining of cultural data by techno-industrial workers in the artificial intelligence sector. This focus on text and data mining, a necessary part of technological development, creates a grey area that obscures the following issues.

First, how have cultural sector workers been affected since the introduction of this technology?

Second, how are emerging uses of artificial intelligence transforming cultural media?

Third, how can cultural sector workers and artists take control of the tool, meaning how can they influence the development of technology so that it serves their interests, at least in part?

It's high time to include cultural sector workers and artists in the consultation processes. They're on the front lines, day after day, in-

venting new ways to co-exist with artificial intelligence. These efforts deserve government support.

Bear in mind that technical objects emerge from the convergence of different forces. In addition to industrial forces, we must take into account both users and advanced practitioners who modify these technologies by adapting them through experimental projects. Adapting to artificial intelligence technologies shouldn't be a one-way street, starting with the techno-industrial sector of artificial intelligence and ending with cultural sector workers. Instead, it should be a two-way street, where innovators and users have a say. Cultural sector workers and artists have agency, and the government should support them in their efforts to reclaim their power.

That's why I want to point out the complete absence of the cultural sector in the Canadian sovereign AI compute strategy. This \$2 billion project contributes to the exclusion of these stakeholders and positions them as mere passive adopters, ignoring their potential role in innovation and value creation. Yet initiatives to—

The Chair: Thank you. Your time is up, but you can provide more details later when answering questions.

[English]

We'll start now with our question round, so I'll turn to Mrs. Thomas for six minutes.

[Translation]

Martin Champoux (Drummond, BQ): With all due respect, Madam Chair, you forgot some witnesses.

[English]

The Chair: Oh, did I miss someone? I'm so sorry.

We'll turn to our next witness.

[Translation]

We're joined by Laurent Dubois and Véronique Roy from the Société des auteurs et autrices de radio, télévision et cinéma, or SARTEC.

Sorry for forgetting about you. You have five minutes to give your remarks.

Laurent Dubois (Executive Director, Société des auteurs et autrices de radio, télévision et cinéma): Thank you, Madam Chair.

Good afternoon, committee members.

My name is Laurent Dubois. I'm the proud executive director of the Société des auteurs et autrices de radio, télévision et cinéma, or SARTEC. I'm joined today by Véronique Roy, lawyer and labour relations advisor.

SARTEC represents close to 1,700 scriptwriters from across Canada who write in French. Since 1949, we've been advocating for their socio-economic rights and interests and helping to promote their vital contribution to Canada's culture, which makes our country so unique, enviable and attractive.

That's why we're grateful for the chance to speak today. We're especially concerned about how the development of generative artificial intelligence tools might affect our industry and especially the writers in our organization.

In early June, six Quebec unions representing almost 25,000 artists and technicians launched a manifesto entitled "Art is human!" This plea for the reasonable and rational development of artificial intelligence was warmly received in Canada and abroad. The Minister of Canadian Identity and Culture, Steven Guilbeault, referred to it in his opening remarks at the latest UNESCO working session held in Paris last June.

This manifesto seeks to give artists a voice in a public debate dominated by companies focused on power and profit. These companies portray artificial intelligence as a revolution or a train to catch at all costs, or risk being left behind.

However, artificial intelligence isn't a revolution. It's certainly a major innovation, but it isn't a revolution. The concept of revolution implies making a clean break with the past in order to impose new paradigms and new rules.

Unions such as SARTEC spend years establishing minimum working conditions for artists. They do so through respectful social dialogue with their counterparts.

Members of Parliament like you spend months drafting, negotiating and enacting legislation designed to organize our society as best as possible by setting out the rights and obligations of every Canadian. Democracy is a long process involving consultations, discussions and compromises.

Will we now let a few major Silicon Valley companies encroach on our identity, our common good and our sovereignty?

Job losses, intellectual property theft and the misappropriation of protected content are the first measurable effects of this development. The recent theft of jewels from the Louvre museum in Paris made headlines. However, in the world of artificial intelligence, we're constantly seeing works of art being stolen in the name of innovation. In the same way that the French crown jewels will likely be cut up and melted down into precious metals, our works harvested by artificial intelligence are crumbled, stripped down and broken up to serve as precious raw material for creating new content devoid of any historical, emotional and human value and devoid of creative expertise.

Moreover, the impact of poorly regulated development of artificial intelligence goes beyond mere economic considerations. Artificial intelligence doesn't create. It recycles. It divides and conquers. The people who design and market the algorithms that shape arti-

cial intelligence inevitably impose their judgments and values on these algorithms. The dominant discourse will continue to dominate. Minority voices will see the gap of inequality widen. The diversity of cultural expressions is threatened by a lack of profitability. As a result, Canada's cultural sovereignty is at stake.

We're calling on Canada to embrace this opportunity to show strong leadership in addressing this challenge and to remind everyone that art is human and must remain so. A strict and binding framework must be developed. Neither creators alone nor their small professional associations can take legal action to advocate for their rights against giants with virtually unlimited resources.

Solutions exist. They require a collaborative effort and a good dose of courage. They involve the simple concepts of authorization, transparency and compensation.

Authorization is necessary because creators must have the power to decide, through an explicit consent-based approach, whether and under what conditions their works can be used.

Transparency is needed because artificial intelligence developers should be required to disclose the content used for training purposes. Transparency is also necessary in the case of content generated by artificial intelligence. This content should be labelled accordingly for the general public.

Lastly, compensation is necessary because it bears repeating that copyright also constitutes an economic right and the main source of income for writers.

We look forward to talking with you and answering your questions.

Thank you for listening.

• (1600)

The Chair: Thank you, Mr. Dubois.

[English]

Now I turn to Mrs. Thomas for six minutes.

Rachael Thomas (Lethbridge, CPC): Thank you so much.

Thank you to each of you for taking the time to be here today.

My first question is for Dr. Kearney. I'm hoping that you can just talk to me a bit about the gaming industry in Canada. I know that it punches above its weight in terms of creation. How is AI improving the world of gaming here within Canada?

Alexandra Kearney: Canada has a rich and varied tradition in making games. Of course, here in Edmonton, we have BioWare studios, which has produced many spin-out studios of its own, known for crafting and, really, honing narrative RPGs, narrative role-playing games, that have rich emotional connections that stand the test of time. It's something that players still engage with, even though some of these games are now quite old.

With respect to our technology and how it changes things, one thing that has limited game design in the past is that, if you cannot script or anticipate, at development time, what a player may choose to do, you can't create an outcome for that player choice. There's no ability to improvise based on contact with reality and the vast creativity of people who are playing games. Coming up with all those corner cases is, just simply, a challenge.

There's one test for games with this almost Dungeons and Dragons style of background that really speaks to people who are from that old narrative RPG background, which is this: Can you create "wish"? If you're familiar with Dungeons and Dragons or any of these old tabletop role-playing games, "wish" is something in which, typically, you have a human dungeon master who is interpreting the state of the game and what the players' intent is, and tries to figure out what's fair but still creates a challenge. Of course, with something as broad and open-ended as, "I want to make a wish and see what will happen", that's, simply, something you just can't script. With our behaviour engine, we're actually able to do things of that nature. We're able to create scenarios in which a dungeon master is able to interpret a player's wants and reconcile it with the situation, so that still makes it feel agenticly compelling for that person who is challenged by the game.

Moreover, we're able to make compelling characters who engage with people naturalistically. While a lot of things like, let's say, negotiation in games, typically come down to a skill check—so I'm going to do a roll of the dice, and it has nothing to do with my or your ability as a player to make a compelling argument—now we can create systems that are able to dynamically adapt on the fly, evaluate how compelling you actually are when you're trying to convince me of something in a game, and come up with an outcome that seems fair. These are just two examples of things that, just simply, couldn't be done with traditional methods, but that you can do by using generative intelligence.

This isn't replicating anything that is in prior works. We're not looking at Rothko paintings and then trying to do a style transfer. These are all emergent interpersonal agentic things that are being rendered out by the decision-making system.

• (1605)

Rachael Thomas: Thank you.

Can you just go a little deeper into how the industry has changed, prior to the use of AI to, now, using AI? In your opening remarks, you talked about the importance of protecting the ecosystem as a place where innovation and creativity can be spurred on. I would imagine there's a balance, then, as regulators consider what to do. Too much regulation could potentially thwart that; perhaps no regulation causes danger. Where is that balance in terms of making sure that the creative ecosystem and the ability to innovate are maintained?

Alexandra Kearney: With respect to the work we're doing, I just don't really see a threat to game studios, in a sense, and the work that we're doing because, fundamentally, what we're doing isn't replacing the work that a game studio would do. It's transformational in the sense that it allows them to do things that previously were impossible, things that they simply could not have done without this technology.

