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# Standing Committee on Justice and Human Rights

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Chair: Ms. Iqra Khalid





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• (1100)

[English]

**The Chair (Ms. Iqra Khalid (Mississauga—Erin Mills, Lib.)):** I call this meeting to order. Welcome, everybody, to meeting number 25 of the House of Commons Standing Committee on Justice and Human Rights.

Once again we are on Bill C-218. The sponsor, Mr. Waugh, is with us today. He's replacing Mr. Cooper.

Welcome back, Kevin.

Mr. Masse, who is there in person, is replacing Mr. Garrison.

Welcome back.

As well, Vance Badawey is replacing Mr. Virani today.

Welcome, Vance. It's great to have you here today.

Today's meeting is taking place in a hybrid format. The proceedings will be made available via the House of Commons website. Just so that you are aware, the webcast will always show the person who is speaking rather than the entirety of the committee. For Mr. Masse specifically, we ask that you please follow your guidelines and protocols with respect to distancing and such.

As the chair, I will be enforcing these measures for the duration of the meeting. I thank members in advance for their co-operation. To ensure an orderly meeting, I will outline a few rules to follow.

For interpretation, you will see a choice at the bottom of your Zoom screen. Please select the language that you would like to listen to. You can speak in either of the official languages of your choice. Before speaking, please wait until I recognize you by name. If you are on video conference, please click on the microphone icon to unmute your mike. For those in the room, your microphone will be controlled as normal. When you are not speaking, your microphone should be on mute.

As a reminder, all comments by members and witnesses should be addressed through the chair. With regard to the speaking list, I do have a speaking list that is available [*Technical difficulty—Editor*]

**The Clerk of the Committee (Mr. Marc-Olivier Girard):** Madam Chair, we've just lost you.

Mr. Moore, I think her connection dropped. I don't know if you want to take Madam Chair's relay to facilitate the proceedings.

Thank you in advance, Mr. Moore.

**The Vice-Chair (Hon. Rob Moore (Fundy Royal, CPC)):** Sure. I just wish I knew what she was about to say.

At this point of the meeting, we would turn it over to our witnesses for their opening statements.

Mr. Clerk, maybe you could remind witnesses of the order in which they are going to be speaking as well as the amount of time given them to speak.

**The Clerk:** The chair would start with Mr. Hawley. Mr. Hawley has five minutes to make his opening statements.

Please go ahead, Mr. Hawley.

**Mr. Sandy Hawley (Retired Thoroughbred Jockey, As an Individual):** Thank you, Madam Chair and Mr. Moore.

My name is Sandy Hawley. I'd like to thank you for this opportunity to speak to you on behalf of the racing industry across Canada.

I was a professional thoroughbred jockey for 30 years, starting at the age of 19 years old. I rode around the world, but mostly in Canada and the United States. I have been lucky enough to receive a number of awards throughout my career, including the Order of Canada. I'm also a member of Canada's Sports Hall of Fame, the U.S. racing hall of fame and the Canadian Horse Racing Hall of Fame. Also, it was a great honour to receive the Lou Marsh award as Canada's athlete of the year in 1973 and 1976.

I'm speaking before you today from my winter residence in which happens to be one of the most historic racing jurisdictions in the world, Kentucky, home of the Kentucky Derby. Despite its rich history, racing here in Kentucky has also faced its challenges recently, but the industry now has a positive outlook thanks to historical horse racing which may single-handedly save the industry.

Horse racing has provided me the opportunity to race around the world and ended up by my meeting my lovely wife Kaoru, who is also a thoroughbred jockey.

As you can see, horse racing has been very good to me. This industry contributes \$5.7 billion to the Canadian economy each year and supports over 50,000 jobs across Canada. These jobs depend on revenue from parimutuel wagering on the horse-racing industry. The revenue from [*Technical difficulty—Editor*] and secures many people's incomes, jobs and livelihoods. These include grooms, hot walkers, trainers, owners, blacksmiths, veterinarians, agriculture workers and jockeys, just to name a few.

There is a deep history of tradition in Canadian horse racing. In fact, just a few years ago, the Canadian horse industry celebrated its 250th anniversary.

