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The Honourable MaryAnn Mihychuk

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● (1635)

[*English*]

The Chair (Hon. MaryAnn Mihychuk (Kildonan—St. Paul, Lib.)): Welcome, everybody.

It's a very sombre day, but we're here in accordance with Standing Order 108(2) to deal with Arctic infrastructure for our study on northern infrastructure projects and strategies.

Before us we have witnesses from the PDAC, whose large conference is at the beginning of March. From SSi Micro Ltd. we have Dean Proctor.

Welcome, all of you, to our committee.

You'll have up to 10 minutes to present. I believe we only have two presenters—we thought there were four. You have up to 10 minutes. If you use less than that, we'll have more time to ask you questions. After the presentations we'll go to rounds of questioning from the MPs.

Before we begin, let me say that we're in a process of truth and reconciliation. That means understanding where we are and recognizing some of the history that made Canada and many of the issues that we are trying to grapple with in this committee. We're on the unceded territory of the Algonquin people here in Ottawa. I encourage everyone to recognize that as we go forward through the process of reconciliation.

Welcome to our committee.

It seems that the PDAC is starting. You can share your time or have one presenter. It's up to you.

Ms. Lisa McDonald (Interim Executive Director, Prospectors and Developers Association of Canada): Thanks very much.

Good afternoon, Chair and committee members. Thank you for the opportunity to be here today to provide input on behalf of the mineral exploration and development industry.

I would like to begin by acknowledging that we are on the unceded territory of the Algonquin people.

I'm Lisa McDonald, interim executive director at the Prospectors and Developers Association of Canada. I'm joined by my colleague Lesley Williams, our director of policy and programs.

PDAC is the national voice of Canada's mineral exploration and development industry, representing over 8,000 members from Canada and around the world. We support a competitive, responsible mineral industry and encourage leading practices in technical, operational, safety and social performance.

Canada's mineral exploration and mining industry has long been a key economic engine for our country, while also supplying the minerals and metals needed for everyday aspects of life. From northern and remote communities—indigenous communities—to large cities across Canada, the mineral industry generates significant economic and social benefits for Canadians from coast to coast to coast. It employs 634,000 workers across Canada and contributes $96.5 billion to Canada's GDP both directly and indirectly. It is also the largest private sector employer of indigenous peoples on a proportional basis and a key partner of indigenous businesses.

The value of the mineral sector is even more pronounced in northern and remote regions of Canada. In fact, it is the largest private sector economic driver. It accounts for one out of every six jobs just in the three territories and contributes between 13% to 21% of their GDP, with billions of dollars invested in the region, not including north of 60 across the provinces.

The benefits of this type of economic activity expand beyond project sites and direct employment. Capacity-building, business development, revenue for governments and socio-economic contributions that support educational and health outcomes all extend beyond the life of a project.

The mining projects that are typically synonymous with the mineral industry all begin with mineral exploration. Mineral exploration is the first stage of the mineral development sequence. It's a staged process of information gathering over many, many years to assess the mineral potential of a given area with the ultimate hope of discovering an economically viable mineral deposit. It truly is like looking for a needle in a haystack.

Junior exploration companies do the bulk of this work in Canada and have been responsible for more than 70% of all discoveries over the last decade. It is important to note that these companies are small. They have limited budgets and timelines, and the majority do not generate revenue but rather rely on issuing shares to finance their activities. In most cases following a successful discovery, projects are sold by explorers to major companies to mine. Quite simply, without sustained exploration and discovery success, there will be no new mines.

Despite our nation's rich geological endowment, Canada's mineral industry faces strong global competition for investment. Companies and investors have many options when making decisions about what country to explore in, mine or invest in projects. Countries all across the globe compete to attract this investment to their mineral sector. While once dominant, Canada is starting to lose ground to its competitors in a number of areas, indicating its decline in attractiveness as a destination for mineral investment.

Canada's share of mineral exploration investment has declined by nearly one-third over the last decade relative to the rest of the world. It remains challenging to raise critical funding for projects, particularly for early grassroots exploration. Expenditures by companies on this early grassroots exploration have dropped by nearly half. Other indicators of Canada's waning mineral industry competitiveness include declining base metals reserves and protracted timelines to move discoveries into production.

This decline in mineral investment in Canada cannot be primarily attributed to the most recent industry market down cycle. Various factors and policy decisions impact choices made by companies and investors about which jurisdictions to invest in, such as project permitting, taxation and land access, to name a few.

● (1640)

One of the most significant factors with respect to investment decisions is the cost. Remote and northern mineral deposits cost significantly more to explore for, develop and mine. This is increasingly prohibitive.

The cost premium faced by companies exploring and mining in remote and northern Canada is largely due to the lack of transportation and energy infrastructure. Industry research found that mineral exploration can cost up to six times more than in southern Canada, and it can cost up to 2.5 times more to build new mines. PDAC's follow-up study determined that as a result of the cost premium, a high percentage of known deposits remain undeveloped and are effectively stranded. Opportunities remain unrealized.