When I'm thinking about protecting them, as a Canadian who's advocating for studios in the art form, I really don't see, from an agentic side, what the strongest concerns might be. I struggle to see what these studios would be challenged by, in a way that might threaten their livelihood—if that makes sense.

One thing I do see that's positive is that, with a lot of these studios with agentic intelligence, they're able to punch way above their weight class, in the sense that there are a lot of small, independent Canadian studios that don't have access to vast amounts of capital, and games are very capital-intensive enterprises. When you think about some of these studios that are producing games that are heavy-hitting, in some cases it may take them—in extreme cases—over \$1 billion to produce that game. That is capital that Canadians don't have access to, so we're locked out of that market. If we have tools that allow Canadians who are making games to actually push to market in a way that is differentiating, and that allow them to build expansive environments in a way that they previously weren't be able to, then I see that as something we should really be promoting.

Rachael Thomas: Can you briefly expand on how AI gives greater opportunity to creatives in Canada?

Alexandra Kearney: In this case, again, a lot of the Canadian studios that are independent are quite small. By giving them access to technology that allows them to build in ways that previously weren't possible, they can differentiate themselves in a hyper-competitive market.

Rachael Thomas: Thank you.

The Chair: Next, we'll go to Mr. Al Soud, for six minutes.

Fares Al Soud (Mississauga Centre, Lib.): Thank you, Madam Chair.

Thank you all for taking the time to be with us today. It's truly appreciated.

A warm welcome to the millions watching us on CPAC right now.

I'm going to jump right into questions today, no long monologue. Part of why I'm doing that is because, Dr. Kearney—and that is a familiar designation and last name—looking into the work you do over at Artificial Agency had me in a bit of a rabbit hole yesterday.

For those who don't know, you are a technologist and ethicist. Much of your work focuses on this exploration of how AI systems shape human behaviour and creative expression. Your company works on "responsible by design" AI that emphasizes transparency, cultural nuance and inclusivity. You also recently launched a behaviour engine, as you mentioned earlier, to create video games that feel truly alive.

We had the privilege of visiting Amii in Edmonton, in early September.

Given your unique perspective, I'm wondering how you see artists, designers and policy-makers working together to ensure that creativity, not just efficiency, remains central to how we deploy AI.

• (1610)

Alexandra Kearney: When you talk about working together, I think a number of the witnesses have brought up having collaborative discussions, seeking input from people in different groups.

To be clear, I'm in a very specific vertical. I'm focused on games.

This isn't a case, again, because we're taking these foundation models and transforming them into behaviour. There isn't really a clear case where imitation would be a concern.

That's one of the things that I want to impress upon the group, when I say that agentic AI and generative AI is not this monolith. A lot of people think about generating text and images, and sure, those are concerns.

I would encourage policy-makers to contemplate and work with people, not just in these traditional mediums but really look to the broader space and see how people are really innovating, using AI and creating new mediums that previously didn't exist.

Fares Al Soud: That's fantastic.

Thank you, Doctor.

Monsieur Tessari L'Allié, AI Governance and Safety Canada started with a simple [*Inaudible—Editor*] Canada, and from Canada, to ensure positive outcomes.

Last year, you testified at the Standing Committee on Industry and Technology, stating that, “it is only a matter of time before AI outperforms us in all domains.” In your “Preparing for the AI Crisis: A Plan for Canada” report, one of your recommendations is the implementation of global coordination mechanisms.

Could you speak to how Canada's experience in global climate policy can help shape a government's framework for AI that balances innovation, safety and equity?

How do you frame AI safety, not just as a technical issue, but as a social and democratic one, when we talk about institutions, trust and security?

Wyatt Tessari L'Allié: That's a great question.

First, yes, AI is obviously a global issue. We will require global solutions. Canada, even if we had the best laws in the world, wouldn't be able to stop development elsewhere that could cause Canadian content creators and otherwise.... By all means, let's learn from best practices from dealing with COVID, climate and other areas where we had to collaborate, even if we didn't want to.

The AI that is of most concern is the stuff that will be smarter than human—the biggest opportunity, but also the biggest risk—and is, for the most part, coming from Silicon Valley, and to a lesser extent, from China. If we want to ensure that Canadians benefit from this technology and avoid the risks from it, then we need to be working with the U.S. and China. There's no way around it.

Canada has a good international reputation. We don't have the best relationships, necessarily, with the U.S. and China. We certain-

ly are better than many, and we're at a good place to build a coalition of other countries, the global south, Europe, India and all the rest. Given we have a strong AI ecosystem, a decent international reputation and a Prime Minister who has written a book about how to manage global crises, we're unusually well placed to spearhead a global response, which is absolutely necessary for anything AI related.

Fares Al Soud: That's fantastic.

Thank you for that response.

[*Translation*]

Mr. Dubois and Ms. Roy, SARTEC represents writers from the francophone audiovisual sector. It advocates for their copyright and working conditions and for the recognition of their creative work in a rapidly changing digital environment. In an era when generative artificial intelligence can replicate styles, voices and scripts, your remarks shed light on the issues of intellectual property, artistic work and cultural diversity.

How do you see the role of scriptwriters or audiovisual creators changing as artificial intelligence tools become integrated into production processes?

Véronique Roy (Lawyer and Labor Relations Advisor, Société des auteurs et autrices de radio, télévision et cinéma): In practical terms, one of our real fears is that the scriptwriters will be partially replaced by these tools. We're concerned that these tools are being used more to replace artists. This would undoubtedly create a diversity issue. We would end up with methods that lead to very similar scripts.

Above all, we want to ensure that the current legal tools, such as the Copyright Act, continue to protect scriptwriters. When implementing new measures, we don't want this legislation to cease to apply, leading to a decline in working conditions for our scriptwriters or even job losses.

Fares Al Soud: I dare to ask the following question. In your opinion, how could artificial intelligence be used to aid creativity?

Véronique Roy: Artificial intelligence already exists. Our job is mainly to warn our members and contracting parties, meaning producer associations, and remind them of the need to comply with the legislation and respect the originality of both incoming and outgoing content. People must realize what can happen if they use the tool in a way that gives them no control over the quality of the content used as a basis. This content may have been copied. That's why we emphasize the need to verify the content used and to ensure that the final content is truly original.

The idea isn't to prevent people from using the tools. However, we want to ensure that the tools are used for creative purposes without, in a sense, corrupting the content. We don't want scriptwriters to unknowingly commit illegal acts by using this type of content. Take, for example, a producer who submits preliminary content to scriptwriters. These people could end up unknowingly committing illegal acts. Moreover, as I said earlier, the material produced would be of poorer quality.

• (1615)

Fares Al Soud: Thank you.

The Chair: Thank you, Mr. Al Soud.

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

Martin Champoux: Madam Chair, I think we should extend this meeting until 11 p.m. It's crazy how interesting and relevant the content we are hearing today is.

I thank all the witnesses for being here today. From the outset, I have found that the opening remarks alone provided us with so much input. The same goes for the questions.

I want to say hello to the two researchers, Mr. Roberge and Mr. Grenier. It was Marc-Olivier Ducharme, who was one of the witnesses at our second meeting—

The Chair: I'm sorry to interrupt you, Mr. Champoux, but we have a problem with the interpretation. It won't affect your speaking time.

Everything seems to be working well now.

You can start from the top, Mr. Champoux.

Martin Champoux: Thank you, Madam Chair.

I won't repeat everything I said. I was just saying that the content our guests have provided so far is really relevant and very interesting.

I was speaking to the two researchers, Mr. Roberge and Mr. Grenier. Marc-Olivier Ducharme, one of the witnesses who took part in the committee's second meeting on this study, recommended that we invite them.

Gentlemen, I can tell you that, as I listened to your opening remarks, I really didn't regret taking his advice.

Mr. Grenier, earlier you didn't have time to finish your opening remarks. Believe me, five minutes goes by very quickly. In any case, you mentioned something about artists that really struck me—namely how artists can influence the development of artificial intelligence so that they can benefit from it rather than be victims or be affected negatively.

Tell us a bit more about that. I find that it is exactly in line with the study we are currently conducting.

Étienne Grenier: Thank you very much.

It is really important to support the cultural sector so that certain experts within the sector, who already know a little about artificial intelligence and are able to craft models and do some fine-tuning, would be able to develop this technology while thinking about the sector's real needs. What we generally see when certain models are deployed is that they are not adapted to the sector's actual tasks. That then requires a redistribution of tasks and leads to a degradation of jobs in the cultural sector.

What we're suggesting is a rethinking of ownership and governance around models and tools. Open data and open software should be promoted wherever possible. Training tools must be provided so that people in the community would be able to use them. We also need to find, among the people from the cultural sector, super users with programming skills. They could then serve as intermediaries, in a way, since they would be able to understand, on the one hand, the highly computerized portion of the work and, on the other hand, its highly cultural portion.