I understand the world is changing, and sports betting happens all around the world. Although I'm not an expert in this area, it seems like it makes sense to legalize it so the government can regulate it and use it to create jobs and generate revenue.

I am in favour of single sports betting, but if not done correctly, it could be devastating to our industry and the many jobs within the agriculture and rural communities.

I've always been very proud of Canadian horse racing, notably Woodbine Racetrack, where I rode my first race back in 1968. Horsemen from around the world love to come to race at Woodbine Racetrack for its beautiful facility and hospitality.

I've also worked for Woodbine Entertainment for the last 25 years, since I retired from my riding career, as an ambassador in media and media relations, and I continue to do so.

I mentioned earlier that I spend my winters here in Lexington, Kentucky, where there's historical horse racing, whereby a wager can be made on an anonymous race that happened in the past. Basically it's the same thing as wagering in a live race, but instead there's no need of operating a live race. It uses thousands of anonymous races from the past, which probably include a few of mine, and offer it as a wagering experience for the customer. Similar to betting on a live race, some of the money is given back to the industry to help sustain it. Historical horse racing has literally been the saviour for horse racing in Kentucky, and I strongly believe historical horse racing can have some profound impact here in Canada.

I'm counting on the government to recognize the industry, its hard-working people, its value, and make the right decision on the amendment of Bill C-218 so that betting on horse racing would be excluded. Without the exclusion, it would kill the revenue stream that supports a sport, all the people and the businesses that depend on it. For instance, it would be like trying to drive an automobile without gas or a battery.

On behalf of the entire industry, I am asking this committee to ensure that horse racing has an opportunity not only to survive but also to thrive for another 250 years as it continues to be an important part of the daily lives of so many, as it has been to mine.

Thank you for your time this morning.

• (1105)

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

My apologies; I had some technical challenges.

I'll just introduce the rest of our witnesses.

We have, from the Canadian Centre for Ethics in Sport, Mr. Paul Melia, who is the president and chief executive officer. We have Mr. David Shoemaker, who is the chief executive officer and secretary general of the Canadian Olympics Committee. From the National Hockey League, we have Mr. Keith Wachtel, who is the chief business officer and senior executive vice-president of global partnerships; and Conal Berberich, vice-president, legal.

Welcome.

I didn't get to mention it before, but I have these one-minute and 30-second time cards that will help you understanding where you are in your five minutes.

I will call on the Canadian Centre for Ethics in Sport to proceed for five minutes, please.

**Mr. Paul Melia (President and Chief Executive Officer, Canadian Centre for Ethics in Sport):** Thank you very much.

Good morning, Madam Chair and members of the committee.

The Canadian Centre for Ethics in Sport is pleased to be here today with the Canadian Olympic Committee with whom we've been collaborating to examine the impact of Bill C-218 on Canadian sport.

Through this short presentation the CCES will share with you concerns around the increased risk of match manipulation and ways to mitigate that risk. The COC will comment on the potential for revenue generation to support sport development in Canada.

The CCES supports Bill C-218 as we believe a regulated framework is needed to appropriately manage single event sport betting in Canada.

Technology and organized crime have combined over the years to render Canada's current laws regarding prohibition of single event betting all but meaningless. Single event betting on Canadian sports, including by Canadian residents, is already a multi-billion dollar a year business but most of the revenue is going to organized crime. Legalizing and regulating single event betting in Canada would be an effective harm reduction strategy. However, it also comes with associated risk to the safety of athletes and the integrity of Canadian sport.

If Bill C-218 is to move forward, the committee should be aware of the increased risk to athletes' safety and the integrity of sporting competitions posed by match manipulation. Legalized single event betting in Canada will increase the risk of match manipulation. Match manipulation is linked to organized crime, which takes advantage of vulnerable athletes, officials, coaches and other support staff to fix the outcome of sporting competitions.

This is a global issue, and it's already occurring in Canada. Many countries, such as Australia, Great Britain and Germany, are actively addressing match manipulation through legislation designed to prevent, detect and punish match fixing in sport. No such legislation, no such legislative framework, currently exists in Canada. The CCES therefore recommends that the passing of the bill be accompanied by the following specific actions to reduce the risk of match manipulation.

