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• (1105)

[English]

The Chair (Mrs. Sherry Romanado (Longueuil—Charles-LeMoyne, Lib.)): Good morning, everyone.

I call this meeting to order. Welcome to meeting number 7 of the House of Commons Standing Committee on Industry, Science and Technology.

Today's meeting is taking place in a hybrid format, pursuant to the House order of September 23. The proceedings will be made available via the House of Commons website. So that you are aware, the webcast will always show the person speaking, rather than the entire committee.

To ensure an orderly meeting, I would like to outline a few rules as usual.

Members and witnesses may speak in the official language of their choice. Interpretation services are available for this meeting. You have the choice at the bottom of your screen of “floor” and English or French. Please select the language you will be using.

For members participating in person, proceed as you usually would when the whole committee is meeting in person in a committee room. Keep in mind the directives from the Board of Internal Economy regarding masking and health protocols.

Before speaking, please wait until I recognize you by name. If you are on the video conference, please click on the microphone icon to unmute yourself. For those in the room, your microphone will be controlled, as normal, by the proceedings and verification officer.

I remind you that all comments by members and witnesses should be addressed through the chair. When you are not speaking, your mike should be on mute.

With regard to a speaking list, the committee clerk and I will do our best to maintain the order of speaking for all members, whether they are participating virtually or in person.

Pursuant to Standing Order 108(2), the committee is meeting today to resume its study on the accessibility and affordability of telecommunications services.

As is my normal practice, I will hold up a yellow card for when you have 30 seconds left in your intervention and a red card for when your time for questions has expired. Please respect the time so that all members have a chance to question the witnesses.

I would like to now welcome our witnesses. For our first panel, we have, from the CRTC, Mr. Ian Scott, chairperson and CEO; Madame Renée Doiron, director, broadband and networking engineering; and Nanao Kachi, director, social and consumer policy.

I will introduce our second panel when we get to it.

With that, each witness will present for five minutes, followed by the round of questions.

We will open the floor to the CRTC for their presentation. You have five minutes.

Mr. Ian Scott (Chairperson and Chief Executive Officer , Canadian Radio-television and Telecommunications Commission): I was a little intimidated by your introduction, Madam Chair. As a former soccer player, getting a yellow and a red card flashed in front of me made me very nervous.

Thank you, Madam Chair, for inviting us to appear before your committee.

As you indicated, I'm joined by two of my colleagues. Renée Doiron is the director of broadband and network engineering, and Nanao Kachi is the director of social and consumer policy at the commission.

I'd like to begin by applauding your members for your study on the accessibility and affordability of telecommunications services. We take this opportunity to reiterate the need to close the digital divide by ensuring universal access to high-speed Internet and a high-quality cellular network. All Canadians—and I repeat, all Canadians—need fast, affordable and reliable broadband Internet and mobile access to participate fully in today's economy and society.

This is something the CRTC has been actively advancing since declaring broadband Internet a basic telecommunications service a few years ago.

The CRTC's universal service objective calls for all Canadians to have access to fixed broadband at download speeds of at least 50 megabits per second and upload speeds of 10 megabits per second, as well as an unlimited data option. It also calls for the latest mobile wireless technology to be available to all Canadian homes and businesses and along major roads.

While meeting this standard has been a priority for some time, the profound economic and social upheaval caused by the COVID-19 pandemic has reinforced the need for broadband in communities that are underserved.

• (1110)

[*Translation*]

At the CRTC, we want all Canadians to have access to broadband Internet services on both fixed and mobile wireless networks so they can work, learn and access health care and civic institutions. We expect them to have this access.

It is currently not the case, as many rural and remote communities are underserved by Internet technologies. According to the latest data, 45% of households in rural and remote areas had access to the CRTC's universal service objective by the end of 2019. While that's progress from the 41% who had access in 2018, far too many households are being challenged by poor Internet connections.

To help resolve this unfortunate reality, the Commission launched the CRTC broadband fund to improve services in rural and remote regions that lack an acceptable level of access.

The \$750 million fund—spread over five years—is designed to help build or upgrade access and transport infrastructure to provide fixed and mobile wireless broadband Internet service in underserved areas. The key word here is “help”. The fund is a complement to existing and future private investment and public funding.

Up to 10% of the annual amount will be aimed at satellite-dependent communities. Special consideration may also be given to projects in indigenous or official-language minority communities.

Our first call for applications was issued in June 2019. The call targeted the hardest-to-serve areas in the country: the territories and the satellite-dependent communities.

[*English*]

This past August, we announced the first recipients of this targeted funding. Five projects will share a total of \$72 million to improve Internet access for more than 10,000 households in 51 communities in the Northwest Territories and northern Manitoba. The majority of these communities are indigenous.

These projects will serve some of the most remote areas in Canada, where the geography and climate present unique challenges to providing broadband Internet access and mobile services. The prices committed to by the recipients must be maintained for at least five years after the infrastructure is built.

I'll finish, Madam Chair.

In terms of affordability, recipients must provide services at a price that is no higher than the broadband services provided by service providers in major urban areas in the same territory.

Would you like me to stop there? If so, we are available for questions.

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

Yes, you're a little over time, but I'm sure we'll be able to get some more information in the round of questions.

With that, I'm going to start with our first round of questions. MP Cumming, you have the floor for six minutes.

Mr. James Cumming (Edmonton Centre, CPC): Great, thank you, Madam Chair.

Thank you, witnesses, for appearing today on this very important issue.

First, I want to delve into the CRTC's decision on wholesale rates and subsequent to that, the ask by government to review those wholesale rates. Do you think you got it right in the first place?

Mr. Ian Scott: I cannot speak directly to matters that are currently in front of the commission. As members are aware, any commission decision can be appealed to the courts on questions of law or jurisdiction, and they can petition government in relation to policy concerns; the Telecommunications Act provides for that. We also have provisions for parties to appeal to the commission. They're called review and vary applications. That has been done. We have received such applications, and we are in the midst of reviewing and developing the full record, and will render a decision as soon as possible.

Mr. James Cumming: When do you expect that decision to come forth? Would “as soon as possible” be before the end of the year?

Mr. Ian Scott: I don't mean to be unhelpful, but we don't predict or signal exactly when a decision would be released. The record is complete in that proceeding. Staff is completing its analysis. Then members at a commission meeting will make a collective decision. We are well aware of the significance of the file. We are working as quickly as we can.

Mr. James Cumming: Is it unusual, given the amount of effort and time you put have into this area, for you to have to revisit this decision?

Mr. Ian Scott: This is a very fundamental decision. We receive many requests to review and vary decisions. Sometimes they are, if you will, larger and more important, more fundamental proceedings, but often it can be on more technical, narrow matters. We take all such applications and treat all of them similarly. We seek comment, develop the record and then make the best decision we can.

Mr. James Cumming: I want to move on to the broadband fund. You said that \$72 million has been allocated. You've closed the second round of applications.

Do you have any sense of what will be allocated through that second round as well? Are you on target to meet your goal of a \$100 million?

Mr. Ian Scott: With the target, it's not so much the latter point; it's not a question of the \$100 million being a target. That was what would be available in year one.

As to what's available, we set aside, if you will, or identify an amount that could be dedicated to satellite-dependent areas, predominantly in the north. The rest of the fund is obviously for all of Canada. We've received applications, as you indicated, for all parts of Canada. We are proceeding with our assessment of that second tranche, if you will, of applications right now. We will endeavour to get some decisions out as quickly as we can. In all likelihood, some projects will move in before others.

• (1115)

Mr. James Cumming: How is this fund different from the universal broadband fund, the Infrastructure Bank fund, the connect to innovate fund and the connecting families fund? We have a lot of funds going.

Do you have any comment on that? Is there much interaction between the various managers of all of these different funds trying to meet the goal of connecting Canadians?

Mr. Ian Scott: Thank you very much

[*Technical difficulty—Editor*] difference between the CRTC's fund and others. Unlike most government funds, which are part of the budget and are fundamentally based on taxpayers' contributions, this is a CRTC-administered fund, and the monies come from the industry, not directly from taxpayers.

The second distinguishing feature I suppose is that we are an arm's-length independent agency. We cannot and are not directed by government to make decisions. We make them at arm's-length; we're quasi-judicial and we make decisions that are in the public interest independent of government.

On the last point about co-operation or coordination, our quasi-judicial nature by definition means that there's a degree of separation, but we work closely, as much as we can, with government. I sit on a deputy ministerial level coordination committee and we share what information we can. We work closely with ISED and other departments. For example, we work with them to develop the mapping technology to track the progress, and we provide information that the department subsequently makes available on its websites of the projects under way and completed.

The Chair: Thank you very much.

Unfortunately, Mr. Cumming, you are out of time.

We now turn to MP Lambropoulos.

You have the floor for six minutes.

[*Translation*]

Ms. Emmanuella Lambropoulos (Saint-Laurent, Lib.): Thank you, Madam Chair.

My thanks to the witnesses from the CRTC for joining us today to help with our study.

I would like to ask you a question about competition. We know that the study we are conducting will look at how we can help Canadians to have more affordable fees. As part of your review of mobile wireless services announced in Telecom Notice of Consultation 2019-57, you held hearings to analyze competition in the marketplace.

According to the witnesses you heard from, between February and July, what policies could the CRTC implement to increase competition in the retail market?

Mr. Ian Scott: Thank you for the question, Ms. Lambropoulos.

If you don't mind, I will continue in English.

[*English*]

As I said a minute ago, on matters that are in front of us, I'm very limited in what I am able to say. As you pointed out in your question, we held a hearing earlier this year. We are doing a major and fundamental review of wireless. It does examine the state of competition and market power.

Following that we will address in an upcoming decision any remedies or solutions that are required to further ensure the affordability of wireless services.

[*Translation*]

Ms. Emmanuella Lambropoulos: Thank you very much.

[*English*]

Would you say that this is the best way to make rates more affordable?

