



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

Standing Committee on Industry, Science and Technology

INDU • NUMBER 017 • 1st SESSION • 41st PARLIAMENT

EVIDENCE

Wednesday, November 30, 2011

Chair

Mr. David Sweet

Standing Committee on Industry, Science and Technology

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• (1530)

[English]

The Chair (Mr. David Sweet (Ancaster—Dundas—Flamborough—Westdale, CPC)): Good afternoon, ladies and gentlemen. *Bonjour à tous*. Welcome to the 17th meeting of the Standing Committee on Industry, Science and Technology.

Today, we have witnesses before us. Mr. Richard Dicerni is the deputy minister. Welcome, Mr. Dicerni. We have Kelly Gillis, who is a chief financial officer, comptrollership and administration sector. Good afternoon.

Is Simon Kennedy going to be with us? That's in progress. That's very good.

At the industry committee there are always interesting things that happen. This is a new one for me. In the spirit of non-partisanship and *esprit de corps*, it looks as if the opposition is going to have all the questions in the first round.

We're going to turn to Mr. Thibault now for seven minutes.

I apologize. That was so shocking, I missed the opening remarks. Let me get control of myself.

Sorry, Mr. Dicerni. Go ahead, for ten minutes, please.

Mr. Richard Dicerni (Deputy Minister, Department of Industry): I'm told there will be an exercise in democracy, when you will all be invited to vote, which will interrupt our proceedings. The opening remarks Kelly was going to make have been circulated. Why don't we deem those read and you can go to the questions now?

The Chair: See, that's just what that was. It was a little bit of telepathy. I wasn't able to actually grasp the concept in my mind at the moment.

Statement by Ms. Kelly Gillis (Chief Financial Officer, Comptrollership and Administration Sector, Department of Industry): Parliamentary Appearance on the 2011-12 Supplementary Estimates (B), Opening Remarks

Thank you Chair, and thank you for the opportunity to be here with the members of the Standing Committee on Industry, Science and Technology. I am Kelly Gillis, Industry Canada's chief financial officer. Here with me is the department's deputy minister, Richard Dicerni, and the senior associate deputy minister, Simon Kennedy. I have prepared some brief opening remarks, after which we will be pleased to answer any questions you may have regarding these supplementary estimates.

The 2011-12 supplementary estimates (B) include a total of \$324.7 million for Industry Canada. The bulk of the total amount presented—\$250.3 million—represents items under statutory appropriations previously authorized by Parliament through other legislation. These items are presented for information purposes only and reflect updated forecasts. The main statutory update in this category is \$243.9 million for the knowledge infrastructure Program, KIP. Program funding for KIP was already authorized by Parliament through the Budget Implementation Act 2009, but was deferred from 2010-11. This deferral was due to the decision to extend KIP until October 2011, thereby providing an additional construction season to complete related projects.

Turning to the next group of spending items, Industry Canada is also requesting the authorization of Parliament through these supplementary estimates to access a total of \$74.7 million. These requirements are explained on pages 94 and 95 of the supplementary estimates (B) "blue book". The majority of this amount is available to Industry Canada under two authorities granted to the department as part of our normal funding process. These authorities allow the department to access contribution repayments received in the previous fiscal year to fund programs and operations. Under these two authorities:

The first item, on page 94 under vote 1, our operating vote, requests \$23.1 million in repaid contributions from the defence industry productivity program, DIPPP, in order to support the operational requirements of the department.

The second item, on page 94 under vote 10, grants and contributions, requests \$21.3 million in repaid contributions from the Technology Partnerships Canada, TPC, program in order to reinvest these funds in the strategic aerospace defence initiative, SADI.

From the remaining portion of the \$74.7 million I referred to earlier, we are also seeking to access funds for items stemming from Budget 2011. These items could not be included in the main estimates or the previous supplementary estimates due to the nature of the timing of these parliamentary processes.

Specifically, we are also seeking to access \$14.8 million for the community access program, CAP, which supports sites located in communities across Canada where populations face barriers to Internet use. We are also seeking \$10.1 million to assist youth with obtaining information and communication technology skills to better prepare them in seeking employment. These two amounts are the third and fourth items respectively on page 94 under vote 1 and vote 10.