Quite frankly, it is increasingly too costly for junior exploration companies to continue to explore in these areas. The cost of such activities as intensive aircraft, transportation of large equipment and supplies, and running drills and camps are significantly more expensive in the north. Exploration companies that rely on capital markets for financing are facing more difficulties finding investors for their northern projects. Further, prospective exploration projects are difficult for explorers to sell to larger mining companies for mine development, as the costs to construct and operate a mine in these regions make deposits economically unviable.

Despite the vast mineral potential, companies are turning to other jurisdictions to explore, such as Australia. Instead of investing in Canada's north—injecting money into local businesses and communities and hiring local and indigenous people—companies are choosing to explore elsewhere. Currently, we are not capitalizing on our enviable mineral potential. Given the sector's immense value, what are ultimately at stake are further economic development opportunities for northern and indigenous communities and all of the associated benefits for a prosperous north. Strategic infrastructure is needed to sustain exploration and unlock this potential.

Against this backdrop, PDAC has consistently encouraged government to develop a strong economic policy for the north, particularly by enhancing mineral development through infrastructure investment, a sector that is a proven economic driver and that has even more potential. Some recent initiatives to support infrastructure development include the trade and transportation corridors initiative, or TTCI, and the Canada Infrastructure Bank. That said, the funding requirements for some of the much-needed infrastructure proposals through TTCI exceed the amount allotted. Further uncertainties remain with respect to the Canada Infrastructure Bank and its role with respect to the north.

As such, we continue to advocate for increased strategic investments in critical transportation and energy infrastructure to enable the discovery and development of mineral resources, reduce costs, and provide alternatives to carbon-based fuels; for funding for the infrastructure proposals that have been submitted by the three territories; and for clarity on the Canada Infrastructure Bank and ensuring that there is a distinct northern focus. Otherwise, we strongly encourage the establishment of a distinct northern investment fund.

As our research shows, reducing the costs of operating in the territories by just 10% through strategic infrastructure investments could spur exploration activity in the region and help with advancing five or six new mines. Enhanced northern infrastructure would enable increased mineral development that supports northern and indigenous employment and business development as well as revenue generation for governments and improved socio-economic conditions for people in the north.

Thank you for the opportunity to appear here today. We would be pleased to answer your questions.

● (1645)

The Chair: Thank you.

As our other presenter, Dean, go ahead whenever you're ready.

[*Translation*]

Mr. Dean Proctor (Chief Development Officer, SSi Micro Ltd.): Thank you, Madam Chair, and ladies and gentlemen of the committee.

[*English*]

I'm Dean Proctor, the chief development officer at SSi. We give our sincere thanks to the committee for the opportunity to appear today and contribute to your study on northern infrastructure projects and strategies.

SSi was formed and is headquartered in Canada's north. We're a family company founded over 50 years ago as the Snowshoe Inn in Fort Providence in the Northwest Territories. We specialize in remote area connectivity and infrastructure. We remove barriers to access and provide broadband, mobile and other communications services in remote and rural areas in Canada and abroad.

Telecommunications, though, is not our only passion. Our new energy division, SSiE, is developing new and innovative clean energy solutions for these same remote and rural areas.

In all we do, we work productively with those in the communities we serve to ensure that local talent has the opportunity to shine. Our mission is to ensure that all communities, wherever they may be, have access to high-quality broadband at affordable rates.

To achieve this, we have invested heavily in facilities and infrastructure. In Nunavut alone, we have co-invested with the Government of Canada over $150 million into vital infrastructure used to deliver Internet and mobile cellular service throughout the territory. During that time, we have also invested $10 million in our community service providers. These local agents are key to our success in all 25 Nunavut communities.

In 2005 we launched the Qiniq network. For the first time, every Nunavut community had access to affordable broadband on the same terms and conditions. This year, we delivered another first: mobile voice and data into every community, where the vast majority have never had access to cell service.

So, SSi is unique: we are successful in a highly capital-intensive, highly regulated field, working in remote areas with a small population base. This is almost the opposite of what you'd expect. We can do it because we have innovative people and we leverage ideas and technology, tied together with customized software, to build solutions where there previously were none.

Our message to this committee is simple: There is a need for much more investment, private and public, in remote-area infrastructure and in the north, but that investment must be properly directed. The committee here can support this critical process by working to ensure that good policy translates into real-world results.

The focus should be on policies that will sustainably improve connectivity for all of Canada's northern and remote areas and that will provide the digital tools to support local talent and local development, creating truly Canadian-made and northern-made models that can be exported around the world.

This is important. Young people in Canada's north can be tomorrow's innovators if they have access to the same tools and support systems that exist in the south. But if we don't address the critical infrastructure shortfall in the north and in other remote areas, then Canada, as a leading innovation nation, will leave people behind, particularly those in our most at-risk communities.