Mr. Ian Scott: Generally speaking I would say that competition is the best way, not regulation. I think that members will probably know that cellular mobile rates have never been subject to retail rate regulation since they were introduced in the 1980s. There was always a degree of competition. Clearly we need to continue to get mobile rates down and make them more affordable, but I firmly believe that competition, a competitive market, is the best and most meaningful way to do so.

• (1120)

Ms. Emmanuella Lambropoulos: Thank you very much.

As you mentioned, in today's day and age, in order to fully participate in the economy we need to make sure that all Canadians have access to broadband, to wireless Internet, to good connectivity. You've also mentioned that you have five projects currently under way to ensure that an 10,000 extra households will get access to wireless Internet. That 10,000 is quite far from where we need to get, though I know that we can't fix everything in one night. I also know that the CRTC is funded by the government, but what other plans would you suggest in this situation to make sure that we get even more households connected?

Mr. Ian Scott: The five projects I referred to were the first projects awarded funding by the commission's broadband fund.

In response to the second call, which was for all of Canada, we have received almost 600 applications from all regions of the country. They add up to a total of \$1.5 billion. We have our work cut out for us. We are working quickly to assess those projects and we'll move forward. All of those are targeted areas that do not have acceptable levels of broadband service.

The short answer is that we have many projects in front of us and we will be approving further projects in the coming months on a regular basis.

Ms. Emmanuella Lambropoulos: Thank you.

The telecommunications companies are key to succeeding in making sure that all households have access to the Internet. I believe that the infrastructure that is already there because of these companies is what allows us to offer Internet services to many places, even those that don't necessarily have it yet.

How can we encourage telecom companies to continue to build infrastructure that would allow households in rural areas to get access to the Internet if we're also increasing competitiveness? How can we balance that, in your opinion?

Mr. Ian Scott: It's a good question. All questions are good; that's a particularly difficult question.

That's the challenge. First, I have to say that our broadband projects are targeted at areas where it's uneconomic and where there isn't a business case. Carriers or service providers need to have financial support to reach that objective of providing an appropriate level of service. That's the purpose of our fund.

In terms of how you encourage them to build and make an economic business case, you have to close the loop. It's usually a question of financing. That's what this fund and other government funds—provincial, federal and territorial—help accomplish.

Ms. Emmanuella Lambropoulos: Thank you so much.

Mr. Ian Scott: Thank you, Madam Chair.

The Chair: Thank you.

[*Translation*]

Let's continue with Mr. Lemire.

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

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

Mr. Scott, thank you for joining us. The presence of the the CRTC representatives is very important to us in the study we are conducting. I think you are part of the solution.

In 2016, the CRTC said that the Internet is an essential service. The CRTC is being asked to intervene to set wholesale rates to encourage healthy competition. That created a lot of reaction and discontent.

Why is the source of an essential service in private hands?

Wouldn't it be simpler for the CRTC or another public body to be responsible for wholesale service as proposed in the Yale report for mobile services?

Mr. Ian Scott: Thank you for the question, Mr. Lemire.

It's a very complex question, so I will continue in English.

• (1125)

[*English*]

Why is it in the hands of private providers? I suppose the starting point is because it always has been. That has been the industry structure. The role of the regulatory agency was to supervise and regulate private sector players in their provision, initially, of basic telecommunications service, and now broadband and wireless services as well.

To be sure, we have a modern and highly effective system. If you will, we are just the policemen; we are the regulator in this. It is not a focus on what is the best industry structure.

[*Translation*]

Mr. Sébastien Lemire: In that sense, Mr. Scott, if your power was not limited, what would be the best way to ensure that 100% of Quebecers and Canadians have access to affordable Internet services?

Mr. Ian Scott: It's...

I will continue in English.

I'm sorry.

[*English*]

How will we reach it? We will reach it by continuing the projects and the approach that we have embarked upon. The Government of Quebec has been highly active. The federal government and the CRTC are committing funds. It's all with the intention of moving as quickly as possible to ensure that all Québécois and all Canadians have access to an appropriate standard of service.

[*Translation*]

Mr. Sébastien Lemire: To pick up on what my colleague Mr. Cumming was saying earlier, we have the impression that everyone is full of good will and is doing their part: the departments in particular, as well as the Government of Quebec, which you have just named. However, the results in my region of Abitibi—Témiscamingue are very inconclusive.

Can you tell me if there is a body in charge of coordinating everything and providing an overall strategic vision?

[*English*]

Mr. Ian Scott: Yes, there is a common vision. The vision is clear, which is to bring an acceptable standard of service to all Canadians. In terms of coordination, I can speak only to the role of the CRTC. As I indicated, we work closely with government, as closely as we can given that we are quasi-judicial and operate at arm's length from government.

On technical matters and mapping, for example, in identifying areas that don't have service, we work closely together.

[*Translation*]

Mr. Sébastien Lemire: I am telling you that my concern is clearly the result, on the ground, in the houses, particularly in a region like mine. Let me continue.

In Telecom Regulatory Policy 2016-496, the CRTC proposes that Internet service providers, whose revenues reach a certain threshold determined by the CRTC, participate proportionately in the basic universal service objective by contributing to the CRTC's broadband fund to support the expansion of connectivity in underserved areas, which is under way.

Will the providers be identified by all of their activities, including all affiliate companies?

Mr. Ian Scott: Thank you, Mr. Lemire.

I'd like to ask my colleague to help me answer that question.

Ms. Doiron, would you help me, please?

Ms. Renée Doiron (Director, Broadband and Networking Engineering, Canadian Radio-television and Telecommunications Commission): Okay.

If I understand correctly, you're asking whether the affiliate companies of service providers whose revenue is over \$2 million are included in that \$2 million?

Mr. Sébastien Lemire: For example, in Abitibi—Témiscamingue, Bell is a major player that delegates to subsidiaries, such as Cablevision or Télébec, that belong to it, but that are in fact able to give excuses. If we make a complaint to customer service, even to Cablevision or Télébec, Bell ends up responding. That has consequences.

In your overall vision, when you think of Bell, do you think of its subsidiaries?

Ms. Renée Doiron: I think the simple answer is yes.

Mr. Sébastien Lemire: You think so. Okay.

In order to facilitate projects that deploy the Internet, don't you think it would be in everyone's interest for the CRTC to have explicit responsibility for managing databases on the operation and location of telecommunications networks?

Those databases would clarify the facilities and locations that would assist with interoperability and the deployment of new network facilities and fill connectivity gaps in rural and remote communities.

Can you explain to me what the basic universal service is and what the objectives are? Am I to understand that it is Internet access and connection speed? What will be the impact on the public?

• (1130)

Mr. Ian Scott: Ms. Doiron, do you want to continue?

Ms. Renée Doiron: I saw a yellow card.

The Chair: Yes, the time is up.

Perhaps you can answer that question in a future round.

[English]

We'll now move to MP Masse.

You have the floor for six minutes.

Mr. Brian Masse (Windsor West, NDP): Thank you, Madam Chair.

I'd be open to and would encourage some time of mine being used to have that question answered, please.

Mr. Ian Scott: I'm sorry. I've lost the thread. Could you repeat the question? Was it just in terms of whether the CRTC should be the sole source?

Mr. Brian Masse: Yes. It's following up on Monsieur Lemire's question, which I think you asked one of your assistants to answer.

Mr. Ian Scott: My colleague, yes.

I'm going to paraphrase, obviously—my apologies.

Whether it should all be in the hands of the CRTC, given it's our role, if that is the question you're looking to have a response to, I think it's a multi-faceted problem. I think a variety of approaches are desirable.

When we think, for example, about the CRTC's fund of \$750 million, if you were talking about a major infrastructure project, a very significant fibre build in the far north, for example, this single project would consume our entire fund.

I think some large projects might be better suited to having the Infrastructure Bank address them. Some are more suited to the government's universal broadband fund.

Our fund is focusing on where no one is receiving the basic service objective. A simple example is that if there's one person in the 25-square-kilometre hexagon, then it isn't eligible for our fund, but it is eligible for the broadband fund of ISSED.

Mr. Brian Masse: I think that's a very helpful answer. What I have seen over the years is program after program announced, and some being used, some not. You're the last stop. How long do we wait, and how long do you evaluate whether anybody will move on those areas before your fund will then be engaged? I think that's part of the challenge we have here—figuring out the pecking order, so to speak, of when an area might lose out on some private sector investment, some quasi...or maybe other government sector, like municipal or provincial investment to connect, and then you, or having no service. Do you have a model for this?

Mr. Ian Scott: I think the model that exists is directionally right. I don't know how to qualify that.

We focus on the most needy areas, if you will. We fill the gap.

Larger programs can focus on any number of things. I don't mean to repeat myself, but if you use the example of a megaproject, it might require funding from multiple provinces as well as from numerous departments of the federal government. I think you need different types of approaches to address a very large, complex problem.

I'm not sure that answers your question.

Mr. Brian Masse: It does. It's quite helpful. This is part of our challenge, we literally have a dog's breakfast rolling out across Canada. As we try to sort this out, even affordability becomes a challenge, too, because of the types of technologies involved.

When we're looking at the CRTC's current supports, how many files do you still have to have to make a decision on for this sector, whether it be regulatory, or affordability, or programs for protection, and then also decisions for laying out...? Do you even have a guess? I know you may not be able to provide that, but how many decisions do you have to make in this file?

Mr. Ian Scott: Are you talking specifically about the broadband fund, or are you talking about all the various matters?

Mr. Brian Masse: I'm talking about all the various matters.

Mr. Ian Scott: I have a weekly meeting with my direct report in relation to telecom. We have a two-page document in which go through the status report of the major files. I don't have it in front of me.

As a quick sampling, in addition to having almost 600 applications that we have to go through for broadband, we're in the midst of the wireless proceeding. As we've already discussed, we're also in the midst of a review on rates for third party Internet access. We recently launched a proceeding to look at the regulatory environment in the north, that of NorthwesTel. We have a proceeding under way to look at other factors that might slow the deployment of wireless and broadband service, to look at access to utility poles. It goes on and on. I don't want to use up your time, but we have many files in front of us.