Those initiatives also need to be supported. Some are under way in the sector, such as the ArtLA project, led by Sporobole, the Société des arts technologiques and Projet collectif. These initiatives require consistent and recurring funding to have a sufficient level of capacity building in the sector to work properly with this technology.

Martin Champoux: Would you say that it's unavoidable and essential and that it's a matter of survival? How do you see this collaboration and this appeal that you're making? Do you think it's a necessary step, period?

Étienne Grenier: Mastering production tools and capabilities is essential for the cultural survival of our people. Otherwise, we will be facing a tidal wave from Silicon Valley, where our culture is significantly devalued.

If we want to be able to develop artificial intelligence systems that represent our values and cultural baggage, we'll have to do it ourselves, with our own means and our own institutions. I'm thinking in particular of the Bibliothèque et Archives nationales du Québec, which develops model projects based on its own data. There are ways of doing it. We met with partners at the French ministry of culture who are working on this, in partnership with the heritage and architecture branch and the museums service.

I can let Jonathan Roberge elaborate on that.

• (1620)

Martin Champoux: Go ahead, Mr. Roberge, I want to hear what you have to say on that as well.

Jonathan Roberge: I will simply add that we have to go back to the core mandate of Canadian Heritage and what that department has to do. In that sense, we really have to go back to the mission of defending and promoting Canadian culture. Canadian Heritage has to look at technology, of course, but with that core mandate as a foundation.

A coherent strategy also needs to be developed. However, there is clearly a cost deficit in the current policy because there is no plan to develop or deploy a proper cultural policy.

My colleague talked about training, the social safety net and the impoverishment of artists, among other things. Addressing these issues is much more important than, for example, using the model of industries like that of video games, which comes from digital technology, and trying to apply it to cultural industries, which have been around for much longer. That's where the mistake is, and it costs money. When we have to create a cultural policy that takes into account the dangers, problems and challenges of artificial intelligence, we will need evidence. Canada will also not be able to draw inspiration from itself to find solutions to future challenges.

That's what needs to be looked at.

Martin Champoux: Unless I'm mistaken, you both attended a seminar session in September entitled "Is sovereignty a (new) technology?". A number of findings and conclusions emerged. One of those findings is that the state is captured in a technological framework dominated by American industry groups.

Are we able to move away from that? Is it too late for us to move away from that and create something that we can control in AI? For example, there's a lot of talk about having copyright-free data banks and feeding the beast, meaning artificial intelligence tools, with content that we're able to regulate and that is in line with our values. Is it still possible to do that, or are we once again lagging behind in regulating a technology that is passing us by?

Jonathan Roberge: Sovereignty is indeed a regulatory issue. Looking at sovereignty as we see it today, as a panacea or a catch-all that means nothing, is the problem.

The idea of having cultural sovereignty in Canada does not require us to do promotion and invest billions of dollars to quickly try to invent solutions out of thin air. Rather, it is a way to bring the practice community together to try to develop regulations. General sovereignty in contemporary states, as well as cultural sovereignty, requires regulation. The investment of millions of dollars, if not billions of dollars, simply to keep pace with Silicon Valley will result in a notorious deficit for Canada, as it will never be able to keep pace.

The trend we're seeing today, particularly in Ottawa, is to talk about sovereignty left, right and centre. This idea is not useless or uninteresting, but it is poorly constructed. I would draw members' attention to the fact that, when we talk about sovereignty, and in particular cultural sovereignty, we have to know what we are talking about. Right now, the debate is very misdirected.

Martin Champoux: Thank you very much.

The Chair: Thank you, Mr. Champoux.

[English]

Mr. Waugh, you have five minutes.

Kevin Waugh (Saskatoon South, CPC): Thank you, Madam Chair.

I'm going to Adrian Capobianco.

What does the landscape look like in this country? You're coming from an advertising agency, and you've learned lots there. Now you're into the social media aspect of it. What brings the uniqueness of that landscape for you to Canadians?

Adrian Capobianco: That's a big question. There was a theme that I mentioned in my presentation. I heard it echoed in a couple of others. That was "fighting above our weight class". I think that's interesting in that we often carry a presence larger than maybe some would expect or assume. I gave a number of examples of how we leverage AI to help us compete and win against much larger companies.

I think there's an element of that scrappiness. I think there's also an element of diversity and acceptance of differences. We leverage that a lot of the time with our brand partners to tell different stories of working with creators across the country from different backgrounds, different locations, different languages, different cultures, etc.

I think there are two things that would come to mind for me—a bit of scrappiness in fighting above our weight class, and a diversity of our population that makes us interesting and unique.

• (1625)

Kevin Waugh: As you know, it takes a lot of capital to compete worldwide, or even in North America. What's your experience with this?

Adrian Capobianco: Do you mean in terms of raising capital?

Kevin Waugh: Yes.

Adrian Capobianco: To launch the business, we did a modest raise. We worked with a number of high-net-worth individuals to raise some money and have continued to raise more since then. I've gone public through a reverse takeover. It's a process we've just begun. For us, raising capital was critical to make lots of the investments in our business before we had revenue to drive that. It's very critical. We started looking within Canada, within North America and globally for some of these capital sources.

Kevin Waugh: You talked about athletes, so you're with the CFL union. You're with the NHL alumni.

I'm going to give Jessica Campbell a salute here—assistant coach with Seattle Kraken, first female, comes from Saskatchewan. Her mom, Monique Campbell, is a University of Saskatchewan graduate.

An American company could give a damn about the Canadian CFL and NHLPA, and you've taken this on, so let's just talk about this. Why would you deal with the union from the CFL and the NHL alumni? I just need a little context on why someone would take this on, because they're afterthoughts, both of them—they played the game and now they've left the game. Maybe just comment on that.

Adrian Capobianco: It seems like you know Jessica Campbell very well. I think for context we had Jessica Campbell, along with a couple of PWHL players, in a campaign for a client of ours for a young girls' U11 team from the east coast who were wanting to have the experience of hearing from Jessica Campbell and some PWHL players.

In terms of athletes, as I mentioned in the context of creativity, our creative community is creators, social media influencers. If you think about social media influencers, they go everywhere from a few thousand followers to a million-plus. Even within the context of major sports leagues, whether it's the NHL alumni or current players in the CFL, there's also a wide range there from small audiences to large audiences.

As I said, our mission is to connect brands and social media influencers, and athletes are also influencers. The reason it's interesting for us to work with organizations like this and become the exclusive social commerce partner of these organizations is that with the CFL union, for example, we help the players beyond the field of play. The union is there to support the players. We help the players earn beyond the field of play, from brand partnerships, selling their merchandise, etc.

That aligns very closely with our mission. How do we connect brands with influencers, but also how do we enable influencers and creators to become mini-retailers and mini-brands themselves? Working on deals with the union and the alumni helps us do that.

Kevin Waugh: I have 20 seconds. Everyone in this country is talking about Colonel Sanders behind home plate in game two.

How would you, as a former advertising agency, take that, with six million viewers in Canada, outside into AI now to use it on social media? Everyone has seen the game, and everyone saw the colonel behind home plate. How would you take that and use it on social media now?

Adrian Capobianco: Well, that's being accelerated across social media already. There were broadcasts and people are seeing it, sharing it, etc. That type of content very likely was made for social sharing and social acceleration in terms of AI.

The Chair: Thank you. That's a good answer.

Ms. Royer, you have five minutes.

Zoe Royer (Port Moody—Coquitlam, Lib.): Thank you very much, Madam Chair.

To our witnesses, all nine of you, we know that AI can expand what creators do at lightning speed. It's also an incredible tool. But

now technology is taking over thinking for us. Data shows that when AI gives an answer up front, most people, or more than 60%, don't click through to the original sources. A study from McGill shows that habitual GPS use—I think most of us do this—actually weakens spatial memory. U of C research links early screen time to measurable impacts on child development. Essentially, we are outsourcing functions that used to live within our own brains.

Beyond the science, there is something profoundly human about the joy of creation—a teen drawing on their own; or an adult writing a story, composing music or building something new. That spark of imagination is fundamental to who we are as humans. But AI doesn't create. It scrapes. It repackages what humans have already made.

My question, which I'll present to Wyatt, is this: If we increasingly let AI imagine and create for us, what happens to human originality and innovation over time?

● (1630)

Wyatt Tessari L'Allié: First of all, I think I'm less worried about creators than I am about lawyers or accountants or whatever, because regardless of what happens with AI, people are going to keep making music and keep making movies. AI can't take away from us the joy of doing that. What it can do is take away the market share.