The challenge is not technology, logistics or money. What is needed is a holistic approach to a problem that is multi-faceted. We need to harness ideas, technology and local capacity to do things better. This will lead to a digital emancipation, where all Canadians in all regions of the country can fully participate in our digital democracy.

To be certain, strong investment policy is not enough. Investments must be properly directed. Public investment in broadband must also support developing local talent, the people who Mary Simon called “local champions” in her Arctic leadership report. To do this, investments have to respect three fundamental objectives.

Number one is competitive and technology neutrality. The second is a focus on funding gateway and backbone infrastructure. The third is open access for all service providers to those same facilities.

We're happy to see these objectives reflected in recent policy statements of your House of Commons colleagues, provincial and territorial counterparts, as well as the CRTC and Innovation, Science and Economic Development Canada.

For instance, in April of 2018, the House Standing Committee on Industry, Science and Technology picked up on these objectives in its excellent report entitled “Broadband Connectivity in Rural Canada: Overcoming the Digital Divide”. The report pointed to the important role that smaller and non-incumbent providers have to play in extending connectivity to Canada's more remote areas, particularly given the propensity of incumbent telephone companies “to only invest in high density areas that are more economically profitable”.

Given this reality, the report continues:

> To facilitate broadband deployment in rural and remote communities, the Committee recommends...that the Government of Canada consider ways to increase the accessibility of funding programs for small providers, non-profit providers and non-incumbent providers...

We agree.

● (1650)

More recently, just last week on October 26, the federal, provincial and territorial ministers for innovation and economic development agreed to principles for a long-term strategy to improve broadband access for all Canadians.

Though the ministers' principles are generally positive, we are concerned that their statement on open access is far too tepid vis-à-vis the role and importance of emerging and non-incumbent players, a group that includes, for example, first nation initiatives like the Eeyou Communications Network in the James Bay region of Quebec.

The ministerial statement says, in part, “Open access requirements can promote competition, affordability, and greater choice and should therefore be considered.” On the contrary, open access to vital communications infrastructure is not something that should “be considered”. It is absolutely essential for innovation, investment and growth. When public investment focuses on gateways and backbone infrastructure and requires that these be made available on a wholesale basis, it encourages further private investment and innovation in the last mile. This leads to a choice of technologies, a choice of service providers, and opportunities for those who most need broadband access to participate fully in global society.

● (1655)

As SSi has proven in the north and elsewhere, quality local access networks can be built in remote areas, largely due to advances in technology and, in particular, wireless and IP technologies. Our company is on the front lines. We know, and live daily, the positive impact of information technology, and we see the positive impact of our investments.

It's important to be vigilant, even when policy principles are generally sound. We have to ensure that policies are enacted and investments are made as intended, and that inertia, neglect and incumbency do not bring us back to a world of an end-to-end monopoly, in which incumbent phone companies receive funding and then restrict access to their publicly funded networks, squeezing out further investment, innovation and consumer choice. We believe that this is a real risk that exists today, and that risk must be removed.

The challenge and the solution is to build shared-use facilities and open access backbone infrastructure, and we hope this committee will lend support to and endorse policies that advance local initiatives—that is, investments in open gateways, open backbone infrastructure and local capacity. In particular, we urge you not to endorse proposals that would permit parties, like the incumbent phone companies, that happily apply for and take funding for public networks, and then turn around and undermine the basic wholesale requirements that are core to that funding.

In sum, what's needed? Much still needs to be done to improve connectivity in Canada's indigenous and northern communities. The continuing barrier to better broadband is the backbone transport connecting those same communities to the rest of the world. This reality effectively disenfranchises northerners and many indigenous people from the digital democracy.

If we successfully deliver on investing in and enabling open backbone and gateway infrastructure, local training, innovation and competition, Canada will be a global showcase, where broadband overcomes the barriers of distance, and where all regions of the country, no matter how remote, benefit from and participate fully in the digital economy.

Remember, nobody has a monopoly on ideas, and past monopolies have not been successful in delivering the needed results. Otherwise this committee would not have a mandate to study northern infrastructure projects and strategies.

[*Translation*]

Thank you very much for the opportunity to speak to you today. I would be pleased to answer your questions.

The Chair: Thank you very much.

[*English*]

We now move in to our question and answer period.

We begin with MP Yves Robillard.

[*Translation*]

Mr. Yves Robillard (Marc-Aurèle-Fortin, Lib.): Thank you, Madam Chair.

My thanks to the witnesses for their excellent testimony.

My first question goes to the representatives of the Prospectors and Developers Association of Canada.

A study that your organization conducted in 2015 revealed that the main factor in cost variations in mining explorations was the distance between a project and the transportation infrastructure needed to meet the needs of that project.