Canada should ratify the Council of Europe Convention on the Manipulation of Sports Competitions, which is open to non-European nations. Australia has done so.

The Government of Canada should require all federally funded sport organizations to: one, demonstrate they have rules in place to manage the risk of match manipulation, including disciplining those engaged in match fixing; and, two, demonstrate that all participants within their sport are educated about the risk.

Incremental costs to the Government of Canada and to federally funded sport organizations associated with the above two recommendations should be covered through the incremental revenue associated with single sport betting.

I will now turn it over to David.

• (1110)

**Mr. David Shoemaker (Chief Executive Officer and Secretary General, Canadian Olympic Committee, Canadian Centre for Ethics in Sport):** The timing is right for Canada to expand sports betting. This bill has the potential to unlock new growth opportunities, reduce illegal betting and generate revenues for both the sport industry and governments. Our interests are in ensuring that single sport betting is introduced in a responsible, effective and profitable manner.

First is responsible, the impacts of Bill C-218 may include an increase in match manipulation and gambling, which we believe poses at least as much risk in amateur and Olympic sport where athletes don't earn big incomes and large amounts of betting still take place.

The International Olympic Committee has created a code on the prevention of manipulation of competitions. In 2020, together we organized a workshop in Canada on match manipulation. Many international sport organizations have established integrity units to safeguard their sports and to educate and protect athletes. A focus on protection and education will be required going forward. A portion of incremental tax revenues should be earmarked for mental health care and addiction education.

Second is profitable. Deloitte estimates that within five years of legalization, Canadian sport betting could grow to \$28 billion a year. We must ensure that revenues are distributed back to the principal content providers that stage the events, in our case, a member national sport organization, many of whom operate on shoestring budgets, to enable them to provide increased support to athletes at all levels of the sport system.

Last is effective. National sport organizations will need support. In establishing infrastructure to ensure betting integrity and in monetizing all available channels, including partnerships with sport bet-

ting companies, media rights and data sales, we must equip sport organizations with the tools and support to capitalize on the expansion of sport betting.

We believe the expansion of betting options can be a game-changer and if we focus on betting being responsible, effective and profitable, we can all win.

Thank you.

• (1115)

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

That was five minutes on the dot. I really appreciate that.

**Mr. David Shoemaker:** We worked at it.

**The Chair:** Thank you.

We'll now go to the National Hockey League.

Please go ahead for five minutes.

**Mr. Keith Wachtel (Chief Business Officer and Senior Executive Vice-President, Global Partnerships, National Hockey League):** Thank you, Madam Chair, and members of the committee.

My name is Keith Wachtel. I'm the chief business officer and senior executive vice-president of global partnerships at the National Hockey League. I'm here today with my colleague, Conal Berberich, a vice-president in our legal department.

We would like to thank you, Madam Chair, and the committee members, for inviting us here today to share with you the NHL's journey and experience on the topic of single-event sport wagering.

First, the National Hockey League supports Bill C-218, the proposed Canadian federal legislation to eliminate the provision in Canada's Criminal Code that prohibits provincial governments from offering wagering on a single sport event. Though the NHL had previously opposed single-event sports wagering, for the reasons we stated publicly on the record, the reality is that the landscape in North America has changed. Our experience in the United States since 2018 has demonstrated that a well-regulated marketplace that both advances and protects the interests of relevant constituencies can be established in a safe and responsible manner.

Since the Supreme Court of the United States' 2018 decision in *Murphy v. the NCAA* overturned the Professional and Amateur Sports Protection Act, the American Gaming Association reports that 25 states and the District of Columbia have passed legislation that permits, or will soon permit, single-event sports wagering. In that regard, we point to the growing number of commercial relationships that are being formed within the NHL, including U.S.-based league-level relationships with currently five, and soon to be more, major sports books.

As part of our league-wide policies that govern these relationships, sports books are required to, among other things, represent and warrant that they are licensed and legally compliant, including enforcing age verification and geo-gating requirements; taking appropriate steps to monitor wagering on the NHL and share information; offering only appropriate bet types; and promoting responsible gaming. As part of the NHL's U.S. efforts, we have partnered with industry trade groups and have committed resources in support of responsible gaming, including public service campaigns.