On the example you gave about the website, of people just using the summaries, those summaries are going to keep getting better. Certainly, they're flawed right now, but there's this world in which basically a lot of these issues that we have right now, where AI has to scrape a whole bunch of human content in order to be able to produce its own thing, are temporary problems. In the future, it won't need our data. The heartbreaking thing is that it won't even need us to outperform us.

As we're looking at this in terms of a transition phase, going back to your original question, I think we can continue to encourage human beings to create content. As long as we can make sure they at least have access to the platforms where people consume content and encourage people to consume content, I'm less worried about the creators in terms of that. What I am worried about is their business model. I think their business model and pretty much every other industry's business model is about to be significantly disrupted, if not washed out.

Zoe Royer: That's amazing. Thank you very much, Wyatt.

Maybe I'll pose this question to Jonathan and Étienne, who are online.

How should Canada respond to protect and strengthen the creative spark, especially in young people, in the francophone population and in other groups whose voices might be drowned out?

Jonathan Roberge: There are a couple of points here. First, there is this assumption I've been hearing for the last 20 minutes or half an hour that we in Canada fight above our weight. That is totally, totally not true.

[*Translation*]

Martin Champoux: Madam Chair, I have a point of order.

There seem to be issues with the interpretation. On the one hand, there may be microphones not on mute in the room or something disrupting the sound quality.

On the other hand, I would like to invite the speakers to speak a little more slowly. Sometimes it is extremely difficult for the interpreters to keep up, as the pace is extremely fast. I would very much appreciate it if they would take into account the fact that we work in both official languages.

The Chair: Is it working better now?

Martin Champoux: We can start over. I will let you know if the interpreter signals to us.

[*English*]

Jonathan Roberge: I am trying it again in English, and I will try to be a little bit slower.

There are a couple of points. The first point is that it's a little bit misleading to say that Canadian industry and especially the creative industry is fighting above our weight. This is not a bit misleading; it is profoundly misleading. In terms of international comparison, there is no such thing as the Canadian advantage. That's a problem.

There's another issue in relation to considering sports as part of Canadian culture. I think it's also misleading. As the bulk of your question goes, I think a cultural policy made in Canada would have to start again from the fundamental mission of Canadian Heritage, which is to defend and promote Canadian culture. That is not a technological industry issue at first; it is an issue that starts with cultural creators, artists and different communities across the country. If you start with that and try to assume what the capacity would be in five to 10 years, for these people to make a living out of culture, we need to have producers of culture who will be able to keep this alive. That is the issue.

The person who just spoke was totally right in saying that it is an economic issue with regard to the fact jobs are vanishing. Cultural creators will have to find other revenue streams. That will become an issue in terms of the capacity of culture to just stay alive. With no actual strategy, we're running the risk of just pretending that we're fixing this thing while the ship is sinking.

• (1635)

[*Translation*]

The Chair: Thank you very much.

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

Martin Champoux: Mr. Dubois, earlier you talked about protected content being plagiarized. Those are harsh but really realistic terms. Can you expand on that a bit? I think this is an extremely concerning issue for artists and content creators in Quebec and Canada.

Laurent Dubois: Thank you for the opportunity to clarify that.

First, I want to make it clear that, fundamentally, technology does not frighten us. Artists have always been able to adapt and use new tools to work better, perform better and be more creative. The problem is that the main large language models are trained in a very opaque manner when it comes to certain open access content, of course, but also when it comes to a lot of protected content. We've seen it in literature. We see it in the audiovisual sector. We obviously see it in music. That's what's most urgent for us today.

Martin Champoux: We recently heard that cultural stakeholders weren't sufficiently consulted to raise these issues.

Do you think the cultural sector is being consulted enough? Is it at the discussion tables when it comes to policy or research on this subject? There are two researchers here who have done a lot of work on this. However, in general, do you think consultation is lacking?

Laurent Dubois: Exchanges and dialogue are lacking. Some positions are very firm. At the moment, there is no constructive space to establish a dialogue and common thoughts.

Martin Champoux: What concerns do creators in the audiovisual sector have about the arrival of artificial intelligence?

Do they see this as an interesting new tool for them to use? Or do they say that something's going on and that it could cause them to lose their jobs?

Laurent Dubois: I believe it would be the second option of your multiple-choice question.

In short, the threat is disappearance. Creators are afraid of work disappearing, even though 90% of them are prepared to work with artificial intelligence tools to improve productivity. We're asking for a break right now, because we're in the process of adopting tools too quickly without being sure of their traceability and transparency, and without knowing whether information is coming from the right source and under the right conditions.

Martin Champoux: Mr. Strati, you represent the Canadian Media Producers Association. Are producers aware of the fact that creators are facing this new threat to their profession?

Do you team up with content creators and with the entire television production industry?

How do you perceive this danger that's looming over content creators?

Alain Strati: There was talk about short collaborations today. It's very important for us to work together. For example, we met with the department together a few weeks ago. We work with various media stakeholders. The production of television content is quite complex. There are a lot of licences and things that have to be considered. A lot of work gets done between creators and producers.

Indeed, that's part of the process that has been done, and we hope that it will continue.

The Chair: Thank you, Mr. Champoux.

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

Bernard G n reux (C te-du-Sud—Rivi re-du-Loup—Kataskomiq—T miscouata, CPC): Thank you, Madam Chair.

Thank you to all the witnesses.

Mr. Roberge, to my knowledge, the Department of Canadian Heritage is also responsible for Sport Canada. Hockey, to name just one Canadian sport, is part of our heritage.

In a context where artificial intelligence is a tool—it isn't necessarily a creative tool, but a work tool—do you believe that the creative world in Canada, whatever it may be, is becoming one of our greatest prides?

Listening to you, Mr. Roberge, I get the impression that we're heading straight for a wall, without seeing that this tool, artificial intelligence, can become a springboard for our Quebec and Canadian artists, our athletes, and so on.

I'm not sure I understood you, so could you clear that up?

• (1640)

Jonathan Roberge: Mr. G n reux, it's important to first make a distinction between the Department of Canadian Heritage and the other departments. Unless I'm mistaken, I believe another department is responsible for sports. It's a possibility.

There are various ways of calculating the impact of artificial intelligence on cultural industries. In reality, though, we have no evidence. We don't have any basic data right now. That means we're flying blind, which is problematic in itself. The little bit of data we do have isn't very good. I'll give you the example of audiovisual jobs in Montreal since COVID-19. You might say that COVID-19 has had many effects, as was the case with the strikes in Holly-

wood. However, audiovisual employment in Montreal is 50% lower today than it was before COVID-19. You can either celebrate that or try to find solutions to the problem.

For now, we're bringing your attention and the attention of all members of Parliament to the challenges and problems whose nature we don't know. It isn't by discussing the lack of data that we'll be able to address those issues properly. I'm not saying that it's absolutely necessary to be pessimistic and criticize artificial intelligence. That's not what I'm saying at all. Our goal, then, is to be realistic and to base public policy decisions on serious evidence that can move the debate forward.

Bernard G n reux: Okay. I hope my question didn't lead you to believe that I was happy that jobs were lost in Montreal, in the film industry or in any other field. That was absolutely not the point of my question.

Mr. Capobianco, do you consider influencers to be artists to some extent?

[English]

Adrian Capobianco: You would definitely be able to define influencers as creators. Many create a lot of original content; they create their own content. I think the word "artist" is subject to the recipient and how they define it, but certainly a number of them are creators who are creating unique content that relates to the audience who is interested in their material.

[Translation]

Bernard G n reux: You brought up the world of sport earlier. My colleague asked you a question about the union you're affiliated with to help players or former players from various sports teams. I imagine the same would be possible in the world of arts and culture. For example, you could partner with musical artists, television artists or influencers to promote any of your major clients. Influencers could even create content for your clients.

[English]

Adrian Capobianco: Yes, absolutely.

From the brand perspective that we represent, they're interested in people—creators—who attract and engage an audience, whether that's an athlete, an artist or a performer. If they attract audiences, then various brand partners, etc., are interested, and I could see the same model applying.

[*Translation*]

Bernard Généreux: Mr. Dubois, Ms. Broadfoot and Mr. Strati, the purpose of this study is to see how a balance could be achieved. Artificial intelligence is a tool that enables any artist to make absolutely incredible advances. Artists can use this equipment and these tools to make themselves noticed, promote themselves and so on. However, they have to be able to make a living with it, using the necessary income from copyrights that are registered or created by the associations you represent. Do you think it's already too late to strike that balance, or do you think that's achievable?

We hear testimony from various groups, from representatives of various bodies and from various types of people, including artists, to make sure we learn everyone's point of view.

I'll let you answer my question now.

● (1645)

Laurent Dubois: The most important word in your question is “balance”—

The Chair: Excuse me, Mr. Dubois. There seems to be an issue with the interpretation.

I'm told it's working now.

There are 30 seconds left. You may continue.