Apart from transportation, what kinds of infrastructures would help companies reduce the variations in cost?

[*English*]

Ms. Lisa McDonald: Investment in the infrastructure, such as roads and airports, really varies depending on where deposits are, but certainly any type of investment in roads would make those deposits more accessible to companies.

[*Translation*]

Mr. Yves Robillard: The infrastructure deficit in the Arctic is detrimental to the well-being of communities and to the social development of the region. During this study, many witnesses have reminded the committee how big that deficit is in the north.

To what extent and in which ways does the infrastructure deficit influence your organization’s activities?

[*English*]

The Chair: PDAC, go ahead.

Ms. Lisa McDonald: As I stated in the presentation, the cost premium of operating and exploring in the north is significant. The lack of infrastructure is one those critical factors. I think what's important when you pose questions about how that lack of infrastructure also impacts communities in the north is to recognize that when we're talking about infrastructure investments in the north and looking at it from the perspective of mineral and mine development, it's not just about roads to mines. We're talking about investments in infrastructure in the north that will benefit all of communities and people in the north.

We know historically that when there are investments in these kinds of projects in the north, the spin-off benefits for the communities from that activity are significant as well.

● (1700)

[*Translation*]

Mr. Yves Robillard: Thank you.

My next question goes to Mr. Proctor.

Apart from funding, what could the federal government and industry do to respond to the needs for digital infrastructures? What kinds of levers and policies are needed to meet those needs?

Mr. Dean Proctor: That is a good question. Thank you.

Investments have been made, but more are needed. We need about $2 billion, perhaps a little more, to meet the needs. Of course, the private sector has a role to play in the investments.

We are now in a difficult situation. We applaud the government policy that is funding and supporting a new, “basic” open infrastructure. But we really have to concentrate on more specific needs in determining, for example, how remote communities are digitally connected to the south of the country. This involves satellites, fibre optics, and, in some cases, microwaves. Once the system is in place, everyone must have access to it.

That is the current policy. But, in reality, those receiving the funds —and, without mentioning any names, we are talking about Bell— are using the money that should be for everyone’s benefit, for their own.

Investment aside, the government, which is a partner in the investment, must really ensure that the networks are open. That is critical and it costs nothing.

[*English*]

Mr. Yves Robillard: I will share my time with Ms. Jones.

The Chair: You have about a minute and a half.

Ms. Yvonne Jones (Labrador, Lib.): Thank you.

Thank you to our panellists for being here today.

I listened to your presentation, Mr. Proctor. I probably agreed with everything you said today.

Mr. Dean Proctor: Thank you.

It's a good day.

Ms. Yvonne Jones: One of the struggles, definitely, for people who live in Canada's north, is being able to access the telecommunications infrastructure within their communities.

We've worked very hard in the last few years to make some progress, but I think every day we're all feeling that the progress is not fast enough.

I'm very interested in what you have to say about open access.

From your experience in the telecom industry and the work you're doing in the north, what is some of the best infrastructure we should be focusing on around telecoms?

Proposals are often brought to us that are in the billions of dollars to connect communities and provide basic services. Then we debate proposals that look at other forms of technology.

I guess the debate is around what's going to work best in the long term.

The Chair: I'm sorry, but your time is up.

We're going to move to MP Cathy McLeod.

But it was a good question. Maybe we'll have a chance to answer it.

Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC): We might get opportunities to do that.

I want to start with PDAC, and then I want to go to Mr. Proctor.

I'm a little confused. As I go through your website, you talk about supporting the pan-Canadian framework for climate change, and then you talk about the extraordinary challenges in the north and how companies are fleeing Canada because of the additional challenges.

We know that the government has announced a rebate for individuals. We know that it has exempted the large emitters. I would think most of your folks end up on that small business side of things, so you're going to be bearing the full cost both in the south and in the north. How can you align those two positions, supporting their plan and then saying that you have extraordinary challenges and capital is leaving?

● (1705)

Ms. Lesley Williams (Director, Policy and Programs, Prospectors and Developers Association of Canada): Part of the work we do as an association is to encourage our members to improve their practices in social, environmental, and so—

Mrs. Cathy McLeod: I understand all of that. We want to move toward renewable energy. We're not there yet, and we're not there in the north.

Ms. Lesley Williams: For sure. One of our areas of guidance is to try to reduce GHG emissions, so that website will be updated very soon.

But in our pre-budget submission, we note the challenge in the north with respect to carbon pricing and are asking for some sort of tax incentive or rebate for companies operating in the north that don't have alternative energy sources.

Mrs. Cathy McLeod: Thank you.

It sounds as if more people are asking for rebates. There are going to be more loopholes and rebates, so I'm not sure how that is going to work. The government will take $10 and $9 is going to go back to the individuals.

Mr. Proctor, I thought the government had done some prior work. We mapped the whole country and knew where it was brought in; where it wasn't; where cellular service was; where it isn't. We started that work. Was it ever...?