• (1135)

Mr. Brian Masse: That's my concern. I think, quite frankly, you have impossible time frames. There needs to be some support for modernizing our approach.

A lot of investment decisions are held up because of the CRTC, not because of the fact that people aren't working there and you don't want to move files along. I have every confidence in your getting work done there. I think that given the fact that Canada wants to expand these services rather quickly—and I know that as New Democrats we've been saying this is an essential service, one that is even connected to people's basic rights—your task is insurmountable to roll it out properly and affordably within a few years with the resources provided.

I don't know if you want to comment on your budgetary resources, and you don't necessarily have to do that, but do you think you have the functions to do—

The Chair: My apologies, Mr. Masse. You're over time.

Mr. Ian Scott: Can I make one very quick response, Madam Chair?

The Chair: Very quickly.

Mr. Ian Scott: We do have the resources. In fact, we recover the cost of regulating from the carriers. Generally speaking, we do move reasonably briskly. We are referring to some unique processes.

The Chair: We'll now start our second round of questions, beginning with Mr. Nater for five minutes.

Mr. John Nater (Perth—Wellington, CPC): Thank you, Madam Chair, and thank you, Mr. Scott, for joining us this morning.

You mentioned there were about 600 applications in the second round. How many applications were submitted in the first round?

Mr. Ian Scott: I have to go to my notes, 15 or 16, I believe. Ms. Doiron, is that correct?

Ms. Renée Doiron: Correct, 15.

Mr. John Nater: Those were focused mainly on areas that are currently served by satellite. Of those 15 applications, were there other companies other than the single proponent that actually received funding, NorthwesTel?

Mr. Ian Scott: First of all, NorthwesTel did receive funding in four of the projects. There was another in northern Manitoba that was not NorthwesTel in those initial ones. NorthwesTel had some other applications, as did a number of other operators among those 15.

Mr. John Nater: You mentioned that you were working quickly to go through those 600 applications. Is there a timeline you've committed to, to have those applications adjudicated?

Mr. Ian Scott: No. Again, I hope it doesn't sound defensive, but we don't commit to timelines. Whether it is in assessing the broadband proposals, or whether it is on another file, going back to Mr. Masse's question, our process is to develop a record. We make sure that all parties have an opportunity to file with us, develop the record, and then we make the best decision. That takes, if you will, the time that it takes. We move as quickly as possible on the highest value projects.

Mr. John Nater: I appreciate that, and I'm not going to get into a debate, but the argument and the concerns we hear is that the time it takes to adjudicate puts us in a very tough position, especially for some smaller Internet service providers who simply don't have the time or resources to spend their time doing application after application, while waiting on applications for other applications.

Mr. Masse mentioned a dog's breakfast of different programs supporting broadband across the country. That's a great comparison, because, as Mr. Cumming mentioned, we have this vast array of programs—except your suggestion is that they do different things and focus on different areas. I agree with that in a sense, but at the same time, especially when we're talking about smaller service providers, they're spending massive resources and time doing applications for these different programs.

As a matter of principle, would it not be better if these were streamlined into a single window application, a single organization, a single minister accountable, rather than being spread out across these different programs?

• (1140)

Mr. Ian Scott: I can only speak to the CRTC's program, and I tried to distinguish earlier why ours is different. It's not a government program; it doesn't come from taxpayers' contributions to a budget. It is from the carriers, and we are quasi-judicial and arm's-length, so ours is different.

To your point, I'm a little confused if you're referring specifically to the broadband process. I'll give you an example. On ours, we took the time to develop an application guide that is very detailed in order to support and assist smaller players so that they wouldn't have to spend a ton of time figuring out how to apply. We really have spent a lot of time and effort to facilitate that process.

I hope that answers your question.

Mr. John Nater: Yes, it does to a degree, and I'm glad there are guidelines and guidance, but it's still time consuming for smaller operations to do multiple applications for different funds. I recognize you are different and apart, and I will leave it at that, because I do want to move on to another question.

How many BITS licences applications do you receive on an annual basis from new proponents?

Mr. Ian Scott: That's not information I have at hand, but there aren't many applications. They have to be renewed from time to time. Carriers that operate internationally have to have a BITS licence, but it's not a statistic I have at hand. If you would like, I can undertake to provide the committee with a number, but it's not large.

Mr. John Nater: It would be great if you could provide us with a number.

I see that my time is just about up, so maybe I'll ask if you could also provide us with a written response on how many new entrants there are in the broadband market generally on an annual basis.

Thank you, Madam Chair, as I see that I'm out of time.

Mr. Ian Scott: We'll try to answer that.

The Chair: Thank you very much.

Mr. Scott, if you could send that information to the clerk, he'll make sure that it circulates amongst the members.

Mr. Ian Scott: Yes, Madam Chair.

The Chair: Thank you.

We'll now turn to MP Ehsassi.

You have the floor for five minutes.

Mr. Ali Ehsassi (Willowdale, Lib.): Yes, thank you, Madam Chair.

I'd like to share my time with the member for Beaches—East York, please.

The Chair: Go ahead.

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

Mr. Scott, I recognize that you said you don't want to comment on the current wholesale rates proceeding. That's fair, but you did say that the record is complete in that proceeding. When I read the Federal Court of Appeal's decision that upholds the CRTC's decision overall, there is indication that the company did not provide company-specific information. Can you at least confirm that when you say the record is complete, the companies have finally come forward with company-specific information this year as had been requested?

Mr. Ian Scott: I think, with respect, that you may be conflating some different files, so let me just explain quickly. On the review and vary applications, we received a number of them both from what we used to call "telephone companies" and "cable operators". Then we open it up to comments from intervenors, the competitors typically, who then file their arguments. We have a complete record in the sense that there are no more submissions coming in on that, and we are in the course of examining it and will render a decision.

There's also a related proceeding in which we have a continuing process. It's called the "disaggregated access proceeding". There has been some public commentary and media coverage about an area where specific information was requested, and certain parties don't believe that cable operators provided the necessary information. That may be what you're referring to.

Mr. Nathaniel Erskine-Smith: I was referring to the productivity factor area of dispute. When the Federal Court of Appeal was walking through its analysis, the CRTC said "it is reasonable to expect that they have detailed company-specific equipment prices and capacities for traffic-driven equipment that they acquire on an annual basis", and that the companies had not provided the company-specific information.

Mr. Ian Scott: Sorry, I understand your question better. Pardon me for using up some of your time.

That was the court looking at our reasoning in the decision, and they upheld it.

• (1145)

Mr. Nathaniel Erskine-Smith: So have the companies provided the information that had initially been requested?

Mr. Ian Scott: The review and vary applications are not the same as what was in the original decision. They are arguing or addressing different issues and those same issues.

Mr. Nathaniel Erskine-Smith: When it comes to low-cost, data-only plans, in 2018 the CRTC identified a gap in the wireless market for lower-cost data-only plans. Two years later, the lowest-cost plan I can find for one gigabyte is \$28 through Virgin Mobile. Do you view that cost as low enough?

Mr. Ian Scott: If you want, I can go search for some metrics on what the current rates are; but again, I don't—

Mr. Nathaniel Erskine-Smith: Well, instead of doing that, I'll ask some specific questions, then.

Does the CRTC have an analysis of what basic data amount would be required if an individual were using it for basic browsing and VoIP services?

Mr. Ian Scott: There are lots of views on that. That was one of the issues that was certainly discussed in the wireless proceeding. A variety of groups—those arguing for particular targeted services and other stakeholders—have defined what they believe is a basic service, but there isn't a defined basic service by the commission, no.

Mr. Nathaniel Erskine-Smith: Right. Ought there not to be at some point? I mean, when you talk about a gap in the wireless market for lower costs, they don't have any plans. Unless you know what that basic service provision ought to be, how do you determine ultimately what should be made available?

Mr. Ian Scott: The competitive market determines what products are available. We're trying to ensure that the pricing for that service continues to go down as it has been. The gap—

Mr. Nathaniel Erskine-Smith: On that point, because I'm out of time, I want to get to that cost point.

Among these carriers, the best plan I saw was \$50 for 10 gigabytes from Freedom Mobile, but others were in the range of \$30 for one gigabyte. If, say, they were required to provide two or three gigabytes of data, what is the additional cost to the carriers of providing that? Are they at some capacity that they can't provide more? What is the additional cost to them if they were to say that poor Canadians who can't afford basic Internet service, basic mobile services, were to get three gigabytes instead of one gigabyte?

Mr. Ian Scott: Retail wireless rates are not based, in a regulatory sense, on cost. We don't rate regulate wireless rates, so I can't speak to what the delta would be....

Sorry, Madam Chair.

The Chair: My apologies.

Mr. Nathaniel Erskine-Smith: Thanks very much.

The Chair: We will now go to

[*Translation*]

Mr. Lemire.

You have the floor for two and a half minutes.

Mr. Sébastien Lemire: Thank you, Madam Chair.

Databases clarify who operates which facilities and where, help facilitate operations more generally, and assist in the development of new network facilities. In particular, they could help fill gaps in connectivity in rural and remote areas.

To facilitate Internet development projects, don't you think it would be in everyone's best interest for the CRTC to have an explicit responsibility to manage databases on the operation and location of telecommunications networks?

Mr. Ian Scott: Thank you for your question, Mr. Lemire.

[*English*]

You may know that we addressed this question, at least in part, in a submission to the expert panel that reported on last year. The issue of support structures is critical. The question of jurisdiction about them is complex, and frankly not something that the commission can decide. There are some complex constitutional issues involved. There are municipal rights involved. There isn't a simple answer.

Fundamentally, if you are asking if it's a problem that there are divided jurisdictions, it's a problem in the sense that you need multiple approvals and it takes long and it's complicated. It does slow down or is a barrier to deployment. We do have an open process that is looking at that issue.

[*Translation*]

Mr. Sébastien Lemire: Can you explain to me what a basic universal service is and what the objectives are?

Am I to understand that it's simply about Internet access and connection speed?