Finally, these supplementary estimates include requests for transfers either to other federal departments or to different appropriations within Industry Canada. For example, on page 95, under "Transfers", the second item requests a transfer of \$8.6 million from our operating vote to our capital vote. This transfer is required to replace legacy technologies for spectrum management and to maintain the Shirley's Bay campus infrastructure in order to prevent health and safety issues before they occur.

We are pleased to answer questions the committee may have in regard to supplementary estimates for the Department of Industry Canada.

Thank you.

The Chair: Now we will do as I said in the beginning. We'll go to Mr. Thibeault for seven minutes.

Mr. Glenn Thibeault (Sudbury, NDP): Thank you, Mr. Chair.

I'd like to thank my colleagues across the way for allowing us to have this first opening round of questions. It's much appreciated, and it just shows the great work we do here on the industry committee.

With that, some of the things I'd like to focus on right now relate to northern Ontario and the Community Adjustment Fund. If we can be specific, there appears to be a reduction of \$16.3 million due to the sunset of the Community Adjustment Fund in northern Ontario.

First, you can describe, in the Coles Notes version, what the Community Adjustment Fund is and any specifics on what the funding was being used for. If the program was successful, why is it winding down? That would be something we'd be interested in hearing.

I'll leave you with those three questions to start off with.

Mr. Richard Dicerni: As part of the economic action plan that was put forth in the 2009 budget, there were a number of specific initiatives the government identified. In the Department of Industry, for example, we had the knowledge infrastructure program. We had the marquee tourism events program.

In the FedNor part, there was the community adjustment program, which was administered in other parts of the country by the regional development agencies. FedDev did southern Ontario.

The funds allocated were specifically allocated for a two-year period of time to deal with the significant economic difficulties of the times. If you look at other areas of our estimates, you'll see under the knowledge and infrastructure program that there has been a significant decrease. That reflects the fact that it was a two-year program.

•(1535)

Mr. Glenn Thibeault: I'd like to hear your opinion on how you think the sunset of this fund might affect industry in northern Ontario. It has been successful in some instances. Do you have thoughts on that?

Mr. Richard Dicerni: Given that those were budgetary initiatives by the Minister of Finance, my thoughts and imagination tend to be constrained.

Mr. Glenn Thibeault: Fair enough.

I'm going to jump a little bit now to some things related to consumer affairs. Could you tell us the total operating expenditures for Industry Canada's Office of Consumer Affairs? Does that represent a decrease or an increase in operating expenses for the fiscal year 2011-12?

Mr. Richard Dicerni: I will ask my colleague, Michael Jenkin, who is the director general in the Office of Consumer Affairs, to provide some specifics. I would add two things, however, before Michael gives you the numbers.

The Department of Industry provides consumer support partially through Michael's office, but also through a number of other areas, for example, spectrum. When in 2008 we launched the spectrum auction and did a set-aside for new market entrants, the goal there was to assist consumers by broadening the number of new market entrants and assisting these new market entrants to have some spectrum, which has indeed led over the last two or three years—that plus investments by some of the incumbents—to lower prices and more products being available to consumers.

If I look across the river at the work of the Competition Bureau, which is very aggressive in pursuing false advertising in a number of sectors, that also contributes to helping the consumer. My point is that it's not just Michael.

Having said that, Michael....

Mr. Michael Jenkin (Director General, Office of Consumer Affairs, Department of Industry): Thank you, Mr. Dicerni.

The amounts outlined in the estimates paper are pretty clear, and they've been very stable over the last few years, and certainly in terms of our planned spending are stable at about \$4.6 million a year and about 23 FTEs. That has been pretty consistent. I don't have the early year figures, but going back—I've been in the job for about 10 years—and allowing for inflation and other factors, it's pretty much been a stable resource allocation in terms of people and funding. Ditto with respect to the grants and contributions program that we run, which has been at a stable amount for a number of years now.

Mr. Glenn Thibeault: Just specifically to that grants and contributions program that you were talking about, you said it's stable, so it hasn't declined or increased at all over the last, let's say, five years type of thing. Is that correct?

Mr. Michael Jenkin: That's correct.

Mr. Glenn Thibeault: What organizations currently receive funding through this program?