Mr. Dean Proctor: We're trying to finish that work.

Mrs. Cathy McLeod: But we don't know.

Mr. Dean Proctor: Oh yes, for the most part, we know. But as a simple example, Nunavut did not have cellular service in 18 of the 25 communities until this year when we completed that work.

There are some 89 expert reports from a couple of years ago from the CRTC. I think it would be a little higher than this, but we've plotted that about 150 permanent communities, 450 reserves, are north of 55. As per the CRTC report of a couple of years ago, within that, some 89 are completely satellite dependent and another 109 are underserviced or unserved by communication services. We identified that and have developed solutions, cookie cutter solutions, if you will where you can get into them.

Mrs. Cathy McLeod: I haven't been to Industry Canada's website for a while. I couldn't go on and look at a map and say that if I go to Rankin Inlet or to this community, this is what's there. I couldn't do that right now.

Mr. Dean Proctor: It's not necessarily that user friendly. You'd be better off talking to me. I hate to say it that way.

And I hate to say this, but it's more user-friendly for people in the industry like me if you're looking at trying to find the density, the availability, the number of people who may be there. But for the most part, very important parts of this country are underconnected, underserved, and in some cases, completely unserved.

Mrs. Cathy McLeod: But it would be tough for me to get a list right now through the Government of Canada.

Mr. Dean Proctor: I don't want to say that, because I could probably give you some names of people who would be able to help you work through that.

As I say, it's really been destined more for spectrum auctions. For example, the whole country has been cordoned off into little hexagons and octagons for bidding purposes, and then you can find the population as well as the equipment in place. But it isn't always fully accurate because of the nature of the areas we're dealing with.

Mrs. Cathy McLeod: In the communities you serve, is the broadband such that you can have an effective telehealth system?

Mr. Dean Proctor: Yes and no. It depends on what telehealth you mean. If you want to do remote-area diagnostics where it's extremely capacity-requiring, I would say no. That is something where we need much greater capacity than we have today. If you're doing something like telepsychiatry where you need video conferencing, yes, we have solutions that are working quite well on that today. They are still data pigs, though, and it's expensive. When I talk about the backbone, that's exactly what I'm talking about.

We have in place in Grise Fiord today—population 120—the exact same mobile technology you'd find in downtown Ottawa or downtown Toronto. That's what we call the last mile. Our problem is, how do you get out? How do the people in that community connect to the Internet? How do they connect to their psychiatrist? How do doctors transmit the necessary data to do telehealth? That's the backbone, and that's where we need to focus. That's what has to be shared and open.

The way the system has been working to date—and the policy is not supposed to be this way; it's just the way it's working—is that everybody gets a little bit for a little bit of backbone, and nobody's sharing the larger backbone, whereas the capacity itself can be shared on a millisecond by millisecond basis. Nobody needs that much all the time. If you bring it together, people are working on a much larger pipe that they use when they need it, if that makes sense.

● (1710)

Mrs. Cathy McLeod: I want to pick up on what my colleague, Yvonne Jones, said about the equipment and how we know....

Moreover, because of the climate, are there extraordinary challenges that the south might not face in terms of the optimal equipment?

Mr. Dean Proctor: Yes, and I might be able to help answer your earlier question, too.

Fibre optics is wonderful, but it needs a physical landing point. It needs a physical location. The beauty of satellite—which is important for the mining sector as well—is that it covers a large swath. So when I talked about sharing a pipe, it's not only sharing it between two service providers in the same community, it's also sharing it on a dynamic basis between multiple communities. That could be a mine site, or it could be multiple communities in Labrador that aren't connected to a fibre grid.

So, while everybody looks at fibre as the gold standard, satellite is also a gold standard, depending on where you are, and in Canadian communities it's big.

The Chair: MP Rachel Blaney, you may take the questions now.

Ms. Rachel Blaney (North Island—Powell River, NDP): Thank you all for being here today.

I'm going to start with Mr. Proctor. I live very nicely in the south and I don't have a lot of snow, but huge areas of my riding have absolutely no cell reception or Internet. It's a huge issue for some of our communities.

One of the things you talked about was the ability of your company to be innovative, to have innovative people and software. You also talked about making it easier for smaller providers. I've definitely heard from those small providers in my region and the absolute challenges they face because of the larger company, Telus, in my region.

Do you have a model that makes sense? Do you have ideas from other places around the world? What works for these underserved areas that are vast in size and need those specific services?

Mr. Dean Proctor: I've left some documents behind with the clerk.

We have something called the *Qimirluk* solution. *Qimirluk* is the Inuktitut word for backbone. You focus on communities. It may be a rural area, but we try to deliver into a central hub and beam out from there, or allow any number of service providers to connect into that central hub.