All interested constituencies are aware that such a change in the law governing sports betting in Canada will present both opportunities and certain challenges, as it has in the United States, as we collectively navigate the new sports betting landscape. Establishing a level playing surface across the North American sports betting landscape will promote transparency, fairness and responsibility for all stakeholders in the space, as well as for the public.

We believe that any sports betting legislation should provide a comprehensive framework that appropriately takes into account and adequately balances the diverse interests of the various constituencies. Accordingly, we strongly believe the key elements of any legislation should, among other things, provide for appropriate consumer protections and technological safeguards, for example, age and geographic restrictions, abuse or addiction hotlines and the like; ensure the protection of intellectual property rights; permit leagues and governing bodies to restrict the types and timing of bets that might be placed on games, for example, certain so-called prop bets that might lend themselves to a perception of inappropriate incentives or behaviour; and appropriately allocate resulting revenues across the various stakeholder groups.

Although the National Hockey League has no concerns regarding the integrity of our game, we take our responsibilities in this regard seriously, as reflected by the extensive, ongoing monitoring we undertake in the normal course, both internally and via leading global experts in the space, such as Sportradar.

The National Hockey League provides family entertainment and has worked tirelessly since its inception in 1917 to earn and maintain a reputation for the absolute integrity of its competition for the good of the sport and our fans, irrespective of any legislative changes across Canada and the United States related to single-event sports wagering. We prohibit, and will continue to prohibit, all National Hockey League employees and players from engaging in any wagering on National Hockey League games.

Madam Chair, thank you again. We look forward to the committee's questions.

**The Chair:** Thank you very much, Mr. Wachtel. That's 30 seconds to spare for you.

We'll now go into our first round of questions, starting with Madam Findlay for six minutes.

**Hon. Kerry-Lynne Findlay (South Surrey—White Rock, CPC):** Thank you very much, Madam Chair.

Thank you to all the witnesses for being here. I know you all have very busy lives, but we do appreciate it as we study this bill.

This question is for either of the NHL witnesses to answer.

The NHL voiced opposition—you mentioned this in your opening remarks—to Bill C-290, a similar bill to the one before us. That was back in 2012. I was on this very committee at the time, so I remember it, but that was then and this is now. I'm wondering if you want to take a little more time to explain why the NHL has changed its stance on single-event sports betting.

That is for Mr. Wachtel or Mr. Berberich.

• (1120)

**Mr. Keith Wachtel:** Sorry, I was disconnected from the call, so I did not hear the question.

**Hon. Kerry-Lynne Findlay:** Madam Chair, can I do it again?

**The Chair:** Please go ahead.

**Hon. Kerry-Lynne Findlay:** The NHL voiced opposition to Bill C-290 back in 2012 when I was also on this committee. That bill is similar to the one before us today. I know you touched on this before, but could you explain why the NHL has changed its stance on single-event sports betting?

I'm just giving you a little more time to speak to that.

**Mr. Keith Wachtel:** Thank you. I'm glad you asked that question.

As we mentioned in our opening statement, a lot has changed since 2018. First, we're simply adapting to the evolving legal landscape. Second, the marketplace is changing dramatically. As such, we've been working collaboratively with all the stakeholders. There's been extensive technological innovation, increased partner sophistication and perhaps more importantly, a true understanding of how a regulated legal sports market can better promote responsibility and integrity versus a non-regulated market.

**Hon. Kerry-Lynne Findlay:** Thank you.

The NFL's written submission to our committee detailed the importance of requiring official league data to protect consumers and ensure integrity in the sports betting marketplace. In your view, is this necessary? If it is, why?

**Mr. Keith Wachtel:** We think that it's important for all sports books or anyone who is involved in the ecosystem to use the league's data. That is the verified data. I think it provides consumers with the feeling of authenticity and that it's backed by the property where the data's coming from.

We have noticed in the United States that all of the sports betting companies are securing that data directly from either the league or from third parties like Sportradar. They are happy to do so because they want the ability to provide the best information to the public in an authentic way.