Mr. Ian Scott: That's generally it.

Mr. Sébastien Lemire: I would like to come back to my question about your remarks.

How can we ensure that the CRTC can promote a little more competition?

One of the issues in remote regions like mine, Abiti—Témiscamingue, is that it is impossible to have competitors.

How could you encourage more competitors?

• (1150)

Mr. Ian Scott: If I may, I'll answer your question in English, Mr. Lemire.

[*English*]

Generally speaking, the way we ensure or promote competition in areas where there is only one or a smaller number of providers is to allow resale, to allow access to third parties to then provide service using their facility.

I'm sorry, Madam Chair.

The Chair: Thank you so much.

Our next round of questions goes to MP Masse.

You have the floor for two and a half minutes.

Mr. Brian Masse: Thank you, Madam Chair.

I want to make sure my question is not taken out of context, because I think the regulator is critical for Canadians. When we've looked at the models that have been presented by the government over the years, the end result is that we have amongst the highest cost per gigabyte in the world. Is that not an indication that the regulation we have right now has not been sufficient in protecting consumers?

Mr. Ian Scott: Can I just ask quickly for a clarification? Are you talking now about wireless service?

Mr. Brian Masse: Yes, I'm talking in particular about wireless service. Again, this is more of a policy question than it is about putting blame on any particular component. It's more of a policy question. It's what we've got, at the end of the day, and I don't think what we've got right now is a good spot in terms of cost-effectiveness for Canadians.

Mr. Ian Scott: I'll try to answer quickly so that I don't use up your time. I think there are a couple of factors. One, comparisons are hard. I mean, there are just so many factors; we do need to look at them carefully.

You are right that we have higher prices. We also, though, have a very high standard of coverage: 98% of Canadians have access to LTE, the latest and most modern technology. That's not true in many of those countries, including our neighbours to the south. We have a problem about pricing and affordability. That is what we are focused on at the moment in our major review of wireless.

Mr. Brian Masse: Fair enough.

Do you believe, though, that there has been enough...? Here is the thing: Governments have collected over \$22 billion from spectrum auctions. Has that policy of collecting money and then trying to do smaller programs and services later been effective, or is CRTC of the opinion that our spectrum auction is more geared to actually covering Canadians and keeping prices lower than to actually taking in money and then hoping things work out later?

Mr. Ian Scott: The CRTC doesn't have a view about how the government should allocate funds in that sense.

I guess the important point in the question is that if you took \$22 billion from any source and directed it to the problem, obviously it would have a big impact, but it could have come from any source.

Mr. Brian Masse: Thank you for that.

Thank you, Madam Chair.

Thank you to the witnesses.

The Chair: Thank you.

Our next round of questions goes to MP Sloan.

You have the mike for five minutes.

Mr. Derek Sloan (Hastings—Lennox and Addington, CPC): That's great. I thought I had only two and a half, so that's perfect.

Perhaps I can summarize the August 29 decision. It may not be a perfect summary, but basically it was decided that the large carriers were overstating their costs or essentially gouging wholesale providers, and this decision corrected rates based on evidence, and ordered repayments for the past three years.

In that report you used the words "very disturbing".

I am just wondering, in regard to a decision like that, which I think is very important in the context of providing Internet service to Canadians, why not implement those rates now, even though you're doing a review on it?

I understand that while the case was before the Federal Court of Appeal, the court suspended the implementation of these rates, but since the Federal Court of Appeal has essentially confirmed those rates, why not put them in place now, pending the outcome of this review?

• (1155)

Mr. Ian Scott: Thank you for the question. I think it's important that I just quickly recharacterize what our decision is.

We had a large process whereby we received multiple submissions about what the correct costs were. We established interim rates while we deliberated on those, and ultimately we chose costs that resulted in reductions to the proposed costs filed by the incumbent companies. The interim rates, once they're made final, go back to the first point and parties are made whole. I just characterized it slightly differently.

As to the issue of why they're not in place, as you mentioned the courts had a stay until recently. In the applications for review and vary made to us, there were also requests for a stay. We didn't address those at the time because there was a stay imposed by the court. Once the court removed its stay, we had to consider those,

and based on the applications made before us, they met the test and we granted the stay until we finish our work.

Mr. Derek Sloan: Would it be true to say that the decision that was made in August, 2019, in terms of wholesale rates has never, in fact, had implementation in the real world?

Was there a time in which those rates were applied before the stays were put in place?

Mr. Ian Scott: The interim rates had been in place, and then the commission made rulings on final rates. Those final rates have not been put in place.

Mr. Derek Sloan: The decision in August, 2019 was an interim decision?

Mr. Ian Scott: No, the August, 2019 decision was on the proposed final rate.

Mr. Derek Sloan: Right, so they have not been implemented yet.

Mr. Ian Scott: No, because they went to the courts and obtained the stay, and then we granted a stay recently while we complete our review and vary application.

Mr. Derek Sloan: Right.

I want to ask you a further question.

You've mentioned a few times that the CRTC is a quasi-judicial, independent body. Your activities are subject to government direction through various ministers, including the Minister of Industry. In the press release by Minister Bains on August 15, he characterized the decision made in August, 2019—and I'm summarizing again—as not entirely correct in terms of the balancing act.

Would you guys at the CRTC look at that press release and view that as government direction, or is your decision-making process entirely independent of that relationship?

Mr. Ian Scott: Our decision-making process is always independent. The government has the power to review and vary a decision, or they could send it back for reconsideration. The order in council that was issued at that time didn't do so. It acknowledged that the matter was in front of the CRTC, and it is, and we're continuing our work.

Mr. Derek Sloan: What he released at that time essentially has no bearing on the decision-making process that you're undergoing right now.

Mr. Ian Scott: We rely on the record of proceedings, so we have received applications for review and vary. We have received comments or submissions from other parties. That is the basis upon which we will make our decision.

Mr. Derek Sloan: Okay. I appreciate that. Thank you.

I'm done, Madam Chair.

The Chair: Thank you very much, MP Sloan.

Our last round will go to MP Ehsassi.

You have the floor for five minutes.

Mr. Ali Ehsassi: Thank you, Madam Chair.

Thank you, Mr. Scott. This has been very helpful.

The first question I have, Mr. Scott, is on the last little while—the last decade, at least—when we've seen many low-cost operators enter the market. After some time, they've been gobbled up by the big telcos. Would you care to comment on that phenomenon and advise us as to whether there is a solution to that?

Mr. Ian Scott: I'm not sure which market segment you're referring to. I guess in the largest sense it's a pretty normal process, in that businesses may launch but they may not have either the financial wherewithal or the economic stamina, if you will, to make it in the longer run.

I think, for example, of someone who's engaging simply in arbitrage. It may be that when prices come down, they no longer have a sufficient margin within which to operate, and the business becomes more difficult. We don't have responsibility for reviewing market concentration in the sense of, for example, the Competition Bureau, which looks at mergers and acquisitions. We don't review mergers and acquisitions unless they had a fundamental impact or they related to Canadian ownership.

• (1200)

Mr. Ali Ehsassi: Thank you for that.

There's another question that I had. Insofar as connectivity is concerned, there appears to be a lot of potential in using satellites. What would you say about the use of satellites to ensure that more Canadians are connected?

Mr. Ian Scott: Satellites play a very large role today, perhaps unnoticed or unappreciated, I guess, and they are all what are called geostationary satellites. They do provide service. Today, they provide television, telecommunications, GPS and so on.

A lot of the discussion today is about the low-earth orbit proposals or the systems that are being built. Indeed, they hold a great deal of promise, as they are a substitute for fibre and can provide low latency and high throughput services to individuals who aren't close to the traditional points of presence of telecommunications providers.

Mr. Ali Ehsassi: Thank you for that.

Late last year, the CRTC launched a survey asking Canadians about mobile wireless services. Could you share with this committee what were some of the principal findings of that survey?

Mr. Ian Scott: I think the survey you're referring to is probably the one we conducted in the context of the current wireless proceeding, and the survey results are part of the record of that, along with the public hearing that we held in February and, I would say, thousands of pages of submissions. All of that is part of our current review, that file that is in front of us, as I mentioned earlier.

Mr. Ali Ehsassi: Is there anything in particular you would like to say about the exercise that maybe came to light?

Mr. Ian Scott: If you're asking me to characterize, if you will, what Canadians think about wireless service generally speaking,

they'd like it cheaper. They'd like more gigabytes of capacity for less money, as would I, as I'm sure all of you would.

Mr. Ali Ehsassi: Absolutely. That's a great segue to the next question I had, which was in regard to the affordability tracker.

How would you assess the affordability tracker?

Mr. Ian Scott: I'm not sure what you mean by “tracker” in that context. Could you explain please?

Mr. Ali Ehsassi: It's my understanding that there is this new instrument to try to quantify affordability for Canadians.

Mr. Ian Scott: The commission regularly receives filings and tracks all manner of telecommunications statistics. We do so in co-operation with Statistics Canada. And the industry department, ISED, also has developed a system for tracking the prices of wireless in relation to their policy framework that asks the carriers to reduce their rates by 25%. That's not part of the CRTC's role.

Mr. Ali Ehsassi: Last question. One of my constituents actually put this to me a few weeks ago. Why does it appear that the CRTC actually does a more robust job of regulating cable companies than it does mobile services?

The Chair: A quick response please, you're out of time.

Mr. Ian Scott: I would simply say it's not the case. We regulate everyone as required, not one group or group of companies more robustly than others. We always try to regulate in the public interest and we deal with problems as they arise.

Mr. Ali Ehsassi: Thank you, Mr. Scott.

The Chair: Thank you very much.

That ends our first panel. I would like to thank you, Mr. Scott, and your two directors for being with us this morning. What we'll do is we'll suspend momentarily so that we can get the next panel on board. With that I will just suspend momentarily.

• (1200)

(Pause)

• (1210)

The Chair: We will come back to order.