Mr. Michael Jenkin: Basically, it's consumer organizations that are non-profits and are based across the country, mostly in Ontario and Quebec. They're typically relatively small organizations. We also get about half a dozen who receive funding from the program most years, and there's usually a handful of others where some years they get funding and some years they don't, depending on the project they submit. It's roughly about a dozen or so organizations a year that receive funding.

That number, again, has been relatively consistent, although the shares of funding that each individual group gets varies from year to year, obviously, because it's a competitive program, and organizations submit proposals and they're judged on their merits.

The Chair: Do you want me to just let the clock run, or do you want to know when the seven minutes are up? You basically have 21 minutes right now.

● (1540)

Mr. Glenn Thibeault: You know what? I think we could let the clock continue to run. We can ask questions...and we'll share that with Mr. Regan as well.

The Chair: Mr. Regan has the last round anyway. You have 21 minutes, and he'll have seven after that. Right now you're at 6:45.

Mr. Glenn Thibeault: Perfect.

I'll just ask one more question quickly, and then I'll hand off to my colleague. Thank you, Mr. Chair.

In relation to the Investment Canada Act, in the last Parliament there were discussions, a motion was put forward, and there was agreement that we would all look at this act and see if there was any way to update it. Has there been any discussion to start looking at that—the net benefit piece, the net benefit clause—through Industry Canada yet?

Mr. Richard Dicerni: I do recall the motion of the previous Parliament, and I would emphasize “the previous Parliament”. I would say that at a general high level some are looking at the Investment Canada Act. At this point, there's nothing terribly specific in regard to changing the criteria that relate to defining net benefit, but this is a matter that is constantly being reviewed.

Mr. Glenn Thibeault: Thank you. I'll hand it off to Madame LeBlanc.

[Translation]

Ms. Hélène LeBlanc (LaSalle—Émard, NDP): Thank you very much for coming and sharing information with us again.

I would also like to thank my government colleagues for giving us the opportunity to ask questions.

I would like to go back to the experts' report on research and development that was tabled not too long ago. The report states that, despite a very generous grant program of \$5 billion for research and development to encourage private businesses, the desired results did not materialize.

I wondered if you had a way to do a follow up or an assessment of these grants. Are you able to assess the efficiency of these programs that are benefiting from the \$5 billion to find out how they could be

improved in order to stimulate research and development in the private sector?

Mr. Richard Dicerni: The envelope amount that the committee focused on was \$7 billion. We can divide that envelope into two major parts. The first is a tax credit administered by the Department of Finance. It's roughly \$3.5 billion. It varies from year to year. The other part includes grants and is more diversified in the nature of the programs. The majority of this second component consists of grants awarded to academic researchers or the various granting agencies.

Secondly, there's the National Research Council of Canada, whose envelope is 600 to \$700 million a year.

Thirdly, there is a certain number of specialized programs, like the aerospace industry support program.

This report was tabled in October. The various departments are now looking at these recommendations so they can provide follow up as effectively as possible.

As for the tax credit, I know that people from the Department of Finance are looking at the recommendations that were made and are trying to figure out how the government could follow up on them.

We are a little stuck. The report was tabled five or six weeks ago, and it is fairly lengthy, and another section, which deals with procurement, was added.

So we are continuing our reviews in this respect. The report deserves to be studied in depth.

Ms. Hélène LeBlanc: I would like a little more information. Are there mechanisms that would let us see what results have been achieved through the various grants or the various tax credits? So, with respect to the private sector, for example, can we find out if there are any results as far as research and development are concerned? Will this bring us a little closer to innovation?

● (1545)

Mr. Richard Dicerni: Since these are very diversified instruments that target various clienteles, it is difficult to identify one or two performance indicators for all the interventions.

Having said that, one of the indicators we are looking at very closely is the following ratio: the amount associated with research and development divided by the gross national product. Our percentage is very low. It's about 1.8% or 1.9%, whereas Germany, for example, is somewhere around 2.9%.

So the question for us is this: given the diversity of these programs and investments of \$7 billion, why are we not achieving better results?

It's one of the indicators we're looking at. We will do a little more analysis of the various stakeholders to create a better cooperation between academe and the private sector. In a sense, each one receives grants from the state and is active in their own environment: the academic world and the private sector. We are trying to help build bridges between the two to create better cooperation.