We support it whether it is part of the regulations or not. We do believe that all the sports books will want to secure the league's data.

**Hon. Kerry-Lynne Findlay:** Without divulging specific parties or confidential negotiations, have you already been in some talks to license official league data in Canada?

**Mr. Keith Wachtel:** No, we have not.

Having said that, from a sports betting standpoint, as part of our relationship with Rogers Media corporation, which has our exclusive rights to broadcast NHL games, Rogers has the rights to the league's data. They get all of those rights directly through us. We're obviously very pleased with the relationship that we have with Rogers.

If this bill gets passed, obviously we will then work with both Rogers and other parties in this area to make sure that anyone who is participating legally in sports betting would be able to access that data.

**Hon. Kerry-Lynne Findlay:** We've heard from the Canadian Centre for Ethics in Sport that a key concern with single-event sports betting is match fixing. I know we have written submissions detailing annual gambling policy training, for instance, 15,000 NFL personnel and that sort of thing.

Does the NHL have a similar training program in place? If so, who is required to participate in the training? What does that training look like?

**Mr. Conal Berberich (Vice-President, Legal, National Hockey League):** Thank you for the question.

As we mentioned in our opening statement, we take integrity incredibly seriously. We have no concerns with integrity in our sport. It's something that we value as an inherent piece of competitive sports irrespective of any bill on sports betting, so we would always pursue integrity in any forum.

We are aware that there are a number of different approaches to it. There's a regulatory approach that we've seen across the United States requiring responsible gaming messaging and educational platforms so that participants are aware of the issues. We, ourselves, partner with responsible sports books and hold them to the highest standards in their messaging and their monitoring requirements. We also monitor for using data to ensure that there are no other abnormalities. As my colleague, Mr. Wachtel, mentioned in his opening statement, we also have a strict prohibition on player and employee wagering.

Our detailed policies are evolving and always keep in mind these important integrity considerations.

• (1125)

**Hon. Kerry-Lynne Findlay:** Thank you.

With that, I'm out of time. You answered two of my next three questions, so I thank you very much for being so prescient.

**The Chair:** Thanks very much, Madam Findlay.

We'll now go to Mr. Maloney for six minutes.

Go ahead, sir.

**Mr. James Maloney (Etobicoke—Lakeshore, Lib.):** Thank you, Madam Chair; and thank you to all the witnesses for being here.

I apologize to Mr. Hawley and to the Centre for Ethics in Sport. I'm not going to ask you questions, because I agree with everything you've said.

This bill has support from all corners. I suspect that it's going to be implemented. This is going to happen in the United States. It's going to happen in Canada. Therefore, the real issue is what this is going to look like when it gets rolled out.

I'm glad representatives from the NHL are here.

This is going to have an impact on ethics. I don't think game fixing is going to be a problem in the NHL, just by virtue of the salaries, but there are going to be different jurisdictions in the United States and different jurisdictions in Canada dealing with the implementation.

We have teams in four different provinces, and this is ultimately going to be a provincial responsibility. This is going to have an impact on where you can bet, when you can bet and how much you can bet. This is all going to be controlled by different groups.

My question to start with is whether the NHL is going to have one policy for all places.

For example, if the Toronto Maple Leafs want to allow betting in the rink but you're not allowed to have that elsewhere, are you going to allow it there? Are you going to supersede policies locally, or are you going to go with the flow in every jurisdiction?

**Mr. Conal Berberich:** Certainly the regulatory framework will take precedence. Whatever the provinces decide to do to regulate gaming within their province is something that will supersede in all senses. That is the law, and we and our clubs will follow the law.

We ourselves will develop policies and continue to evolve the existing policies to address single-event sports gaming in Canada should this bill pass. We would have to take a look at what that policy would mean in the various jurisdictions, so I wouldn't be in a position to answer the hypothetical. However, I can tell you that we will continue to have policies, and as I mentioned, evolve our existing policies to address gaming across Canada, with this bill passed, in a manner that is compliant with the regulatory framework.

**Mr. James Maloney:** Here's my concern. I interpret your answer to mean that we're going to optimize or maximize revenue here. I know teams in the NHL are already jumping on this. The Pittsburgh Penguins have already been looking into ways to capitalize on this new opportunity. It's going to happen here.