We'll start with the other two witnesses' presentations and then we'll go to Mr. Rafferty for the third presentation so that we don't delay. With us today we have from the CNIB, Mr. John M. Rafferty; from the Competitive Network Operators of Canada, Mr. Matt Stein, and Mr. Geoff White; and from OpenMedia, Ms. Laura Tribe and Ms. Erin Knight.

We will start with the Competitive Network Operators of Canada.

You will be able to present for five minutes and the floor is yours.

Mr. Matt Stein (President and Chief Executive Officer, Competitive Network Operators of Canada (CNOc)): My apologies in advance. I was told that I had seven minutes, so I will go as quickly as I can.

I'm Matt Stein, president and chair of the Competitive Network Operators of Canada, or CNOc, the industry association for the competitive side of the telecommunications industry. It's the side of the industry that brings Internet to the homes of over 5 million Canadians.

CNOc's mission is to increase the level of competitive choice, add value and boost innovation in the delivery of communication services to Canadians. Additionally, I am the CEO of Distributel, one of the largest independent ISPs in the country, although my comments today are for CNOc.

Also appearing with me is Geoff White, director of legal and regulatory affairs for CNOc.

The Internet is an essential service. That's never been more evident. At the same time, large Canadian telecom companies have never been more powerful or less accountable. When it comes to pricing, it's no secret: Canadians pay some of the highest prices in the world. Perhaps then it should really be no surprise that Canada is also home to three of the most profitable telecom companies in the world.

Are Canadians getting what they need in terms of speed, packages, pricing, services, customer service and otherwise? The simple answer is no. The CNOc member companies, which are investors and job creators, use the mandated wholesale access to large carrier networks to compete with the big former monopolies on price, quality and customer service. We do this by paying rates set by the CRTC and which the CRTC determines based on the underlying costs, plus a fair and reasonable markup, which ensures that big carriers continue to earn a profit even when it is our members that load customers on to the network rather than their own retail operations. Our customers love us and more Canadians would, if they could turn to us, because of the way that we do business.

Smaller competitors have been a key part of the Canadian telecommunications landscape since the government started allowing competition against the former provincial monopolies. The current government and previous ones, as well as the CRTC, have recognized that without smaller competitors, the large carriers would have too much market power, resulting in higher prices, lower innovation and poor customer service. In fact, the current government, in its 2019 policy direction as well as during the last campaign, committed to make competition a key pillar of its commitment to affordability and innovation in Canadian telecom, helping the middle class move forward.

While the CRTC has, over the years, put in place several measures to facilitate competition, the incumbent carriers have put so much pressure on the system through lawyering and lobbying that today competition hangs on by a thread. Whenever the CRTC delivers a decision they don't like, the incumbents protest and wait for the last minute to appeal—not because of doing what's right, but to

create a delay, because a delay is a win. Every day of a delay is another day of acting without being kept in check by competition.

I want to briefly outline a very timely example of that was discussed at this very committee earlier in the week.

As you're aware, the CRTC's decision of August 2019 set final rates for high-speed services. When they did so, it said that the rates that we, the independents, had been paying the incumbents for years were, in many instances, 73% too high. It corrected the rates accordingly. It also ordered the incumbents to repay years of the overcharging—just as the CRTC warned them they would do in 2016—to the tune of \$325 million. To underscore that, it was \$325 million that the big phone and cable companies had overcharged small and medium businesses across the country for years.

As a result, competitors took swift action and lowered prices, raised speeds and improved their packages. Not surprisingly, the incumbents took that to the Federal Court of Appeal, as was just discussed earlier today. Why not? The risk of delay is nil to them. Today, small competitors are still paying the old, inflated rates and cannot access the millions of dollars of refunds that they're entitled to.

If the CRTC's final rates—or corrected rates—were in place, overcharges would have been repaid. I guarantee that competitive service providers would already be hard at work innovating, lowering prices and investing in affordable access for Canadians.

We were confident that the CRTC was going to stand by that decision, but something the Governor in Council did in August really concerns us. Although it didn't send the decision back, it did take the unprecedented step of adding some strange language to the preamble, which seemed to question whether an investment balance had been struck despite the fact that the CRTC's process, by definition, takes that in account not only by considering investment, but also by requiring a fair and reasonable return. Because of that, we're now very concerned that the government might be backing away from its commitment to Canadians. The actions of the CRTC are not enough if the government does not stand behind its work with the support it needs.

• (1215)

Finally, the best investment that could be made in Canadian telecom affordability right now does not originate from government coffers. It originates from a reaffirmation from the current government of the role competitive service providers play in delivering on the goals of competition, affordability and innovation, and letting the CRTC do its work. Canadians deserve better.

I'm happy to answer any questions you may have. Thank you. I apologize for going over time.

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

I have a reminder to the witnesses, as I'm not sure that you were here at the beginning. The yellow card means that you have 30 seconds remaining and the red card means that you're out of time.

With that, we will turn to OpenMedia. You have the floor for five minutes.

Ms. Erin Knight (Digital Campaigner, OpenMedia): Thank you.

I also was under the impression that we had seven minutes, so I'll try to do my best to fit it in five.

Good afternoon, my name is Erin Knight. I lead OpenMedia's work on Internet affordability and accessibility, and I'm joined here today by our executive director Laura Tribe.

First, I am speaking to you today from Calgary as a guest on the traditional territories of the Blackfoot Confederacy—the Siksika, Piikani and Kainai Nations—the Stoney Nakoda, and the Tsuut'ina Nation. This area is also situated on the homeland of the Métis Nation.

OpenMedia last testified before this committee in May, and on closing the digital divide, we said, in effect, “Do it now. Do it right and don't leave anyone out.” Almost half a year later, Canada's digital divide has actually gotten worse. While the universal broadband fund shows great promise in getting a substantial number of rural households connected to higher speeds by the end of 2021, the government's inaction during the first seven months of the pandemic made certain that, on average, rural and remote Canadians are no better connected today than they were in March.

According to recent data from the Canadian Internet Registration Authority, rural Internet speeds have remained stagnant throughout the pandemic while urban speeds have significantly increased. On average, urban Internet users now see speeds 10 times faster than rural users. The digital divide has deepened simply by a failure to act. In the spring, emergency COVID-19 policies from Canada's ISPs were a positive measure that truly helped people. These policies granted customers freedom from overage charges and the fear of disconnection for missed payments. The majority of these reprieves, however, have now been gone for months. The government took no action to share the burden of these supports or ensure that they would last until the pandemic crisis was over.

We're now seeing second-wave lockdowns all around us. Just this week, Alberta sent every student from grades seven to 12 home for remote learning until the end of the year. We know that not every student can afford an adequate home Internet connection that supports this, but the government still has not stepped up to help people struggling to pay their telecom bills.

In our May testimony we shared that one in 10 people in Canada does not have Internet at home, many of them due to the high cost of plans. Since then, Internet prices in Canada have actually gotten worse. Cabinet's decision in the wholesale Internet rates' appeal this August directly led to higher retail prices from smaller Internet providers who are struggling to stay alive. All this to say, five months since we last testified, the government's actions have been a far cry from, “Do it now. Do it right and don't leave anyone out.” It's clear that real action to improve the affordability and accessibil-

ity of telecommunication services in Canada could not come at a more crucial time. But if this attempt to close the digital divide is going to be any different from the countless others that we've tried before, we need to set a few things straight.

First, let's dispel the myth that access to an Internet connection is more important than how affordable that connection is. In reality, there are three main components to bridging the digital divide and they're all equal in importance: one, availability, a.k.a. infrastructure; two, quality of connection; and three, affordability. Is what exists accessible to those who live there? You can build it, even state-of-the-art, but until everyone in Canada, at any income level, can afford it, the digital divide will persist.

Second, let's dispel the myth that it's a good strategy to only focus on one of these three components at a time in a silo. We can't connect the country to quality Internet and then try to tackle the cost. They need to be addressed in tandem. Without affordability, there is no accessibility. For those who have access but can't afford it, when can they expect to start using the Internet? 2031? For rural residents, we can't afford to let their desire for access be used to support a one-option, one-provider, one high-price solution. We can't replicate the structural market competition problems we already have in new areas and just be happy that they're technically served. This is especially true for households that are served only by satellite plans.

Finally, let's dispel the myth that affordable Internet in Canada is out of reach. There are clear, simple things that could be done to improve the cost of Internet in this country. First, you need to support more competition. For both home Internet and cellphones, Canadians do not have enough choice. More competition is the ticket to lower prices. Every time a policy, funding announcement or regulatory decision supports the incumbents, you're helping to keep the Internet unaffordable. Second, do your part. Make sure your constituents know that they're eligible to apply for programs like the universal broadband fund, and support them in their applications. Hold big telecom to account in policies, platforms and testimony here regarding their price-gauging tactics and ever-increasing retail rates.

It's somewhat discouraging to be here talking about the digital divide when it's gotten worse since we were last here, but I remain optimistic that if we can work with urgency, the next time we meet we can be celebrating success.

Thank you. We look forward to your questions.

● (1220)

The Chair: Thank you.

We'll now turn to Mr. Rafferty, for five minutes.

Mr. John M. Rafferty (President and Chief Executive Officer, CNIB Foundation): Thank you very much, Madam Chair.

My name is John Rafferty. I'm the president and CEO of the Canadian National Institute for the Blind, best known as CNIB.

CNIB has been part of the Canadian landscape for over 100 years with a continuous mission to ensure inclusion and accessibility for all Canadians who are blind or partially sighted.

Currently, the Government of Canada data shows that there are 1.5 million Canadians living with sight loss. We have a long history of working with governments going back more than 90 years, advocating for the accessible voting act for Canadians who are blind, and working most recently with government across all disability sectors on Bill C-81, the Accessible Canada Act.

Today, we are here to talk about smart devices, affordability and access. Smart devices over the last five or six years have changed the way Canadians with disabilities are able to interact. With developers developing new applications all the time, a smart device can allow me to navigate safely in the physical environment. It can allow me to read prescriptions when I can't see and safely take medications. It can keep my connected the way it keeps others connected. These devices and applications are about a person being able to interact in the community.