So I suggest you invest in the gateway, where everybody can co-locate their equipment or connect their own equipment by microwave or fibre, and bring it out to those relatively close-by areas that need the coverage, either wirelessly or by fibre.

Ms. Rachel Blaney: Is there a model where that sharing is actually working? I'm just curious. You were talking about Bell earlier. Is there a place where that's actually happening, where that sharing is happening?

Mr. Dean Proctor: Yes, it's working in most of southern Canada, where fibre is, as long as the regulator actually intervenes—in this case the regulator needs to be the Government of Canada—and makes certain that there's proper access to that for third-party service providers.

You have to divide “backbone” from “local”. You're talking about the local providers who want proper access to that backbone. There has been a lot of progress made in southern Canada for proper access to the big backbone. What we're worried about now is different rules that apply to outlying areas, more remote areas, where that backbone isn't being shared the way it should be.

So, yes, there is a model. It's in southern Canada and it needs to be applied all over Canada.

Ms. Rachel Blaney: One of the things you talked about.... I don't know if I heard correctly, but we've heard a lot from other witnesses about the challenges of getting the right people working in the right areas, because it's hard in some of the more rural and remote communities.

You talked as well about your people. I'm wondering how you are doing to recruit and retain people. What sort of methods are working well, and what areas are of concern to you?

Mr. Dean Proctor: Thank you for that.

We're a little bit of an offbeat company. We have three rules: Will you love the job? Can you do the job? Can we stand to spend time with you? We say it a little differently, but that's the idea.

In each one of our served communities, we have community service providers. Some of them have been with us since the beginning, which was 2005. They are local agents who do shipping and receiving. They receive in all the equipment. They have to sign up customers. They handle customer complaints. They shovel the snow from around the shelters in the winter time. They do fixes when fixes are needed. They're absolutely essential to our activity.

We train those people; they're part of the team, even though they are agents. As I say, by investing a lot of our top-end revenue, not bottom-line revenue, into these community service providers, we're able to recruit and retain. We really profoundly believe in investing in ongoing, constant training, not only in our community service providers but in all of our people.

We try to make an enjoyable workplace. At the same time, it is one big team, one big family. It's constant learning and constant investment in ideas, and encouraging that.

I really don't know how else to do it, apart from that.

● (1715)

Ms. Rachel Blaney: Fair enough.

I have another question. I didn't hear this in these presentations, but we've heard many times before that housing is a huge infrastructure challenge that can result in multiple challenges.

I'm wondering if you have a sense of that, as well, in the work that you do.

Mr. Dean Proctor: We absolutely do.

I'm going to have go a bit off the track of telecom, but infrastructure is housing. It's heat and power, and it's telecoms. Our energy initiatives are based in large part on that. Our second-largest cost, apart from our backbone, our satellite, is electricity.

In a lot of the communities that we're dealing with, housing is a huge problem. In fact, whereas the Canadian average is like 2.2 people per home, in almost all of Nunavut it's in excess of six or seven. There's a huge housing shortage. However, in a lot of the communities, there's not enough power being produced to build new houses. How can you heat the houses, if the power plant can't produce enough electricity to heat them?

As we speak, we are working toward solutions. We can put in place micro-grid energy, which can provide not only electricity very cost effectively, but also distributed heating. That will help facilitate putting in new homes. We're working with Nunavut Construction Corp in some discussions there.

It's a real issue. I mean, when we talk about holistic solutions, living in a crowded place is also part of a mental health issue, a physical health issue. It leads to the spread of tuberculosis. It leads to the need for telehealth. Housing really goes to the core of a lot of this.

Ms. Rachel Blaney: Yes.

Mr. Dean Proctor: We are trying to develop, in our own little world, holistic solutions for all of that.

It's a very good question. It's like the knee bone is connected to the thigh bone is connected to the hip bone. We have to look at this holistically. It's infrastructure, globally.

Ms. Rachel Blaney: Thank you.

I'm wondering if any of you have any comments around housing, and if that's a challenge for any of the work that's being done in that area for you and your folks that you represent.

Ms. Lisa McDonald: Sure.

Housing and any of the socio-economic challenges that are faced by northern communities have an impact on our sector.

It's important for us to be able to have meaningful and active participation in the well-paying jobs, and all of the different opportunities that our sector can offer to communities and people in the north.

However, it is critical that there are those fundamental investments in communities, in things such as housing, education, health, to ensure that populations are able to participate in a meaningful way.

The Chair: Thank you.

The questioning now moves to MP Yvonne Jones, who I understand might be willing to share a couple of questions with the chair.

Ms. Yvonne Jones: Absolutely, with pleasure.

I'm going to see if Mr. Proctor wants to expand on the question that I asked him. I know Ms. McLeod gave you an opportunity, but there may be something else.

We'll do that before we move on.

Mr. Dean Proctor: In our business, there's a saying that you don't buy technology, you just lease it. We're constantly having to reinvest.