I'm concerned about taking my niece or nephew to a Toronto Maple Leafs game and their being able to walk down and instead of buying pizza, trying to talk me into getting them to place a bet on the game—and not just on the outcome of the game. I think there are a lot of aspects of this bill that people haven't thought through fully. For example, in single-event sports betting, do you anticipate at any time in the future that you will not only be able to place a bet on the winner or loser of a game, but if you're at a hockey game, will you be able to place a bet after the second period on who's going to score the winning goal?

**Mr. Keith Wachtel:** Mr. Maloney, those are all great questions.

First, I want to share that we do have policies in place that prohibit betting from terminals, kiosks and things such as that in the arena. What you have to understand is the prevalence of mobile wagering right now; it's the predominant form that is being used. In fact, New Jersey is up to close to 90% of all bets being done through a mobile handset.

What you're seeing in Pittsburgh and other venues is simply branded lounges that they're turning into what are called sports bars, with age restrictions, that are branded in allowing people to come in, but you're not able to bet in there any differently than you would use your handset if you were sitting in the arena or at home. Therefore, from that standpoint, we are not turning our venues into casinos.

Again, it depends on what the regulation is, but if mobile sports betting is part of it, that means people can bet anywhere, at any time, just by using their device.

As it relates to your question on the ability to make what you were referring to as prop bets, that is being done now. Obviously you can't look at a Super Bowl without thousands of prop bets, including how long the national anthem is going to be or who's going to win the coin toss.

We certainly think prop bets will be more relevant for our sport, as well as all other sports, but to us, that's really more about the engagement. Most of the money that is bet on sports is predominantly on the outcome of the game.

These prop bets that you see are very little handle but provide a lot of engagement. Quite frankly, we like the engagement factor. We think all of this will provide an opportunity to generate new fans for the game. We all know that whether it's gambling, but also social gaming or fantasy gaming, the likelihood for people to engage and participate in that sport is much greater.

● (1130)

**Mr. James Maloney:** I'm running out of time here. I understand the revenue desire, but there's a balance to be had between revenue and protecting people.

If I understood you correctly, you said the NHL will have a blanket policy prohibiting betting at the venue but you can't stop people

from doing it online on their phones, which I understand. I think that's an important distinction, and it needs to be.... Even on the prop betting, as you said, there needs to be a prohibition by the league, and it needs to be consistent throughout the league, regardless of the venue, of the jurisdiction, in my opinion.

**Mr. Conal Berberich:** If I may jump in briefly, we are going to have to evaluate what our policies would look like in a new legal regime in Canada. I don't think we could speculate for certain what those policies might be. What I can say is, using your niece and nephew as the example, I think provinces would probably follow the approach that states have taken, which is to ensure that gaming is not only not accessible to those under the legal wagering age, but it's not marketed to those under the legal wagering age—as a legal matter. We ourselves—

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

Thank you, Mr. Maloney.

**Mr. James Maloney:** Thank you, Madam Chair.

**The Chair:** We'll now go to Monsieur Fortin.

[*Translation*]

You have the floor for six minutes.

**Mr. Rhéal Fortin (Rivière-du-Nord, BQ):** Thank you, Madam Chair.

I would like to welcome all the witnesses and thank them for being here today.

This is a recurring bill, and we have been discussing it for many years in Parliament. It's always rewarding to hear the different points of view, which change from year to year and differ by sport.

My first question is for the National Hockey League officials.

I understand that you prohibit your employees from betting on elements of a game. Beyond this prohibition, what do you intend to do to prevent the manipulation of hockey games?

Many of us more or less believe that manipulation is possible. However, in my opinion, it is possible. I would like to know what you have in place to prevent this from happening.

[*English*]

**Mr. Conal Berberich:** I can start the presentation on behalf of the NHL on this item.

In the first place, we favour a regulatory regime that provides regulators with the types of oversight tools they would need to have to administer legalized sports wagering across Canada. I think bringing something that is underground above ground and shining a light on it is a necessary piece of this entire discussion.