Laurent Dubois: The word “balance” is probably the most important. Negotiating is what we do. The problem is that we're now in a world where, if there isn't negotiation, it's survival of the fittest—

The Chair: Please excuse me, but we would also like to hear Mr. Généreux's question again, since we didn't all hear it.

Bernard Généreux: I'll repeat my question.

Contrary to what I heard earlier, to me, people who use artificial intelligence are creators. Yes, it's a creative tool, but one day, artificial intelligence will also create on its own.

Is it still possible in Canada to strike a balance between creators using artificial intelligence technology and the need to have organizations like the one you represent, which manage copyright related to existing creations? Is it too late?

Laurent Dubois: Thank you for your question.

It's not too late, sir, but that's going to take a very clear framework, because it's currently survival of the fittest. If parties can't be forced to negotiate as part of a social dialogue, it will be too late.

Today, we need you to build a framework that will allow for that balance.

Bernard Généreux: I'd also like to point that we lost two years to studying Bill C-27 at the Standing Committee on Industry and Technology, where I sat—

The Chair: I'm sorry, Mr. Généreux, but the time is up. You were able to hear the answer twice.

Mr. Ntumba, you have the floor for five minutes.

Bienvenu-Olivier Ntumba (Mont-Saint-Bruno—L'Acadie, Lib.): Thank you, Madam Chair.

Ladies and gentlemen, thank you for being here.

As my colleague Martin Champoux was saying, you've provided us with truly a lot of information on this specific topic. Even I would have needed some of the questions to be reworded.

I want to talk about the collective licensing model for all artificial intelligence training data. It would be a model similar to the one used to manage music rights.

Mr. Strati and Mr. Dubois, would you support such a model? If so, how could that be implemented?

Alain Strati: When there's innovation, it's essential for balance to be restored. That has been done for years in response to various innovations that are now part of our culture and available services.

In the same way, for us, the collective aspect arose from the evolution of copyright and the way it was managed. If it's easier for the copyright user to take the collective approach, they can do that. If it's more important for them to negotiate party by party, they can do that too. That's part of the evolution. Both options are possible.

Véronique Roy: I completely agree with Mr. Strati.

It's also important to remember that the collective agreement is the result of a negotiation and a process that's already provided for in the Copyright Act, where decisions are made by the Copyright Board of Canada. That means it's possible to negotiate licences on an individual basis, just as it's possible to negotiate collective agreements to grant collective licences. There are already processes for that, in music, for example, as you said.

The most important thing is to ensure that creators have the choice of whether or not to subscribe to a collective licence. They shouldn't be forced to do so.

Bienvenu-Olivier Ntumba: Thank you very much.

Mr. Wyatt, in your opening remarks, you said that it was important to pivot when it came to artificial intelligence. Can you explain what you mean by that?

Wyatt Tessari L'Allié: After the 2019 election, Justin Trudeau had plans for the year, but everything changed when COVID-19 hit. The impacts of smarter-than-human artificial intelligence—what advanced labs could create—are in that range. We're talking about a pivot in the sense that the government has to look at all the files, ask itself how they will suffer the consequences of artificial intelligence, and determine the plan's new priorities.

It's difficult to express the scope of what we're facing and the urgency with which we need to act. People tell themselves that it'll happen in three years and that there's time, but it takes years to implement legislation and government initiatives, and we're talking about decades when it comes to global agreements. If there are less than 18 months to prepare for a level of artificial intelligence that could have very significant impacts not only on national security, but also on public safety, jobs, human relations, culture and so on, then artificial intelligence will disrupt all the files that matter to us.

When people look at artificial intelligence today, they think it has capabilities but that it won't necessarily disrupt everything. Today's artificial intelligence is adolescent, childish.

When artificial intelligence matures, which it may in a few years, it will outperform us in all fields. It will be very useful in creating incredible content, solving all of our technology problems, strengthening economic regulations and so on.

The fact remains that the upcoming wave is of the same order of magnitude as COVID-19.

• (1650)

Bienvenu-Olivier Ntumba: Thank you very much, Mr. Tesari L'Allié.

I'll turn to you now, Mr. Roberge.

Of all the measures that Parliament should adopt to ensure that artificial intelligence strengthens Canada's cultural sovereignty instead of undermining it, which is the most urgent?

Jonathan Roberge: Thank you for your question.

I think we need a written, thoughtful strategy that can be translated into a regulatory framework. The point of view I'm defending is to create a Canadian artificial intelligence strategy for and by cultural communities or creative industries, which are more or less the same thing. The purpose of that would be to find what we previously discussed with Mr. Généreux, namely the issue of the balance between artificial intelligence and people.

First, is it the job of Canadian Heritage to try to defend the country's creative and cultural industries to eventually reach a state of balance, rather than already thinking about the balance based on what the AI industries are expected to do in culture?

Second, regarding the current state of imbalances within the Canadian government and state, I draw your attention to the announcement from the minister of artificial intelligence and digital innovation about the 26 members of the artificial intelligence strategy task force, as part of the 30-day national sprint. To my knowledge, no one in that group of 26 comes from the cultural industry, strictly speaking. You can see, then, that this current level of imbalance is a level of desire to move forward in the world of artificial intelligence without exactly standing up for Canadian cultural industries.

That's why there may be some apprehension about the ability to return to a state of balance after the fact.

The Chair: Thank you, gentlemen.

[*English*]

Mr. Diotte, you have the floor for five minutes.

Kerry Diotte (Edmonton Griesbach, CPC): Thank you, Madam Chair.

These questions are for Dr. Kearney.

Doctor, as an Edmonton MP, I'm really pleased you chose to move to Edmonton personally and also to headquarter your company in the city. That's a big decision, obviously. Can you expand on why you decided to do that?

Alexandra Kearney: As you know, Edmonton and the province have a long-standing history in innovation. I never had dial-up Internet. I look a bit young, but for my age that's actually surprisingly unique. Long before many places in the United States had high-speed Internet, we had a backbone from Fort McMurray to Calgary.

There's this attitude—and I don't think this is just Alberta but the country as a whole—of pioneering new technology. It's hard for many people to understand, because we're too humble. It's not a story we tell often, but when you think about many of the groundbreaking advancements that have happened in the past 20 years in artificial intelligence, many of the people on the teams that developed that technology either received their training at the University of Alberta or were from the University of Alberta when they were doing their work.

I think about the AlphaGo work at DeepMind where they beat Lee Sedol at Go, which was a groundbreaking technical challenge. Many people from the University of Alberta—trainees—were on that team at DeepMind.

It's that pioneering attitude that I want to bring back here and continue.

When my co-founder Brian and I first started in artificial intelligence, I'd been working in the field for 15 years. He's been working much longer than me. It would have been unthinkable that someone would be able to raise \$22 million and start a company building AI technology in Canada, let alone in Alberta. We really strongly believe that to build the future of the country, we need to reinvest, we need to choose to stay here and we need to own it. It's a matter of national importance for us to be at the forefront of the technology that we have a fundamental responsibility for creating.

• (1655)

Kerry Diotte: You mentioned in passing the Alberta Machine Intelligence Institute.

Can you go into some detail on how that was helpful to you?

Alexandra Kearney: Yes, absolutely.

Brian was one of the first AMII students, back before AMII was even a centre that was federally funded. That was back when the provincial government decided that AI research was a thing to really spearhead 25 years ago.

I started working when I was a high school student in research contributing to papers here. That's how I first learned that AI was a thing. I actually was a monetary policy wonk. I wanted to become an economist, but then I saw that we can train these models and they can learn through experience with the environment. You could spend your entire life building models in any discipline that you care to, but by using AI, we can develop systems that are able to continuously learn and adapt and refine themselves based on how the world around us changes. That's a fundamentally powerful thing that 15 years later is being brought to bear.

Basically, the institute there has been an incubator. I chose to leave because there was no place in Canada to do AI at an undergraduate level back when I was pursuing my studies, but, absolutely, there were three great graduate groups, and I chose to come back here because this is where the champions of reinforcement learning, the area that I have my speciality in, are predominantly based.

We have a whole university filled with hundreds of students who are training in this discipline, and those students will come onto the market soon.

Kerry Diotte: Edmonton is the city of champions, and you're one of them.

I have one final quick question.

What is the best thing the federal government could do to help AI, and what is the worst thing it could do to hurt AI?

Alexandra Kearney: I would be very skeptical of someone who tells you that they can have a foolproof means of producing transparent models that give you explainability and auditability at no performance cost.

When you're looking into implementing measures, I would strongly consider introducing technical people into the room. When the previous AI legislation, the AIDA, was being considered, I was in a consulting session and someone said that we need to regulate the technology known as reinforcement learning. My Ph.D. adviser here at the University of Alberta is the grandfather of that field. It's a problem formulation, not a technology, so when you let people in the room who don't necessarily have a basis say this in an unchecked way, you lead yourself into a situation where you could be shooting yourself in the foot.