In areas of education and employment, access to high-speed data and affordable plans are more important. For Canadians who are blind or partially sighted, with a full-time employment rate of just 28%, affordability of data is critical. These devices may be smart, but if they're not connected, they really are not. More and more, now is the time for us to look at closing this gap. We are looking at addressing issues related to applications that are there for the safety of individuals who are blind or partially sighted, and to even consider looking at applications that should be exempt from data charges at all.

We urge this committee to take a look at affordability, access for both rural and remote Canadians, and also for all Canadians with disabilities.

I look forward to questions you may have.

The Chair: My apologies to the witnesses for the constraint in time. If you would like to submit to the clerk your full speech, or any other brief, please feel free to do so. He'll circulate it to the committee members.

We'll now start our first round of questions with Mr. Dreeshen for six minutes.

• (1225)

Mr. Earl Dreeshen (Red Deer—Mountain View, CPC): Thank you very much, Madam Chair. To the witnesses, we appreciate your being here today.

We're discussing the accessibility and affordability of our Internet. Those in high density areas look at affordability, and those in rural and remote areas look at accessibility. With my apologies to the second last speaker, Erin, costs are important, as well. When

you have no service, that's when you start looking at anything to keep things going.

I had mentioned earlier that my Internet service dropped twice this morning from a little bit of snow and so on. Within 20 miles of Highway 2, here in Alberta, I will lose cellphone coverage twice. That's the sort of thing we have. That's one of the reasons why it would be important to look at something new for us for the future.

Certainly, there is concern about some of the comments that were made about no business case for service in rural and remote areas. One of the discussions we had was about satellite broadband and that it, too, is going to have some major issues.

My question is for Mr. Stein. You've been looking at wholesale rights by the CRTC. You've looked at the costs and profits associated with this.

What is the business case you see as far as satellite service is concerned? Will there be a time when satellite service will be able to put enough pressure on major telecoms' pricing to become more reasonable, in line with what we would see in other parts of the world?

The Chair: You're still on mute.

Mr. Matt Stein: That would be my technology background shining through.

I would say that based on what we understand and what we see of satellite technology, to truly compete with the kinds of speeds of 5G, or even more importantly of fibre, it's going to be a long time before that brings the kind of competition that would be required to truly drive down prices.

It will be a great technology to very widely offer and meet some of the basic service objectives, but we will certainly not get the kinds of speeds that Canadians would expect in more densely populated areas and that, in fact, I think all Canadians should ultimately get.

Mr. Earl Dreeshen: Thank you.

Again, one of the major issues, and perhaps you can comment on this because the CRTC decision we thought had been made to give some opportunity for the small providers to be able to be engaged—and you spoke about the telecoms, the lobbying and delay that's associated with it—wasn't really what we heard from the minister.

Could you give us a feel for where it's going in the future? Will we continue to see these kinds of pressures being put on the government and the minister when it comes to decisions as far as rates are concerned.

Mr. Matt Stein: At this point I would obviously be speculating, but we can look at the history quite easily and say that it's been a recurring theme, and it's only been ramping up and getting worse. Whenever the incumbents see something they don't like, which is a lot, they race to appeal. This time they appealed to the CRTC, the government and the Federal Court of Appeal all at the same time.

Earlier today when the chair of the CRTC referred to the fact that the final rates were never even implemented, the only reason is that it took less than the 30-day implementation period for all three of those appeal avenues to be kicked off.

I don't see that getting better any time soon, unfortunately, because as I said earlier, a delay is a win, so if they can't win, they're going to try to delay.

Mr. Earl Dreeshen: Thank you.

Ms. Knight, you had spoken of one of your major concerns being, doing it now and doing it right, and not leaving anyone behind. You also indicated that cabinet decisions have been a far cry from that.

Again, I'm a former high school teacher. I think about all of the grade 7 to 12s who are now going to be back in the virtual learning mode here in Alberta. I'm just wondering if you find that there are avenues for you to put pressure on, or are you being blocked as you attempt to get your position heard?

• (1230)

Ms. Erin Knight: Do you mind rephrasing the question? I'm not sure I quite understand what you'd like me to answer.

Mr. Earl Dreeshen: Right now, as you had mentioned, the cabinet decisions have been a far cry from what you had suggested, so my point is—and, again, as we see the need for remote access and for communities and families to be able to have something—are you seeing barriers that have been put in your way to be able to get the ear of government?

Ms. Erin Knight: What we're hearing from folks like the parents of those kids who are at home right now, learning remotely, is that they're not sure when they're actually going to be brought online or brought online through affordable Internet.

I see that my red card is up, but apologies for that. We can address it later.

Mr. Earl Dreeshen: Thank you very much.

The Chair: Thank you very much.

Our next round of questions goes to MP Jaczek.

You have the floor for six minutes.

Ms. Helena Jaczek (Markham—Stouffville, Lib.): Thank you very much, Madam Chair.

Thank you to all of the witnesses. Your testimony today has been illuminating.

I would like to start with Mr. Stein.

You've clearly delineated the issues that have occurred with the big telecoms appealing within the 30 days, and that there is thus a delay and that delay is very important.

Could you, or perhaps your legal counsel, give us some practical recommendations on what that government might be able to put in place by way of a stronger mandate for the CRTC, some sort of regulatory change that would allow them to actually achieve what we heard from Mr. Scott that they want to achieve without this type of delay? Do you have some practical suggestions that could be implemented to avoid what you have described?

Mr. Matt Stein: I have one, and then I am going to turn it over to Geoff White, our legal counsel.

Number one, I would say, is to support the CRTC and to do so quickly. For the last OIC, the government released the order in council 365 days after the application, to the day, and if the answer was ultimately going to be, no, we're not going to vary this because it's already under review by the CRTC...it was under review on day 39 or something like that. It could have been, number one, a very quick response that "we're not going to review it and we support the CRTC on this" and really drive it forward that way.

I'm going to head it over to Geoff for a more fulsome response.

Mr. Geoff White (Director, Legal and Regulatory Affairs, Competitive Network Operators of Canada (CNOC)): Good day.

Yes, it's ultimately a question of political will. The current government has been clear that its stated priorities are competition, affordability, consumer interest and innovation. The current government and previous governments have recognized the strong role that wholesale competitors bring to this market.

The legislative regime has various routes of appeal that are allowed, but ultimately they're being gamed, and part of the challenge is lobbying. There is actually one aspect of it, in the sense that smaller providers and CNOC members are getting out-lobbied at every step of the game.

There is also, we suspect, a number of ex parte communications going on with the regulator. Bringing more transparency to the lobbying activities and ex parte communications with the regulator might be a way to shed some light on that, but ultimately, this issue of delays at the CRTC and then delays in being held up in court can be remedied simply through political will, if it's there.

Ms. Helena Jaczek: Thank you. I'm delighted to say that nobody's bothered to lobby me.

I would like to address my next question to Ms. Knight.

I looked at some of the briefing notes that are very well put together by our Library of Parliament, and there there was reference to the "Internet Code". This is something that the CRTC has put in place. It seems extremely well intentioned.

The Internet code protects Canadians who subscribe to Internet services. It tries to cover:

Easy to understand contracts
 Clearer information about prices
 Bill shock protection
 Greater flexibility

In terms of what you know about its application, this was introduced in the early part of 2020, and I believe Bell has already asked to have and has received a delay in its application to them. Are you aware, on the part of consumers, if this has been helpful? Is there anything you could say about this and the impact it's having?

• (1235)

Ms. Erin Knight: I will let my executive director Laura speak to this.

I will second what Mr. Stein has said about the delays being a win, and that's certainly a part of this.

Laura, you can continue from here.

Ms. Laura Tribe (Executive Director, OpenMedia): Thanks.

I think the Internet code of conduct has been very helpful in providing guiding principles as to what customers should expect, but very similarly to things like the wireless code of conduct, I think they are guidelines that are not really being enforced to the extent that customers might like. They are not aware of either how the code should be serving them or what to do if they think it has been violated and they have not been treated in the way that they should be.

Even more problematically, we've seen systemically for years reports from customers—but also verified by the CRTC—that there have been misleading and aggressive sales tactics by these companies, which would very clearly violate these codes of conduct, yet with no clear remedies for these systemic solutions and all of them really being directed at individual customers being able to file complaints about their own individual experiences, it doesn't really get at the core heart of the problem of those systemic abuses.

Ms. Helena Jaczek: Would you recommend that there be some sort of enforcement mechanism, potentially, in terms of ensuring that the follow-up is done by the CRTC, with remedies or fines or some way to ensure that it is effective?

Ms. Laura Tribe: I see we're almost out of time, so in short I would say all of the above. I think we need to see stronger penalties—including financial—for the companies, but really for customers not to have to track every violation they see individually and have to be able to be their own lawyers and to see the system correcting itself on behalf of customers and protecting them better.

The Chair: Thank you very much.

[*Translation*]

It is Mr. Lemire's turn.

You have six minutes.

Mr. Sébastien Lemire: Thank you, Madam Chair.

I too noted the phrase “a delay is a win”, Mr. Stein. I am definitely seeing this, particularly in my region, Abitibi—Témiscamingue, given the issues at stake for Bell and its subsidiaries Cablevision

and Télébec. There's a conflict with Vidéotron, but it could have an impact on all the small providers in the area.

I have a question for you.

Do you think that the CRTC could play a role other than regulation? Could it manage the wholesale, among other things?

[*English*]

Mr. Matt Stein: I will turn it over to Geoff to speak to certain ramifications or the limits of the CRTC with regard to the telecom act, but we have found that, for the most part, when we approach the CRTC for disputes such as those, these take a long time to resolve. The process is very complicated and the CRTC is reluctant to sort of point out the obvious. I'll even give a recent example, although it is broader than just your riding. It happened during the early stage of the pandemic.