We ourselves, as Keith mentioned in his opening statement, partner with an industry-leading expert at Sportradar, which has sophisticated data tools that help us monitor for ourselves, so that we can ensure the expected patterns would happen. We ourselves also partner only with licensed and regulated sports books, who themselves prioritize responsible gaming and integrity in all its forms.

[Translation]

**Mr. Rhéal Fortin:** For example, if I wanted to bet on the number of checks a player would do during a game, what would prevent me from making a deal with that player by promising a bonus if he or she had a certain number of checks?

• (1135)

[English]

**Mr. Keith Wachtel:** First and foremost, one thing that is in all of our agreements with our sports books is that the NHL will approve all bet types. We are very careful to make sure that the bet types we include are ones that can't easily be manipulated or that aren't more subjective.

The group on the committee for ethics talked about—and this is true—the real concern in this area being more for amateur athletes who are not making millions of dollars. As we said, we take integrity very seriously. It is at the paramount of our DNA. Ultimately we really do think this is a much bigger concern for amateur athletes who, as mentioned, are not making that kind of money.

We work with the sports operators, and, quite frankly, the sports operators have just as much concern about integrity as we do. It is their lifeblood. If people don't feel that there's integrity, then they won't bet.

[Translation]

**Mr. Rhéal Fortin:** What would be the penalty for a hockey team whose player or coach is found guilty of tampering with a game?

[English]

**Mr. Keith Wachtel:** I certainly don't think that Conal or I can speak to that. That's really a question for our ownership, commissioner and deputy commissioner.

I'm sure, like for other things, that they would take swift and decisive action.

[Translation]

**Mr. Rhéal Fortin:** From what I understand, teams are not aware at this time of any measures that indicate this is very serious and what happens when you get caught.

There are no such measures in place currently. Is that correct?

[English]

**Mr. Conal Berberich:** We couldn't answer any question about a specific penalty. As you can tell, integrity is a paramount consideration. It's something we would take incredibly seriously.

[Translation]

**Mr. Rhéal Fortin:** Okay. Thank you.

As far as horse racing goes, Mr. Hawley, I understand the position. It is pretty much unanimous among the people who operate horse racing businesses. You say you need the revenue, particularly to maintain the horses and pay the jockeys. There are a lot of obligations to meet. Every time I hear that, I wonder if the situation is not somewhat the same for other sports.

Wouldn't there be a case for simply adjusting the use of revenues generated by sports betting so that expenses are well covered? In

Quebec, for example, agreements could be made with Loto-Québec. In this way, a portion of the revenue generated by sports betting could be devoted to horse maintenance, stables or something else.

Wouldn't that be a reasonable solution, Mr. Hawley?

[English]

**Mr. Sandy Hawley:** Yes, sir.

We're definitely not against single sports betting. It's just a thing that we hope we can help regulate in some way.

As I mentioned, there are a number of jobs that depend on this. I mentioned a few jobs, but there are many more that I could mention. I think it's very important that there be an amendment on C-218.

[Translation]

**Mr. Rhéal Fortin:** You say that horse racing should be excluded from Bill C-218. Couldn't it be included by modulating the use of revenues?

You support this approach, I understand.

[English]

**Mr. Sandy Hawley:** Yes, sir.

We actually have tremendous technology at Woodbine, and of course at racetracks across Canada. We have HorsePlayerInteractive, which is a way of betting on horses. I think that if the government would allow it, Woodbine would be a big part of Bill C-218.

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

[Translation]

Thank you, Mr. Fortin.

[English]

We'll now go to Mr. Masse, who I believe is in the room.

Please go ahead. You have six minutes, sir.

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

To the Canadian Centre for Ethics in Sport, I think your requests are very reasonable. They would be good things to do, even outside the legislation—also within it—in terms of regulations and so forth. They may not be specifically here but should be accomplished and set as a goal. Thank you for your presentations and your commitment to these measures. It makes important strides for several reasons.

To Mr. Hawley, on the historical horse racing, it seems to me that the horse-racing industry is looking more for a revenue stream than really anything else.

I have a lot of empathy because the provincial government under McGuinty closed the Windsor raceway despite the fact that we introduced a charity casino, which actually made a profit and was doing okay. We lost all the subsequent benefits, as you mentioned.