Again, this is a form of technology that is very nuanced; it's very niche. There are very few people with a great depth of expertise. When they say that this problem formulation needs to be regulated, that means they're saying all of the great work that has come out of the University of Alberta should not have happened. AlphaGo shouldn't have happened. All of the deep reinforcement learning work that has led to some of the fantastic advances that we see today should never have happened where it needs to be tightly controlled.

Moreover, regulate harm—that's the most important thing—not use.

• (1700)

Kerry Diotte: Thank you very much.

The Chair: Mr. Myles, you have five minutes.

David Myles (Fredericton—Oromocto, Lib.): Wow, this is amazing. Things just got very interesting. Thank you very much. I appreciate this conversation so much. Thank you to all of the witnesses who are here.

Regulating harm.... Everything that was just said was kind of what I was waiting to hear. I feel like what hasn't been said is that transparency would get in the way of this technology to be used even as a tool. I find it interesting because we've talked a lot about monetization. We've talked a lot about this idea of an incentive to create. I would argue that the incentive to create is tied to monetization, in recognizing that when one creates something, one would like to maintain some value in what he or she created.

I think the video game industry is a great example of something that has maintained a high monetary value. There's a reason that it's exported. There's a reason that it employs so many people in Canada. It still sells for \$65 to \$120 per game. We've watched recorded music and many other mediums follow suit in their demonetization over the last 20 years. Video games have not followed that same track to the same degree. Therefore, they have punched above their weight.

I guess what I'm curious to hear is the idea that no harm.... One would think that demonetizing or taking the creative works of generations of artists would be considered somewhat harmful.

Dr. Kearney, it's so great to have your perspective here because it does enlighten us. I think we have been hearing the importance of transparency. The importance of copyright. You are kind of saying that we wouldn't be here if we were worried about transparency and copyright.

Do you believe that artistic work should be allowed to be used and has been justifiably used and stolen up to this point without harm, or that that's the cost of progress?

Alexandra Kearney: I think that's a really honest and fair question.

Again, I focus mostly on agentic AI. By that, I mean systems that are able to make decisions and take actions in their environment. That's very separate from generating text or generating video or audio, which I think is the area that you're predominantly—

[Translation]

Martin Champoux: Madam Chair, I have a point of order.

It's important to turn off the mikes in the room. Interpretation can't be done properly when they're on.

[English]

The Chair: Carry on. Sorry, we're having a couple of audio issues.

Alexandra Kearney: Technology is challenging.

Should I repeat myself, or should I continue where I was?

The Chair: Please repeat yourself.

Alexandra Kearney: Your question is fair.

I can't speak to all forms of generative AI. This is why I say, do not treat it as a monolith. I can only speak to the areas that I have expertise in and areas that I work in. That's predominantly agentic AI, systems where an agent is able to take actions based on some goal-oriented behaviour in an environment. That could be a character in a world. That's very different from generating text or generating music or generating images—things of that nature. That is not my expertise.

A comparison I would draw though is.... Let's consider learning systems. People say that these systems just copy. I don't think that's a fair characterization of transformer-based models if that's something that they're talking about. Certainly, you can get these models if you try really hard to produce outputs that look very similar to their inputs, and some people try to do those sorts of things.

I would compare it to something. I like photography. I enjoy computational photography, and when I'm writing programs to edit my photographs, I might have an idea in mind, but if you ask me what artistic influences are pushing to try different things, I can't really identify them. I would draw that comparison to some of the models that we're using and some of the behaviours. If you're using an open-source model, they might have been trained on a rich variety of inputs, but when they are choosing a behaviour in an environment, like choosing to give a player a particular quest because it looks like it might be interesting to them, it's hard for me to say what part of the training data actually led to that decision. In the same way, it's hard for me to sort of look back on all of my experiences and say what made me choose the words that I'm saying right now, if that makes sense.

• (1705)

David Myles: It does make sense, but I think I want to go back to the generative.... You know more of the technical language about the artistic side of things, too, so I'm wondering if you see transparency, particularly, as being an impossibility when it comes to generative artistic pursuits, because that's what we're talking about a lot. It's not just the agentic element, but the actual generative songs, artworks, photographs and those kinds of things.

Are you saying that the transparency element is actually a technological impossibility?

Alexandra Kearney: What transparency methods are you considering at this point in time? That's the question I would ask back.

David Myles: I guess it's more on the inputs. Let's say that I want to write a surf song that sounds like the 1950s. Then, it would come back and say, "We used the Beach Boys." Is it a falsehood that it would be able to give me a recipe for what inputs came into that output?

Alexandra Kearney: You would need to come up with very different models and very different training regimes to be able to facilitate that, in comparison to the models that we have right now, at least the models that I'm presently using, and identify.... Again, it's

sort of like saying that Rothko is why I want the colours to be this way in the sunset when I'm putting a photograph together. Am I really right? What actually influenced that? It's not so straight from training data to output. It's not a straight copy.

How the interrelations and the interconnections are made by these models is not as transparent as is made to be seen by that example. I'd be very skeptical.

David Myles: I won't touch.... I'm just going to let it go and do its thing.

If we then take out all of the creative works, how does the machine fare?

Alexandra Kearney: It depends on what model you're training, and to what end.

Many of the models that I've worked on.... Of course, we use game data from the partner studios that we're working with in this present role that I'm in, but in other cases, where I've been working on, say, bionic limbs for people with limb differences or amputations, and developing control methods so that they can use their arms more naturalistically, that data wasn't creative at all, but it also wasn't intended to be used in this particular space.

Of course, I can understand why it is of deep importance to this committee to consider the inputs of these systems in terms of training data or in terms of prompting. In this case, by removing this data, you're removing the conceptual semantics and the ability to learn these sorts of things.

Of course, these models can be trained on a wide variety of things to achieve different outputs. You wouldn't be able to get the same sorts of results in some cases.

I'll use, actually, a really interesting example of a connection—

The Chair: We don't have time for it right now. I'm sorry.

We'll have to move on.

David Myles: Thank you.

The Chair: Maybe we will have time in the next session.

[*Translation*]

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

Martin Champoux: I told you that we should continue this meeting until 11 p.m. tonight.

I'll come back to you, Mr. Roberge and Mr. Grenier.

Ensuring the discoverability and presence of francophone and Quebec cultural content on these search engines or these artificial intelligence tools is certainly a major concern. If we can't make Quebec creators' content available or help feed artificial intelligence tools, is there a risk that artificial intelligence will standardize culture and undermine the diversity of content, which we want to protect in Canada? Could there be this perverse effect?

Mr. Grenier, you haven't spoken much in the past few minutes, so you can answer my question.

Étienne Grenier: It's important to distinguish between the various types of data used to train models.

In Quebec, some bodies are in favour of providing descriptions of cultural content instead of content in its entirety. For example, that may involve providing basic information that makes it possible to find a song, rather than the entire content of a song. Working with descriptors and using their work to ensure that content is present in models can be a strategy to help get culture discovered without necessarily contributing to theft.

Otherwise, inspiration can come from approaches such as those in France, particularly that of the Bibliothèque nationale de France. The French government's strategy is to consider that cultural data as a treasure and a heritage, which government institutions promote to boost their discoverability. The training, models and challenges of discoverability are managed by government enterprises.

Fundamentally, technology isn't a problem for us. Technically speaking, neither is artificial intelligence. The issue is really who is handling it and for what purposes.

• (17:10)

Martin Champoux: Since I have about 30 seconds left, I will try to be brief.

Mr. Roberge, you said that your two research chairs had never received a request to conduct a study funded by Canadian Heritage. In addition, there are many complaints that Canada is falling behind in regulating all new technologies.

Do you feel that the Canadian government is depriving itself of the expertise of its researchers, which would undoubtedly enable it to be a little more at the forefront or, at the very least, a little less behind in regulating these rapidly changing subjects?

Jonathan Roberge: There is a great deal of expertise in Canada. This includes technical expertise, more cultural expertise, and expertise in scientific disciplines. Indeed, if we held them in higher esteem, we would be able to develop more robust and longer-term strategies.

That's possible, but if we take the example of discoverability, Minister Joly organized the Discoverability Summit a few years ago. As far as I can remember, it never led to a very robust strategy.

The same is true for the first Artificial Intelligence and Data Act.

[English]

You can talk the talk, but can you walk the walk?

[Translation]

That is, to some extent, the problem. In culture, it's actually a multifactorial issue. So we need fairly precise studies to know what we're talking about. Today, we don't know the potential economic impact on cultural workers, among other things.

A few moments ago, your colleague Mr. Myles asked whether this would cause harm. In fact, if we think globally and logically, artists will suffer this punishment in the form of lost income or, in some cases, job loss.