As a country, Canada has the most time zones per inhabitant. Our country is vast, which contributes to the reduced possibility of creating clusters.

Ms. Hélène LeBlanc: Thank you very much.

Mr. Guy Caron (Rimouski-Neigette—Témiscouata—Les Basques, NDP): I would very much like to thank our colleagues opposite for this somewhat special situation.

We know that, last June, MP Claude Gravelle tabled Bill C-204 to help create a Canadian economic development agency in northern Ontario. A program currently exists under the name FedNor. It's a program, rather than an agency.

My question is perhaps a bit banal, but I would like to know the difference between the two structures from an operational standpoint. What would be involved if we changed FedNor into an agency?

Mr. Richard Dicteri: As you pointed out, it's currently a program administered by Industry Canada. As a public servant, I would say that it is less expensive to administer FedNor because the administrative overhead is shared by the entire department.

If you consider each of the other agencies, you will note that they all have a human resources section. They all have a financial affairs section to handle overhead.

Within Industry Canada, this overhead is shared by the department as a whole. The lines that Parliament votes for for FedNor go more toward operations than overhead.

Also, the other agencies have a deputy minister and a bureaucratic machinery supporting them. I think, when you come right down to it, the agency functions with the independence it needs to achieve its own objectives.

Mr. Guy Caron: I would like to come back to that. You know that I worked in public accounts in my former professional life. I was only there for seven months, but it's still my former life.

To come back to the issue of accountability, I'd like to know if there's a difference between an agency and a program in that respect.

•(1550)

Mr. Richard Dicteri: Let's consider the executive hierarchy. There's a minister. Mr. Clement is accountable and feels accountable, as much as Mr. Lebel might.

As deputy minister, I feel accountable for what happens in FedNor, the same as my deputy minister colleagues who are responsible for the regional agencies.

So I think there is the same level of accountability, but if it were an agency, there would be more executives and overhead.

[English]

Mr. Guy Caron: I understand that we have 21 minutes for the four of us.

The Chair: You have 17 minutes and 15 seconds right now.

Mr. Guy Caron: Okay. I'll ask one more question and then pass it to Mr. Toone.

[Translation]

As for Industry Canada's operational expenses, we see on line 1b that \$2.5 million was allocated to the Thunder Bay Regional Research Institute to build a cyclotron to produce medical isotopes.

Given that Atomic Energy of Canada reports to Natural Resources Canada, I wondered why this amount was included in the expenses for the operation of Industry Canada.

Mr. Richard Dicteri: This decision was made as part of the last budget. We wanted to support an initiative that came in part from the university in Thunder Bay, and we determined that it was the best way to carry out this program.

Mr. Philip Toone (Gaspésie—Îles-de-la-Madeleine, NDP): The Broadband Canada program is subsidized by Canada's Economic Action Plan, so it will end in 2012.

According to Industry Canada, 98% of Canadians have access to service at 1.5 megabits per second. But we know that the needs are increasing, that the technology will continue to evolve and that, normally, 1.5 megabits per second isn't fast enough.

Could you please tell me what Industry Canada plans to do to ensure that the services in our rural communities improve?

Mr. Richard Dicteri: It's one of the priorities of the digital strategy that the department is looking into. The goal is to ensure that all Canadians can benefit from Canada's digital revolution. In this context, we are now consulting the provincial authorities because it isn't just a federal responsibility. In Quebec, for example, the government recently announced an intervention program worth \$900 million, specifically to attain these objectives.

With the provinces, we are currently carrying out mapping to determine which areas aren't being served. This is also the responsibility of the private sector, which actually has an interest in improving the quality of the networks in order to acquire new clients they can bill for their services. The provinces, regional agencies, the Department of Industry and the private sector are involved.

The CRTC has recently been given the green light to implement a fund that had been put aside over the years. The purpose is to encourage certain companies to invest in broadband to increase the speed.

In short, the responsibility doesn't just fall on Industry Canada. We are working with the other players.

[English]

The Chair: Sorry, Mr. Toone.

Now we'll go to Mr. Regan for seven minutes.