When we approached the CRTC and said there is a problem, because we don't have the capacity and need help, and approached the government through ISED, we were told, “Work with the big carriers. I'm sure that you guys will be able to figure this out.” The fact of the matter is that we can't work with the big carriers, because they will do everything they can to prevent us from existing, and in doing so, stopping competition.

So, unfortunately, I don't have much hope that the CRTC can weigh in on things like that as fast as required to preserve competition.

[*Translation*]

Mr. Sébastien Lemire: Consequently, do you think wholesalers should be separated from distributors to prevent a company from giving itself an advantage, for example?

[*English*]

Mr. Matt Stein: I'm sorry, could you repeat the question?

[*Translation*]

Mr. Sébastien Lemire: Do you think wholesalers should be separated from distributors to prevent a company from deciding to give itself an advantage?

[*English*]

Mr. Geoff White: Thank you for your question, sir—

Mr. Matt Stein: Well, yes. If we can't rely on regulation—and I've spoken about this recently—and the regulatory regimes that exist today to preserve competition, the next step is not to give up and say, “I guess regulation doesn't work to preserve competition.” The next step is to move towards what you're referring to, I believe, which is structural separation, where there is a separation of the operations divisions and the retail arms of the large incumbent carriers. We've seen this in other parts of the world as well.

I think that Geoff White, my associate, has something to say on the matter as well.

• (1240)

Mr. Geoff White: Right. Structural separation is certainly a remedy worth exploring, given some of the real-time examples we're facing.

Sir, you mentioned Abitibi. One of the CNOC members, Ebox, has been having great difficulty trying to access the wholesale service of Cablevision du Nord, which is a Bell subsidiary. There is a wholesale regime in place. Ebox signed up its first two customers on October 27, promising to offer prices at a 50% discount to what the incumbent is offering, but Cablevision, the Bell subsidiary, is dragging its feet and causing delay after delay.

That's the impact right there with the system and the delaying that went on, but the CNOC members, the smaller competitors, use that access, which is very well recognized by the government, as a legitimate means to bring down prices. It's just a question, though, of making sure that the regulator is responsive to what's happening and that the government stands behind it, saying that smaller competitors are a tool for serving Canadians and giving them what they deserve.

[Translation]

Mr. Sébastien Lemire: You are talking about regulations.

Do you also believe that Canada's funding programs favour the three large private companies and, consequently, disadvantage local distributors?

[English]

Mr. Geoff White: If the question is about funding and whether, if I understand it correctly, it favours the larger enterprises, I think the answer is yes, simply by virtue of the scale they have. The scale they have is by virtue of the historical monopolies they were given by the government and head starts on access to spectrum at a considerable scale. The broadband fund doesn't require wholesalers, the big players, to share their networks, which is unfortunate, because if you could provide wholesale access, you could deliver competition and choice even for Canadians who live in rural or remote areas. We suggest to you that they don't deserve second-class treatment. They deserve the same level of customer service and competition that Canadians in denser areas deserve.

[Translation]

Mr. Sébastien Lemire: Given the delays in interpretation, I would like to ask one last question.

In your opinion, how can we manage to connect 100% of Canadians and Quebecers at affordable costs?

What should the ideal overall connection scheme look like?

In other words, if you were in the CRTC's shoes and you were in charge of regulations, or if you had control over the overall scheme, how could we ensure that 100% of Quebecers and Canadians have access to the system at affordable costs?

There are two parts to my question: accessibility and affordability.

[English]

Mr. Geoff White: It's a tool that the government and its regulator, the CRTC, have at their disposal to help Canadians who routinely complain about the affordability and price of customer service. It's standing behind the role of competition and allowing mandated wholesale access to cost-based rates plus a reasonable markup. That's the solution for our universal affordable connectivity.

The Chair: Thank you very much.

Our next round of questions goes to MP Masse for six minutes.

Mr. Brian Masse: Thank you, Madam Chair.

Obviously with COVID-19, public awareness about inclusion and so forth has heightened, but as the NDP critic for industry for a long period of time, I've held to three major principles that I think are important. I think they're also important for moving the general public this way.

First of all, accessibility and affordability need to be the same. There's no point in having one or the other. That is supported by the structure of using public airways or public land, which is a privilege not a right. That's the public entity we have at our disposal to keep Canadians connected.

I also believe that being connected in an affordable and accessible way is an essential service for Canadians.

Lastly I believe in a digital bill of rights; it's part of your human rights and it's part of your connectivity to society in a wholesome way. I spoke about this with the recent tabling of the changes to our Privacy Act.

I would like our guests to comment on that. You can disagree. That's great. But if you don't, what do you think of that? I think there needs to be a paradigm shift in how we approach this, because we control the regulator. We have the assets, being the public space, being the spectrum or having grand access to the use of materials and goods and services to put fibre optics in towers and so forth. But at the end of the day, we're building a dog's breakfast of a system; it has winners and losers.

Maybe we start with the CNIB and then ask each witness for a comment, please.

• (1245)

Mr. John M. Rafferty: While I'm very interested in the answers being given by the other witnesses here, I think it's important to recognize that more than six million Canadians are living with a disability and more than one and a half million Canadians are blind or partially sighted.

This isn't just about connectivity in rural and remote areas, which is highly critical. There are as many people living with disabilities proportionately in rural communities as in urban communities. It is about right to access. We are solving issues of inclusion using technology today and then taking it away from people, as opposed to allowing them to have proper access to it.

I think we need to address all of the issues for students from grade 7 to 12 in Alberta who have been sent home who have a disability and who live with high levels of poverty and whose parents are trying to support their education at home. It's not just connecting people in rural and remote areas. It is a complex issue. I want to make sure that the voice of those with disabilities stays loud and prominent when you are having the debate about access, because they are not a subset of the community; they are a large portion of our communities.

Mr. Brian Masse: Full disclosure: I am a former member of the CNIB board of directors.

At any rate, to our next witness, please.

Mr. Matt Stein: Sure. While bridging Canada's digital divide is extremely important, we realize that connecting rural and remote communities will not be cheap. Funding made available through things like the universal broadband fund is so important and is still the best investment the government can make to ensure that all Canadians get connected.

While I appreciate the linkage, connectivity or accessibility and affordability are distinct issues. There is no reason that accessibility should ever come at the expense of competitors who offer the only real alternative to the big incumbents and provide fantastic customer service and lower prices coast to coast.

Mr. Brian Masse: Thank you.

OpenMedia, please.

Ms. Laura Tribe: I think you are right that we need a paradigm shift around this, but I think it's also well under way. This is the second time we've been invited to speak before this committee this year about the need for connectivity and bridging the digital divide in Canada. I think the conversation has shifted. We understand that the Internet is essential. I don't think there's anyone here who disagrees. I think, really, we just need to figure out how to move forward and make it happen.

When we look at issues like spectrum, the spectrum in Canada has largely been licensed. People have paid for those licences, but that doesn't mean everyone has access to cellphone services in their areas. There are large areas where it's not being deployed. I think looking at things like "use it or lose it" policies, to make sure those areas have access to that spectrum, if they're not being served, is put forward.... I think looking at a number of other solutions, including supporting choice and supporting affordability, will help us step beyond trying to have the conversation around "if" we need the Internet and really getting concrete around "how" to make it happen, as quickly and effectively as possible, in those areas that don't have it.

Mr. Brian Masse: Mr. White, I think you have your hand up.

Mr. Geoff White: If I may, Mr. Masse, the current state of affairs is a dog's breakfast, lunch, dinner and bedtime snack in terms of the current mess we're in with the overarching regulatory framework. That's largely the result of lawyering, lobbying and delaying.

If we go back to basics, though, the Telecommunications Act contains two provisions that have stood the test of time: just and reasonable rates and no unjust discrimination. Those are your bedrock principles on which we can go forward without a paradigm

shift. Telecommunications has always been regulated because it's utility-like, and to this day it's an essential utility-like service. On that basis, with some political will to back that fundamental foundation, with the recognized role of wholesale providers as a regulatory trade-off in respect of the large size of the incumbents, I think you can get to where you need to go for Canadians.

• (1250)

Mr. Brian Masse: Thank you.

I see the red card, Madam Chair.

Thank you to the witnesses.

The Chair: Thank you very much.

Seeing as we're a little tight on time, I'll start the second round and give each party an opportunity to have a slot.

We will start with MP Sloan.

You have the floor for five minutes.

Mr. Derek Sloan: Thank you so much.

I'm going to pose what I hope will be a catch-all summary question to anyone who wants to answer. Some concerns that have been raised to me by local ISPs in my riding are along the lines that we have an overinflation of wholesale costs. Then apparently the big telcos have been providing Internet services at rates that undercut their own wholesale rates. Local ISPs feel that basically what they're trying to do is destroy competition. One independent ISP, TekSavvy, actually filed a formal complaint with the Competition Bureau detailing how large carriers have deviated from CRTC costing rules to grossly inflate wholesale rates for competitors, while at the same time offering retail prices below the wholesale costs. If someone could comment on that, that would be great.

I guess the question I have is this: Would the implementation of the August 2019 wholesale rates in a quick and effective manner solve this, and how do we get to the bottom of this? Could you comment on whether you believe the large telcos are trying to literally destroy competition? Furthermore, is implementing the August 2019 decision the answer to this?

That's for whoever wants to take it.

Mr. Matt Stein: I'll take that one.

The large telcos have said they would like to destroy the small competitors. That's not really a surprise. They're not too fond of us, as you're well aware. In fact, it's also true that when the interim rates are set, the way that works is that there is a recommended rate by the big telco. That's accepted by the CRTC. As the chair just said to you, ultimately when it's determined, the small, the independent, will be made whole. The corrected rate will be deployed, such as it was to be in CRTC order 2019-288, the decision that came out in August of last year.

It's important to understand that all the while, those large incumbents were, through their direct retail brands or their flanker brands, selling below the interim rates, very often, both on promos and on standard packages. Implementing those rates would be a massive leap forward for the industry and for Canadians. A rush to implement those rates as fast as possible is key. It's not the only thing; keep in mind that this is for only the slow speeds. The CRTC is still working on the fastest speeds.