So, "planning ahead" means having public policies in place to reintegrate these people, whether through training or a social safety net, but we also need to plan for the longer term instead of just rushing through 30 days.

Martin Champoux: I am extremely grateful for your response.

Thank you very much.

[English]

The Chair: Mrs. Thomas, you have five minutes.

Rachael Thomas: Perfect.

The first thing I'm going to do is actually give the mic back to Dr. Kearney to finish her thoughts with regard to the last comment.

Alexandra Kearney: Thank you.

I wanted to bring up a result I saw recently that was quite interesting. One of the things that is unique is that there's a synthesis of information from these systems. A lot of people will talk about how they're just copying; they're not actually doing anything semantically interesting under the hood—they're just taking data and copying it—but you can use some of these text models to generate ASCII art.

That's kind of interesting because they're autoregressive. They're just learning to take text input and generate text output in some cases, but because there's naturally space between letters, when you're training these autoregressive models, they can learn about the space, even though that wasn't something they were actually being originally trained for. They can generate ASCII art because they spatially understand letters.

I'm bringing this as an example because it's going beyond the inputs and finding something novel that we can understand. We know that when people paint pictures with letters and make these funny things on the Internet, these models are naturally and intuitively picking up on that by studying the text, even though that wasn't the initial problem formulation.

Rachael Thomas: Dr. Kearney, I think that begs an obvious question for many in the room, and that is, if the model is essentially thinking on its own, where does that lead us in the future?

Alexandra Kearney: That's a really big question. I think it's one of the profound things that enables us to do.... I think you can see these systems as computational. When people think about machine learning, they're typically thinking about inputs mapped to outputs. You're learning a model. You're learning to classify whether or not there's a cat in a given picture. Back when I started, it was a pretty novel result to be able to tell that there was a cat in a picture. Now, because they're taking inputs and generating outputs, which then become inputs again for the system, you can see them as sort of being able to do this computational thing where they're looking at what they're doing and are able to use their internal thought process to make better results.

You see this in math problems. If you ask a model to answer a math question, it does poorly, but if you let it think a little bit about how it's supposed to answer the question and do internal steps much like we would, it gets better answers; it's more accurate at these math problems.

I think we're going to enter this interesting space. A lot of people are talking about generating text or generating songs, and those are very interesting domains, but I think the most interesting—and I'm biased here—are domains where the systems are able to dynamically adapt in real time and make decisions. That's an interesting frontier, and I think it's a frontier for creativity. That's why games are most interesting to me because, fundamentally, games are a medium of agency and decision-making.

• (1715)

Rachael Thomas: Thank you.

Mr. Capobianco, my next question is for you. I guess I'm hoping that you can shed some further light on how AI is being used within the creative space to reach a further audience effectively.

Adrian Capobianco: One way is the customization of content. I talked about the examples of either a French-speaking or English-speaking creator to be able to deliver their content in multiple languages, which they would not have been able to do previously. Also, there are different international audiences as well.

In our personal experience, those are two very simple ways we can use to open new markets and customize content to help those creators get their content to land with the right audience.

Rachael Thomas: One of the things that you talked about in a written piece was how Google is now filtering us off pages and how we're not clicking on content in the way we used to. As a result, we're not accessing ads that would normally have our attention.

You talked about the importance of creative spaces or of influencers being able to draw attention to their pages directly. Can you expand on that?

Adrian Capobianco: The context of that was in relation to search and AI search. I don't know the exact number, but it's something like 60% of searches that no longer result in a click. Maybe that's not a bad thing and maybe it's a good thing, but what it's doing is that when you search and you get an AI summary, that sum-

mary is much more succinct. It doesn't lead you to further content, whatever that may be. In the context of brands and advertisers, usually that's not a good thing, because you're not getting the traffic and the audience to your content that you normally would.

Part of the solution to that—and it's a little bit self-serving for what we do—is to move away from just that search content to social content. We call it “always in”: Your content is always in feed, in context, in zeitgeist.

Part of the solution to that limit on traffic and audience is to create always-in content in social media that exists across multiple platforms and multiple points in time to help offset that AI result and drive those audiences back.

The Chair: Thank you.

Mr. Myles, you have five minutes.

David Myles: I've been watching the other witnesses wanting to speak and respond to what's been happening. I want to give Wyatt a chance, because I know he was really keen on speaking. Maybe he can respond to what's been said.

Wyatt Tessari L'Allié: Thank you.

I wholeheartedly agree with what Dr. Grenier was saying and I want to help translate it to what it means to this committee.

First of all, yes, using data through consent should be compensated, but I guess you're not going to be able to use that data to help fund artists in the future, basically.

AI is relying less and less on human content and is doing something novel enough that it won't be a business model to allow unique creators to be able to just say, “Well, if my art isn't a model, then I'll get paid for it”, and they'll survive on that. They may get some compensation, but it's not going to be enough to sustain them.

I think that if you want to look at positive solutions for artists in the future, think of it more as whether we want to pilot it at basic income or whether we want to have a rule so that they don't need to rely on that to be able to pay their rents and they can still create, because they'll do what they want to do.

I think there's high risk in wanting to tinker with the business models of the artists right now, when pretty much everything is going to change.

I just wanted to add that.

David Myles: I think one really interesting thing that you said is the idea that this is actually the precursor industry that many industries are going to go through. I've seen this with the devaluing of digital content. It happened first in some of our cultural industries, and then it happened in other industries.

You were suggesting that it's a bit of a canary in the coal mine, that we're ahead of the game, and that in fact this devaluation, this process, is actually going to be taking place in all industries.

• (1720)

[Translation]

Mr. Roberge, you may respond to these questions.

If what Mr. Tessari L'Allié said is true, what future do artists have, especially if they want a job that works and provides them with an income? How do you see the future?

Jonathan Roberge: Earlier, representatives from the Société des auteurs et autrices de radio, télévision et cinéma spoke about the manifesto entitled *L'Art est humain!*, which was read in Montreal at the beginning of the summer, if I remember correctly. It is worth remembering that the world of artistic creation and the cultural world are, above all, human worlds.

This afternoon, we also discussed the issue of the discoverability of cultural content. However, we are not far from the point where we will have to talk about the “rediscoverability” of artists in Canada. Soon, it will be possible to rediscover who is making art, who is expressing themselves authentically, and who is creating cultural products that are worth listening to, reading and consuming.

From an economic standpoint, with regard to jobs in the cultural sector, monitoring the situation step by step and planning for alternative mechanisms would be a good precautionary measure. Various countries, such as France and Belgium, are already considering substitution mechanisms. If Canada lags behind, it will be problematic because it will be too late. There will be fewer creators to produce Canadian content.

For example, earlier we discussed the issue of licensing and the music streaming model. I would remind you of the staggering number of Quebec and Canadian artists who, in recent years, have publicly stated that their income from streaming was \$14 or \$17. Such income does not provide a living for artists. Clearly, the streaming model is not enough to generate enthusiasm. We will have to think outside the box to find solutions.

[English]

David Myles: Thank you.

I'm going to split this with Zoe. Zoe is going to take the next question.

Zoe Royer: Ms. Broadfoot, you spoke earlier about transparency, about rights holders, about data validity. You're listening to the conversation. Is there anything you would like to add? I really appreciated your insights earlier.

[Translation]

Thank you.

[English]

Lisa Broadfoot: I think there's an important distinction to be made with regard to AI tools that are already embedded in the processes for audiovisual production. There's really exciting work being done in reaching audiences. AI tools can help producers find audiences. They can help them schedule or do pre-visualization. There are lots of ways that AI tools are already working in our sector that are quite exciting.

Then there are AI inputs into training data, which we've talked a little bit about, and it's clear that copyrighted works have been used in this training.

The third piece is AI outputs, which right now are still nascent. They're not great. These are the text-to-video platforms that are out there. They're not fantastic, but even in what you do see, it is clear that they have been trained on copyrighted works, so there is an important improvement to be done, because the content that is being put out is competing directly with the materials that have been scraped and stolen from copyright holders.

The transparency piece is all about consent. It's where the rights holder—whether that's a producer or a writer or a director or an actor—has the opportunity to know and understand what works of theirs are being used, how they can choose or not choose to be licensed and play in that playground or not, and then be able to maintain that value for themselves. It's clear that these companies are using this work because it has value. It's called text and data mining, because it's extracting.

What we don't have now is an open marketplace where two parties come to the table to negotiate freely together. We have a closed marketplace for extraction, and transparency is the key that can unlock it.

The Chair: Thank you for that.

If members are okay, we have time for a quick three minutes to the Conservatives, three minutes to the Liberals and two minutes to the Bloc Québécois. Is that okay?

Ms. Thomas, do you want to take your three minutes, or is somebody else on your team going to take it?