Hon. Geoff Regan (Halifax West, Lib.): Thank you very much, Mr. Chairman

Thanks to the witnesses for appearing today.

Mr. Dicteri, on page 94 of the supplementary estimates (B) there are two votes for funding the community access program. It supports funding to individual CAP sites across the country. Those two votes total \$14,837,000.

How much CAP funding was in the main estimates, and what's the total for this fiscal year?

• (1555)

Mr. Richard Dicerni: Kelly can provide the specifics. There are two components here. One is in the departmental base that supports the network. Another part is in collaboration with the Department of Human Resources and Skills Development, which provides some of the staffing.

Ms. Kelly Gillis: Both of the amounts you see on page 94 under vote 1 represent the operating component to support CAP. The \$14.1 million is the total funding for this year to support CAP. It's an annual determination.

The second figure that the deputy minister referred to underneath—the \$520,000—is to support the youth portion of the employment portion to support the CAP sites. That is for approximately 13,000 youth across the country. The \$9.5 million is the contribution portion for CAP youth employment.

Hon. Geoff Regan: My understanding is that although we're eight months into this fiscal year, CAP funding is just beginning to flow. As a matter of fact, CAP sites have been waiting until recently. If that's the case, why is it the case, and what's been the impact of this lack of funding on individual sites?

Mr. Richard Dicerni: I'll have to look into this, because I see no reason for which they have not received funding. I recall signing off my part of the contribution agreement some time ago, so I will have to look into this.

Hon. Geoff Regan: If you can get back to the committee, I'd appreciate it very much.

What was the total level of funding in the main and supplementary estimates for CAP in the last five years? Can you provide us with that information? Can we have a breakdown of the level of funding for each site for that timeframe? Can you provide that to us? Obviously, I'm not going to expect you to have the answer in front of you at the moment. If you did, I'd be very impressed, though.

Mr. Richard Dicerni: You won't be.

Hon. Geoff Regan: I might be anyway, but not on that basis.

Do the estimates reflect the cost associated with PCO's repeated directives to your department to “Harperize” the communications documents produced by Industry Canada?

Mr. Richard Dicerni: Well, the estimates cover a wide range of departmental activities. Some are programmatic, some are financial, some are communication, and they're all-inclusive. I would be hard-pressed to identify a specific number to account for the reference you have just made.

Hon. Geoff Regan: Very interesting answer. Thank you.

Mr. Clement is, of course, leading and operating a strategic review that's searching for a billion in cuts for the next fiscal year, \$2 billion in cuts for 2013–14, and \$4 billion by 2014–15. Nearly 70 departments and agencies of the government are affected by this and have been required to submit scenarios for a 5% or a 10% budget cut.

Has Industry Canada submitted a report of this type, and will it result in job cuts?

Mr. Richard Dicerni: No decisions have been made by ministers.

Hon. Geoff Regan: That wasn't what I was asking. Has Industry Canada submitted a report? You have to wait for the minister to decide before you can submit the report. Is that how it works?

Mr. Richard Dicerni: I was answering the second part of your question—

Hon. Geoff Regan: Fair enough.

Mr. Richard Dicerni: —because you asked if there were any job cuts, and until any decisions are made, it is not useful to speculate as to what the impact would be on jobs.

Hon. Geoff Regan: So does that mean no report has been submitted?

Mr. Richard Dicerni: Here you're into a small, delicate matter. It obviously will be presented to a cabinet committee, and when bureaucrats present documents and ministers sign them off, they become cabinet memos.

Hon. Geoff Regan: If I were to ask what programs are to be cut or what programs are on the table, I'm going to get a similar answer, I presume.

Mr. Richard Dicerni: Oh, yes.

Hon. Geoff Regan: What are the current staff levels? How many full-time equivalents do you have now?

Mr. Richard Dicerni: We have about 4,000. There are 4,000 within Industry Canada, and then we have other organizations like CIPO, which are revenue generating. They operate on their own basis. If you put in the revenue-generating units, it's about 5,600.

• (1600)

Hon. Geoff Regan: Have they changed since the last fiscal year?

Mr. Richard Dicerni: Not materially.

Hon. Geoff Regan: Can you tell us what they were in 2006–07 and subsequent fiscal years? Maybe you could provide us with those details on what the numbers were, the totals.