So ushering forward and helping the CRTC by giving them the support they need to get those things out the door, without any further intervention, is important too.

Mr. Derek Sloan: Okay.

I'm just going to jump in again. I notice my time is ticking down.

Part of the response by the minister to this—where he suggested that the decision was not potentially made correctly in terms of its balancing—had to do with the threat the big telcos made of not making any further investment. Is that threat realistic? If so, how do we address it?

Mr. Matt Stein: No. It's not realistic.

They say that every time. They said that back a decade ago. They said that if they have to offer higher speeds, they're never going to build fibre. It's on the public record. The CEO of Bell Canada announced this to the CRTC. He said they would never build fibre. They're still doing it. They were required to give those speeds.

They made the same claim in August 2019. They said that if these are the rates, then they're not going to build wireless for Canadians. They're going to hold back \$100 million of investment. Some of the most efficient investments they have in their entire network... It's not reasonable to think that they would cede their market to their competitors. If you believe they're competitive at all, you've got to believe they're going to continue to build. They always make those claims and they never hold water. We shouldn't change it now either.

Mr. Derek Sloan: Essentially you're saying call the big telcos' bluff.

Let me ask my final question. I'm sorry, we're running out of time.

In regard to this particular decision, it seems as if the telcos initiated a legitimate right of appeal in court. It may have been for frivolous reasons, but they were able to. The court initiated a stay of the implementation of these rates. How do we get faster implementation of decisions like this? We'll never be able to eliminate rights of appeal to court. How do we get this done?

• (1255)

Mr. Matt Stein: Again, there may be a more fulsome answer that Geoff would think of, but I would say that there's nothing that stops the CRTC from setting interim rates. They set the interim rates based on the recommendation of the big carriers which, of course, are always astronomically high.

Another approach they might take is to say that those rates don't make sense. Bell Canada, for example, recommended \$122 for fibre access, but they're selling it for 60 bucks. Let's just take a retail-minus approach like we have out east.

I appreciate the red card. I apologize.

The Chair: My apologies.

Our next round of questions goes to MP Jowhari. You have the floor for five minutes.

Mr. Majid Jowhari (Richmond Hill, Lib.): Thank you, Madam Chair. Thanks to all our witnesses, especially those who are coming back for the second time.

Let me start with Mr. Stein.

Mr. Stein, you talked about the large telcos hating the small players and wanting them out of the market. In your opening remarks, you also talked about how they're growing more powerful and less accountable. Can you expand on how we can bring a balance to that power and how we can make them more accountable?

I'm interested a response that's aside from introducing more competition. I want to see how we can bring a balance to their power and increase accountability.

Mr. Matt Stein: I would say the first step is to stand behind the CRTC. It works on this every single day.

I'm going to hand it over to Geoff for a more complete response.

Mr. Geoff White: One of the ways forward would be for the commission to actually enforce its decisions and its regulatory requirements. The commission has numerous powers under the Telecommunications Act already and it has the power to impose administrative monetary penalties.

It appears, though, that there's been a reluctance to enforce compliance with the requirements—

Mr. Majid Jowhari: Sorry for interrupting you. What would attribute that reluctance to?

Mr. Geoff White: I wouldn't want to speculate on behalf of the commission. However, I do believe that there is a lot of ex parte communications happening, which may be normal course in the regulation of a major industry. There may be some back-channel discussions going on. I'm not saying it's in a way that's unduly influential.

It may just be a question of will as well. Every time the regulator tries to do something, there's a fight. There's a delay and there's a fight. Some of the incumbents don't even respond to commission questions. We're asking them to propose network configurations. Gambits like that are accumulating to strangle competition in Canada right now—

Mr. Majid Jowhari: How can we make it more accountable?

Mr. Geoff White: We can catch the shareholder's attention through penalties, which the commission has as a remedy.

Mr. Majid Jowhari: Thank you.

I would like to next go to OpenMedia.

Madam Knight, you talked about the fact during COVID-19, urban areas have had service that is 10 times faster than rural service. Aside from the fact that demand is now higher with everybody working from home and kids studying at home, and there is a need for more bandwidth and more data, to what would you attribute the fact that urban areas were getting 10 times faster speed than rural areas?

Ms. Erin Knight: Historically we have seen communities in rural Canada underserved overall. It's just not a place where big telecom has historically put its interests, because the business case is usually not there. We saw the investment happening in urban and suburban communities because there was no push in these other programs like the universal broadband fund during this time, which was supposed to help connect these communities.

Mr. Majid Jowhari: Do I understand that it is easier for the big telcos that are in the urban areas to open the valve and get much higher speed, whereas the smaller providers that are in the rural areas cannot open up the valve and get as much speed because they are dependent on the large telcos? Am I reading that right?

• (1300)

Ms. Erin Knight: Laura, it seemed as though you wanted to jump in.

Ms. Laura Tribe: Yes, you are reading that correctly. I think when we're looking at rural Canada, users are already maxed out. They are getting the highest speeds available to them and have been the entire time, whereas in urban centres it's been much easier to call in and increase their plans, to make the switch from cable to fibre. That's an option that is just not available with rural bandwidth.

Mr. Majid Jowhari: I have 30 seconds and I want to go back to Madam Knight.

What actions can the government take? You seem to think it's because of government inaction. I want to understand what actions the government can take.

Ms. Erin Knight: Overall, we're hearing that this piecemeal approach to connecting all of Canada is not going to be effective. We need a national approach to connecting everyone in Canada whereby they know when they will be connected and what service they will get.

Mr. Majid Jowhari: Thank you.

The Chair: Thank you very much.

Our next question goes to Monsieur Lemire.

[*Translation*]

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

Mr. Sébastien Lemire: Thank you, Madam Chair.

Thank you for your rigour and for respecting the turn of each political party to speak. This is particularly appreciated under the circumstances.

I have another question for Mr. Stein and Mr. White.

You're among the most interesting, if not the most value-added, witnesses we have heard since I've been on the Standing Committee on Industry, Science and Technology.

Do you believe that a wired connection is the best solution for giving 100% of Quebecers and Canadians access to high-speed Internet?

Or do you think that the wired network should be combined with satellite areas, such as Telesat and SpaceX, who appeared before the committee last week?

The second option seems to be the preferred option supported by the government and its strategy.

[*English*]

Mr. Matt Stein: Connecting 100% of Canadians will take all the technologies that we have available to us, but in the end, terrestrial access is going to provide lower-latency/higher-quality access.

So, yes, satellites will absolutely be an important part of the strategy, but we need to put everything behind this. We need to use all of the technologies available.

[*Translation*]

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

My next question is for the OpenMedia representatives.

In your opinion, is it fair that the wholesale market is in the hands of private companies?

During your visit last May, you seemed to say that the Internet should be nationalized. Today, you talk more about competition as the best way to lower prices.

Should Internet connectivity be in the hands of the state or should it be managed by a public-private partnership?

[*English*]

Ms. Erin Knight: I think at this point nothing is off the table when it comes to improving affordability in Canada. At this point, connecting everyone to affordable Internet relies a lot on competition. I think nothing is totally off the table.

Laura, if there's more you want to add to that, feel free.

Ms. Laura Tribe: I think if we're looking at options like structural separation, which was brought up earlier, we are very supportive of trying to ensure that competing business interests don't interfere with good quality or service. That's an option.

I think if we're looking at something like nationalizing, that's a conversation we're willing to have, but we're also looking at some of the ways to maybe try to save the existing system and deploy services as quickly as possible. While we are happy to entertain those conversations, we recognize that those things are not going to fix things overnight either.

[Translation]

Mr. Sébastien Lemire: In conclusion, are you satisfied with the CRTC's work in enabling more competition?

[English]

Ms. Laura Tribe: I'm sorry, my connection cut out for a second. Can you repeat the last part of your question?

[Translation]

Mr. Sébastien Lemire: Are you satisfied with the CRTC's work in enabling more competition?

[English]

Ms. Laura Tribe: I think there's a lot of room for more support for competition from the CRTC. We haven't seen the results on things like MVNOs, on wireless, or the support for smaller providers that we would like to make sure that there is a sufficiently competitive marketplace.

[Translation]

Mr. Sébastien Lemire: Thank you.

The Chair: Thank you very much.

[English]

Our last round of questions goes to MP Masse.

You have the floor for two and a half minutes.

Mr. Brian Masse: Thank you, Madam Chair.

I want to move back to the CNIB with regard to not only the complications inherent to an individual's running their own wireless and wired network at home, but also to.... What has been the status of applications for support on devices and so forth?

I've noticed that there have been several government initiatives to assist small businesses, medium-sized business and some large business with investments, but there seems to be a void at times of including applications for persons with disabilities.

I wanted to note that and give you an opportunity to talk about that cost and if we're accidentally baking in some barriers to some of the tech supports we could be doing just by leaving them out as part of the conditions of terms of some of the loans, grants and programs that companies are enjoying.

• (1305)

Mr. John M. Rafferty: Obviously, I think it's been unprecedented over the last eight months with everyone's workplaces going virtual and our schools going virtual. Not only that, but Canadians who are blind or partially sighted moving to touchless environments, creating new technologies that are inaccessible in their very nature, has also layered on additional stresses.

I'm glad to be here. I know the focus of people's questions has been very much on the other two witnesses, and understandably so. I do want to make sure that everyone remembers the more than 6 million Canadians who do not get supported the same way in how they participate in the world of work and how they contribute to our economy, and there is no reason why they shouldn't. Inherent barriers of access and affordability are growing the divide between the haves and have-nots from a data perspective, and I think that's something that has to end. I'm glad this committee is looking at it with a level of vigour.

Mr. Brian Masse: Thank you. That would go for low-vision people as well; I know that's a forgotten group.

Thank you very much.

I see the card, Madam Chair.

Thank you again.

The Chair: Thank you very much, and with that, I'd like to thank the witnesses for being here today, for your patience and your excellent testimony and for answering a lot of the questions that we have.

With that, I will call this meeting adjourned.

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