Rachael Thomas: As a friendly agreement, I would actually give my other colleagues precedence. I will be using my time to check in with the clerk on a couple of things.

• (1725)

The Chair: Okay.

Mr. Al Soud, you have three minutes.

Fares Al Soud: Thank you, Madam Chair.

“AI can't take away from us the joy of doing that. What it can do is take away the market share.” I thought that was very well said.

The CMPA represents independent producers in film, TV and digital media. Its focus today centres on ensuring that the creative sector remains economically viable and globally competitive as AI tools transform industry.

Mr. Strati and Ms. Broadfoot, you both have extensive experience in production finance and business affairs, so I'll take this opportunity to ask if you can speak to how you see artificial intelligence reshaping production budgets and contractual norms in Canada's screen sector.

Lisa Broadfoot: I can speak to how it's reshaping budgets. I would say at this point it is still nascent.

As I mentioned before, it's really the tools that producers are using. It can help us with scene optimization and with pre-visualization. There are a number of different tools that producers can use.

Say you want to create a special effect. You can choose to do it with in-camera effects, à la Tom Cruise in *Mission: Impossible*. You have real, live and in camera and that's a creative choice you can make.

You can choose to use volume production, which is like a curved wall with thousands of LED screens that can cheat a location for you, which can save you money and time in not going overseas, or you can choose to use some AI tools to create those in visual effects. All of these are opportunities for producers to take what they want to achieve creatively and use tools that are available to them to do it with the maximum efficiency.

That's how I think it's impacting budgets and financing.

In terms of contractual relationships, a couple of years ago when this was becoming a thing, we commissioned a law firm to do a study on what producers need to consider in terms of the legalities of what they're doing. One of the things we asked producers to consider was whether their contracts with distributors and broadcasters even allow them to use AI because everybody in production has to pass E and O. Everybody knows that they have to do this. It has to be cleared, through chain of title—everything has to be cleared. That's something we asked producers to consider.

They also have to look at, if they are engaging with an AI technology, whether they own their prompts or if those prompts are being turned over to those platforms and therefore their work has been scraped again.

These are all things that producers have to consider when it comes to contracts, budgets and financing.

Fares Al Soud: Thank you.

[*Translation*]

Mr. Roberge and Mr. Grenier, earlier you said that the predominance of English in artificial intelligence was directly harming the visibility of our French-language content online.

According to your research, what are the main risks to the cultural and linguistic vitality of the francophonie if artificial intelligence continues to be developed mainly in English-speaking environments?

Jonathan Roberge: Mr. Grenier, would you like to respond?

Étienne Grenier: The danger is that French will be considered a poorly endowed language. However, this is not entirely the case, as there is data available.

I will take the example of speech synthesis generation. Generating a voice in French is much more difficult than generating one in English, as there is a lack of data for certain types of work.

We feel we obviously need to increase the distribution of our content through government-supported strategies, particularly standardized description strategies, in order to promote Quebec and francophone culture on the Internet and to feed the major models so that we can find our place in them.

At the same time, we must ensure that content is not entirely plundered and copied by companies that want to use it to train their models.

The Chair: Thank you.

Mr. Champoux, you have two minutes.

Martin Champoux: Thank you, Madam Chair.

My question is for you, Mr. Dubois.

During the COVID-19 pandemic, many artists, creators, technicians and workers in the cultural sector and related industries decided to change jobs altogether due to growing insecurity and uncertainty about a return to normal.

I feel that the cultural sector is going from crisis to crisis. At the end of COVID-19, we see that there may be a way to reinvest a little and re-engage in the profession we had before the pandemic struck. Now, I feel that the advent of artificial intelligence is disrupting work and creative habits, but also the work of all professions related to culture.

Is the cultural sector currently in a state of shock? In your contacts with various players in the field, do you feel that something is discouraging people and that we are going to experience another exodus of our talent?

• (1730)

Laurent Dubois: Indeed. You say that a few people have left, but I would say that many people have left. It is still a massive disengagement, which is entirely understandable.

Indeed, there is a new crisis that could have the same effect. I would like to take a few seconds to point out that, in the cultural sector, there is no interest in the development of artificial intelligence, except to save money. To date, I have yet to see a project done by artificial intelligence that has a creative contribution that a human could not have made. For the moment, it is only a question of reducing costs, and I think that artists will not be able to bear it a second time, especially since they have no social safety net. We must remember this.

Martin Champoux: You have very wisely touched on the heart of the problem, namely that money will probably be the main argument in all this.

Do you feel that, while respecting the values and interests of all the various players in this field, if we can come up with regulations quickly enough, we will be able to change course? Is it too late? Have we reached the point of no return?

Laurent Dubois: I cannot stand before you and say that we have reached the point of no return.

Martin Champoux: In your opinion, have we reached it?

Laurent Dubois: No, we haven't reached it. However, we need to get started now because democracy is slow, and that's normal. We talk to each other, we exchange ideas, we engage in dialogue. It takes time, but we can get there. It just takes courage and dialogue.

Martin Champoux: You know, it's nice to have a little optimism at this table.

Thank you very much, Mr. Dubois.

The Chair: Today's discussions were really very interesting.
[*English*]

I want to thank all of our witnesses online and in the room for being here today.

Rachael Thomas: There was a gentleman's agreement on the table to come back to me to finish up.

Thank you.

There were several things I was going to do, but in the interests of time, I will do just one, and that is to move a motion.

The motion I would like to seek my colleagues' support on is this:

Given that,

Through the Indigenous Art Centre, the federal government safeguards a collection of more than 5,000 indigenous artworks of exceptional cultural and artistic value, with an estimated value exceeding \$14 million,

More than 130 artworks managed by the centre have gone missing, according to a troubling audit that highlights widespread mismanagement, weak oversight, and inadequate security,

The committee invite the following witnesses to testify before the committee: the director of the Indigenous Art Centre, for no less than two (2) hours, and the authors of the audit report prepared by the Audit and Assurance Services Branch of Crown-Indigenous Relations and Northern Affairs Canada, for no less than two (2) hours,

And that the committee report to the House its concerns with the audit report.

The reason I bring this up is that this report just came out, I believe, toward the end of last week. It seems to be raising some eye-

brows within the indigenous community as to where 132 pieces of art went missing.

The art is funded through Heritage Canada, so it is incumbent upon this committee to look at what exactly happened here and to come to a better understanding of where these 132 pieces are and what can be done to make sure this doesn't continue to happen going forward.

I move that motion.

The Chair: You can't move that motion, because we are not in committee business and it doesn't have anything to do with what we're doing.

You can give notice of that motion, and we can discuss it at a later date.

Rachael Thomas: I would like to challenge the chair, if I may.

I would draw your attention to the fact that at a meeting of this nature, when the floor is given to a member, he or she does have the ability to move a motion.

The Chair: You can move a motion if it has something to do with the topic we're discussing on that day, but you can't move a completely different motion unless we've been given notice. You can challenge the chair and we can vote on that, but you're going to lose.

Rachael Thomas: That's a bit of a bold statement. We have equal members at the table.

Generally, a chair interprets that rule with quite a—

The Chair: We're not going to debate this. If you want to challenge the chair, we can do that.

Rachael Thomas: I am going to challenge the chair.

Thank you.

[*Translation*]

Martin Champoux: Madam Chair, I rise on a point of order.

[*English*]

The Chair: Okay. We'll vote.

(Ruling of the chair sustained: yeas 5; nays 4)

The Chair: I want to once again thank all the witnesses for being here today.

● (1735)

[*Translation*]

Martin Champoux: Madam Chair...

[*English*]

The Chair: I want to say that if there's something you want to put on the record today and maybe didn't have a chance, please send us a brief or a letter. We can all be apprised of what you weren't able to say today. The analysts can use that as we put together our final report on this topic.

Go ahead, Mr. Champoux.

[*Translation*]

Martin Champoux: I would just like to say a few words about the motion Mrs. Thomas has just introduced.

I voted to uphold your decision because it was the decision most consistent with the Standing Orders.

However, this remains a motion of great interest, and I believe we have a duty to discuss it as soon as possible at a future meeting. This is quite shocking, and I believe it is also of concern to indigenous communities, so we should take it very seriously and set aside time to discuss this motion on Wednesday. There should be a proper notice of motion within two days.

[*English*]

The Chair: Yes, and I think that motion is now on notice, because you've put it on notice today. Is that what I understand?

Give me a moment to speak to the clerk.

Ms. Thomas, would you officially give us notice of your motion, in French and English, so that we can all see it in advance of any discussion about what we might study next?

Rachael Thomas: I thought you would never ask.

I will put it officially on notice. It will be sent to the clerk in both French and English.

The Chair: Perfect. With that, I adjourn this meeting.

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