The other thing is, how much have you budgeted for severance packages or buyouts?

Mr. Richard Dicerni: I don't think we budgeted, partially because I don't know if we will have any—

Hon. Geoff Regan: So that's next year maybe. See you next year.

The Parliamentary Budget Officer has provided a document that tracks all of the 2010 strategic review savings initiatives identified in the 2011–12 estimates documents. According to these documents, the targeted budgetary reductions for Industry Canada for 2011–12 were \$6.1 million, of which \$5.9 million were identified. The documents from the PBO also indicate that these cuts did not include any full-time equivalent reductions or program eliminations, as identified in the quarterly reports. Is that correct?

Ms. Kelly Gillis: We identified in the quarterly report the financial aspects of the reductions and explained the financial aspects of the reductions.

Hon. Geoff Regan: I know the PBO indicated that 42 positions were eliminated at ACOA as part of the \$5.4 million in identified savings. Is that correct?

Mr. Richard Dicerni: I regretfully will have to disappoint you again and say that we are not accountable for ACOA. Therefore, I have no data.

Hon. Geoff Regan: Your minister is, so if he were here—

Mr. Richard Dicerni: No.

Hon. Geoff Regan: Isn't your minister...?

Mr. Richard Dicerni: No.

Hon. Geoff Regan: The minister for ACOA would be, and I guess he reports to this committee? He'd have to report to this committee. So I guess there's no one coming from ACOA to answer the estimates. That's problematic.

A voice: I'm sure they'd welcome the chance.

The Chair: That's all of the time, Mr. Regan.

Now I'm getting the nod from the government, so we'll go back to the NDP for five minutes.

[Translation]

Mr. Philip Toone: I'd like to come back to the question I asked before. You said that some mapping will be done for the program, which is ending in 2012, and that there will be mapping on what there will be.

Mr. Richard Dicerni: It will be done partly in the context of the program and through what the provinces and the private sector are doing to have a better idea of what is left to do.

Mr. Philip Toone: For the program in 2012, is 98% still the planned percentage for March 2012?

Mr. Richard Dicerni: Yes, that is the objective we're aiming for once the program has been completely implemented. Certain seasons don't make it easy to do the building necessary. So the 98.5% objective may not be attained in 2012. But, once the program has been completed, we won't be far off that number. It sometimes takes a certain number of years to complete the implementation.

Mr. Guy Caron: Let's go back to the Federal Economic Development Agency for Southern Ontario. We see that \$187 million were not spent, and that represents about 31.6% of the total funding for the Federal Economic Development Agency for Southern Ontario. That agency was also responsible for providing most of the funding for Canada's Economic Action Plan in that region.

Since there are still a lot of economic problems and unemployment, and so there are needs, why did the agency spend so little of its budget for southern Ontario?

Mr. Richard Dicerni: I am sure that my colleague, the deputy minister responsible for the agency, would be pleased to appear before you to explain that.

It's sort of the same answer I gave to Mr. Regan. These agencies have their own deputy minister for administrative accountability. As for political accountability, they have their own minister: Mr. Goodyear. Mr. Paradis is not responsible for that situation. It's the same thing for me. This does not come under my competencies as deputy minister.

Mr. Guy Caron: I have the same reservations as Mr. Regan in that respect. The agencies report to the Department of Industry, but since they have their own structure, we cannot really ask questions when the ministers are present because they don't have their own bureaucracy.

• (1605)

Mr. Richard Dicerni: It's in this book for presentation purposes. The political accountability is the responsibility of another minister, in fact.

Mr. Guy Caron: My last question is technical.

If we look at line 40b, we see an adjustment of \$5 million. These funds were already granted for the 100th anniversary of the Calgary Stampede. Five million dollars had already been distributed in the budget for 2011. So does this mean that the event received \$10 million?

Mr. Richard Dicerni: No, it's \$5 million.

Mr. Guy Caron: Was this set out in the initial budget? Was it increased by \$5 million?

Mr. Richard Dicerni: No, it's the same \$5 million.

Mr. Guy Caron: I suppose the amount was carried forward because it hadn't been spent initially.

Statistics Canada's budget was re-adjusted by \$6 million. We know that the justification for that expense was that this is a census year. We also know that we are going from a long-form census to a short-form census. Did this change in form have any effect on the budget?