Fibre, as I say, is viewed as the gold standard for backbone connectivity, but it has the unfortunate problem of needing a physical connection. In a lot of the communities we're dealing with, because of the distance factor, the climate, the difficulty of landing...let's say it's a submarine cable, then you have the problem of possibly being subject to cuts. If a fibre is cut, and you have to wait nine months to be able to repair that fibre, you'd better have some kind of a backup plan. That means that satellite will continue to be useful.

The best news, though, is that technologies are evolving so quickly that there are a lot of new satellite technologies in place, coming online, and that we believe are going to continue to serve the populations well.

We're not there yet. The problem is that, at this point, we're now at or have a critical backbone infrastructure deficit for the digital deficit. We need to figure out some solutions in the short to medium term while we're waiting for these gold standard fibre...or new low earth orbit satellites to come along, which won't be for another four, five or six years.

● (1720)

Ms. Yvonne Jones: Yes. Well, one thing is for sure: There's a big need to expand broadband and cellphone access across all of the northern regions. One thing I have been very encouraged by is the number of communities and individuals coming forward, showing an interest and looking at options. Let's hope we can all get there.

I've certainly registered your comments around open access. I believe that, as the Government of Canada continues to fund those backbone connections, open access is going to be very important.

I want to move to the Prospectors and Developers. I was a little taken aback by the comments regarding the slow growth of exploration in Canada. I come from a mining region—and maybe I see it differently—where we have two expanded projects, an underground mine and potentially a new mine all opening within 12 months.

How slow is that growth in exploration? I'd like you to give me some comparable figures. Where is the exploration in Canada, or is it commodity driven? Is there something the federal government is doing that's impeding this?

Obviously, in the north, we've never had real infrastructure to support resource development. We're moving more in that direction. Of course, we want to be accommodating to resource development industries, because we know that it's those companies that drive jobs and opportunities for people who live across the northern regions.

I'd like to get a better understanding of what your message is around that and what we should be doing. I heard your piece about needing an infrastructure program for the north. No one who has sat at this table who I can remember hasn't told us that, which is good. In addition to that, is there something we should be doing that we're not doing that will encourage more exploration?

Then the chair will take over.

Ms. Lisa McDonald: Thank you.

There are probably a few of you around the table who have already heard PDAC asking and talking endlessly about the mineral exploration tax credit. I'd like to take the opportunity, once again, to stress the importance of that tax credit and the three-year extension that we've been asking for.

It's a really easy, simple thing for government to do that will provide the kind of certainty that's required for those small exploration programs that are reliant upon the capital markets for their money. As evidenced in some of the discussions earlier about the length of time it takes to work in the north, it's an even bigger issue and challenge for those operating in the north. That's something that would definitely make a difference.

The other thing that would be important to look at is investment in public geoscience. Historically, Canada's public geoscience has been a real competitive advantage for this country, but there are large gaps in the mapping. It is under-mapped. Particularly for exploration companies that have limited budgets, the information and the data provided through public geoscience really makes a difference in determining where they're going to look to invest their money.

The GEM program, the geomapping for energy and minerals program, is set to sunset in 2020. We would very much encourage the government to look at extending that program. Certainly, critical and more investment in public geoscience would make an absolute difference.

● (1725)

The Chair: I have just under one minute, and I have three questions.

One, given that the most affordable road was built by Agnico Eagle at $1 million per kilometre, where do you think I should build my road?

Two, please identify the areas of the Arctic that need additional geomapping and additional science and research. Please provide a map.

Three, what percentage of our entrepreneurs who are mineral explorers/prospectors are indigenous, and how are we encouraging these local individuals to take up exploration?

You have 10 seconds. Sorry about that.

Ms. Lisa McDonald: I'll take half; she'll take the other half.

Sure, we can provide you with maps. As for where you should build your roads, it's not for us or industry to determine where the territories should put their roads. We, as an association, are supportive of the requests that are made by the territories. They know their areas best. They know what they need. They know what their communities need. It's important for industry to be at the table in those conversations, but—

The Chair: They don't build the roads. It was private.

Anyways, go ahead.

Ms. Lisa McDonald: And your response.... Sorry? The number?

Ms. Lesley Williams: Your other question was about the maps?

The Chair: What areas of the Arctic have not been mapped? Where do we need to focus that geoscience?

Ms. Lesley Williams: I would suggest, most certainly, Nunavut, given that there's—

The Chair: All of it?

Ms. Lesley Williams: —no territorial geological survey, but of course the NWT and Yukon could also do with some enhanced geoscience mapping.

The Chair: I asked you for a map of where to target it because, clearly, we're not going to map all of them. Some areas must have been mapped.

The third thing was about capacity. How many indigenous, Innu and first nations are involved in exploration and are entrepreneurs? How are we making more of them?