Mr. Richard Dicerni: Not really. There was a small adjustment, but there is one every time we do a census.

This year, for example, the participation rate on the Internet was extraordinary. We beat international records. No other country has ever had such a high participation rate through the Internet. It had an effect on the number of people the agency had to hire to go door-to-door to get all the forms completed. There wasn't a large adjustment. The budget included funds for improving the analysis of the consumer prices so a better model could be developed.

[English]

Mr. Glenn Thibeault: I'd like to find out what specific plans Industry Canada has in relation to broadband access for rural and remote communities beyond 2012.

As a committee, we've been studying e-commerce and mobile payments. We've been hearing a lot of questions about what will happen in small and rural communities that are not in the big urban centres. There's been lots of talk about it.

What are Industry Canada's plans, and are they in the estimates?

Mr. Richard Dicerni: You won't find anything in here in terms of new plans. Having said that, there are a number of tracks, *des pistes*, we are looking at.

First, as I said, we are in ongoing conversations with all provinces. I just finished a conference call with provincial deputy ministers. One of the items was indeed on mapping what is taking place and what each province is doing. A number of the eastern provinces, for example, have made a commitment to connect all of the province. We're working with provinces to do mapping to identify what's left.

Second is the private sector. I mentioned the deferral account of the CRTC. The government recently advised the CRTC that they could go ahead and provide moneys back to Bell and Telus to do further work.

Third, I mentioned the spectrum auction that is to take place in the future. The minister announced yesterday that the rules would be made early in 2012.

Some of the companies have suggested, as part of their submissions, that if they are the winners in the auction, there should be obligations placed on them in regard to rural deployment. We are pursuing the rural deployment goal through a number of tracks.

• (1610)

Mr. Glenn Thibeault: I know that my colleague, Mr. Regan, has a question that relates to that. Then if you wouldn't mind, you can hand it back over to Mrs. LeBlanc.

Hon. Geoff Regan: I have a quick follow-up question.

In the last fiscal year, 2010-11, you had authorities to spend \$158.4 million on Broadband Canada, which affected rural Canadians, and you only spent \$30 million. Why?

Mr. Richard Dicerni: There are a couple of reasons. One is that we were dependent on receipts of applications, and some of them took some additional time to negotiate and work through. Actually, we are still negotiating some of them. That's partially why some of the amounts were reprofiled.

Hon. Geoff Regan: My colleague may want to ask what happened with the rest.

[Translation]

Ms. Hélène LeBlanc: There are two explanatory notes on page 90—I'm talking about line 1 and line 10—which talk about funds available following the strategic review, which started in 2010.

Could you briefly explain what these budgetary restrictions entail? How did they arise?

Mr. Richard Dicerni: It will take a certain number of years to complete this review. We knew that this was coming. As a management team, we put measures in place starting a few years ago so that these reductions would not be abrupt, but would take place more gradually.

In that sense, we reduced the number of consultants and contracts. We reduced that side of operations. When we were hiring, we looked at that very carefully. In some sectors, each time two people retired, only one person was brought in to replace them.

So we have gradually reduced expenses in all our operations for consultants and employee-related expenses.

[English]

The Chair: Thank you.

Mr. Regan, quickly.

Hon. Geoff Regan: Thank you, Mr. Chairman.

I have two things. First, we should get to vote on this on Monday. I would ask if we could have the information I've asked for by then—before then preferably, but by Monday—to be able to vote on this.

Secondly, the notice of the meeting, of course, under orders of the day refers directly to the regional development agencies, ACOA, DÉC-Q, and WED. It seems to me, in view of that, that we ought to have those officials here. Certainly, that ought to be a practice in this committee, if you're doing the estimates. I'm surprised it didn't happen.

Mr. Mike Lake (Edmonton—Mill Woods—Beaumont, CPC): We haven't done that in the past.

Hon. Geoff Regan: Look here. Read it.

The Chair: Your point is taken, Mr. Regan. I'll discuss that with the clerk and we'll make sure that we deal with it accordingly.

I think I have agreement from the committee now that we will adjourn for today. Is that correct? Okay.

The meeting is adjourned.

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