Ms. Lesley Williams: We don't have that number. It's a difficult number to get, especially with regard to exploration. It's never easy to get exact numbers for things like that.

In terms of the work that our association does and our members do, we work on engaging with community partners to enhance participation in various ways. There are different prospector assistance programs and capacity development programs, not only by governments across the country, but also by our members.

The Chair: Okay.

The questioning goes to Arnold Viersen.

Mr. Arnold Viersen (Peace River—Westlock, CPC): Thank you, Madam Chair.

Thank you to our guests for being here.

I have just one quick question. Do you have a copy of your pre-budget submission today?

Ms. Lisa McDonald: It's on our website, but we'd be happy to provide you with a copy.

Mr. Arnold Viersen: Yes, please table it with us. I have it up here from the web. Recommendation no. 2, in particular, for "addressing the infrastructure deficit through increased, strategic investments in a [critical] transportation and energy infrastructure", is entirely pertinent to this committee. I would love to have that.

Do you agree that recommendation no. 2 is particularly pertinent to this?

Ms. Lisa McDonald: Yes, certainly. We'll provide you with a copy of that.

As you say, recommendation 2 in our pre-budget ask speaks directly to our remarks and to what we are here today to speak about.

Mr. Arnold Viersen: Thank you.

I'll give the rest of my time to my colleague.

Mr. Kevin Waugh (Saskatoon—Grasswood, CPC): Thank you.

I have a couple of questions for Mr. Proctor.

You said that you've increased broadband in Nunavut. What did that cost your company this past year?

Mr. Dean Proctor: This past year?

Mr. Kevin Waugh: Yes. Well, you said that you're connected now.

Mr. Dean Proctor: In the last three years, we've spent.... We just finished a $75-million investment program. That's $35 million from the Government of Canada that went directly to Telus for satellite capacity—

Mr. Kevin Waugh: Okay.

Mr. Dean Proctor: —and $40 million of our own funds. We went way beyond our matching. Our matching was supposed to be $13 million. We spent an extra $27 million to complete 4G LTE, to complete 2G GSM—that's more for voice—

● (1730)

Mr. Kevin Waugh: Yes.

Mr. Dean Proctor: —but 4G LTE is the latest, greatest mobile technology—and to enhance our satellite facilities and our infrastructure on the ground.

As I say, it was $75 million over the last three years to bring the latest mobile technology and broadband technology to each one of the 25 communities.

Mr. Kevin Waugh: I see your LTE plans "Bush Plane", "Iceroad", "Dogteam", "Snowshoe"....

Mr. Dean Proctor: Catchy names.

Mr. Kevin Waugh: How the hell do you make money, if you don't mind my asking? Where are you getting your money? Are you being subsidized by your energy company? There are no people up there.

Mr. Dean Proctor: Well, we try to keep the number of our people down to what is absolutely needed. We're not bloated; we're far from bloated. I think most of us have multiple roles that we have to play, and we love doing that. We invest heavily in technology, which actually helps reduce problems down the road and helps save money. Rather than waiting for something to break and then going on to the next thing, we're actually investing in advance. It's amazing how planning—proper planning, proper investment plans—can actually help you make money.

We're good at what we do. I don't want to be modest about that.

Mr. Kevin Waugh: Well, I've seen the awards that you've won.

Mr. Dean Proctor: Thank you.

It takes many bright people to share ideas. Actually, just before coming here we were in a planning session for a number of items. I won't get into them, but people aren't scared to bounce around ideas. They can shout at each other or congratulate each other.

Mr. Kevin Waugh: What's the cost of a phone up there? I just have to ask, because—

Mr. Dean Proctor: Next week—

Mr. Kevin Waugh: Where are you getting your phones, first of all, and at how much a month?

Mr. Dean Proctor: We get them in the same place everybody gets them.

You'll find that for our service plans we have a $25 service plan to begin with.

Mr. Kevin Waugh: I see that.

Mr. Dean Proctor: Basically, you have unlimited calling for $25 a month within Nunavut. Data starts at $50 a month along with voice.

Mr. Kevin Waugh: I know, it's all—

Mr. Dean Proctor: It's $80 a month for more, and $120 a month for even more. That is not government-subsidized. It's our own money that put that in place. We are running is an extremely efficient network operation, and we are still making money from it. That pricing, which we're extremely proud of and want to start shouting from the rooftops, is competitive with and often better than the pricing you find in southern Canada.

Mr. Kevin Waugh: I was just going to say that I'd like to show this to Bell, to Telus, and to Rogers.

Mr. Dean Proctor: Don't show them too quickly.

Some hon. members: Oh, oh!

The Chair: On that very interesting note, we have to say goodbye.

[*Translation*]

Thank you, everyone.

[*English*]

Thank you for coming. *Meegwetch*. It's been a very interesting panel.

All of our best, and thank you again for travelling to Ottawa.

The meeting is adjourned.