I have empathy for you right now, jealousy even, with your being in Kentucky. It's actually a quicker drive from Windsor to Kentucky, where you are, than it is from Windsor to Ottawa.

I really have a lot of empathy, but I guess the problem is this: Would you not agree that historical racing is based on fiction and algorithms? That makes it a little bit different. You could do the same thing with historical betting on hockey, football, anything.

Perhaps that might need some more thought, and provincial regulations could offer a better path. Would you not agree that might be better? If not, what is a specific amendment that you want for C-218?

My understanding is that it would require several...and perhaps even different legislation that could actually scuttle this one. Maybe you can comment on that, please.

• (1140)

**Mr. Sandy Hawley:** As I mentioned, hopefully Woodbine would be able to be a part of single sports wagering.

I know historical racing has saved horse racing here in Kentucky and a number of other jurisdictions around the United States.

I think it would be very helpful to Woodbine and a number of other racetracks across Canada. It would be a very simple thing to do. I think it would be—

**Mr. Brian Masse:** What changes in the legislation would we need?

**Mr. Sandy Hawley:** Well, I'm not really an expert on legislation, but I think Bill C-218 includes horse racing for single sport betting.

**Mr. Brian Masse:** It actually doesn't. I've been involved in this for over 10 years. This legislation is the same as what was drafted by Joe Comartin, my colleague from Windsor—Tecumseh at that time.

In fact, I think the legislation the government introduced on this was even better and perhaps furnishes an amendment that we could look at towards bettering this legislation.

Specifically concerning historical horse racing, you're saying it's based upon a fictional race. Is that not correct?

**Mr. Sandy Hawley:** Yes, it's based on a fictional race. I think there are about 60,000 different races that they use. As I mentioned, some of mine are probably in there as well. Somebody can make a wager on the race. I'm not sure exactly how it works, but they make a *[Technical difficulty—Editor]* The results come up. If you happen to be lucky enough to pick the right horse, then you're a winner. It's just like betting on a live race without having to put on the show.

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

I agree with you on the importance of the industry. It's more than just the betting that goes on with regard to horse racing. There's a whole culture and a whole series of things. I think it needs even more thought than this bill offers.

**Mr. Sandy Hawley:** I appreciate that. Thank you.

**Mr. Brian Masse:** You're welcome. Thank you for your testimony today. I just think that sometimes this may not be the proper vehicle, or that we could actually get better results through the provincial models too.

**Mr. Sandy Hawley:** Thank you, sir.

**Mr. Brian Masse:** If we don't do this soon, I don't know whether it's going to take another 10 years or not.

Moving quickly over to the National Hockey League, I'm really happy that you're on board. I still have letters from Gary Bettman opposing my legislation. I won't take it personally. As a goalie, I'm used to being shot at.

It's good that you changed, and I appreciate it. I think it's really important to recognize that things have changed, for various reasons. There has been betting before. We have issues related to Operation Slapshot and Rick Tocchet.

Can you highlight what you've learned over the years in terms of how to better protect the players and how to be more responsible and also on the best practices going on in the United States now? We have 17 states that have already moved towards implementing this, and others that are coming.

Perhaps you can enlighten us as to what has taken place in this regard, because I think it's really important as part of this story, and I thank you for it.

**Mr. Conal Berberich:** Could you just rephrase your question?

**Mr. Brian Masse:** We know there have been betting issues in the States before, such as Operation Slapshot related to the Rick Tocchet affair with regard to betting. He was part of the Phoenix Coyotes at that time. A New Jersey state trooper actually went to jail for five years in this case.

Now, in subsequent years, there's betting going on in the United States, but your changed position also comes with different measures of supports and also inclusion of best practices.

Could you highlight what those best practices are to better protect the players and better protect the organizations? What has the NHL learned that can be shared over here? You're not starting from scratch on this situation in Canada.

• (1145)

**Mr. Conal Berberich:** That's correct.

I guess we have taken a multifaceted approach with the industry. We've examined things for ourselves in our own policies and have worked with regulators and trade groups to that end.

As to a specific best practice that I can point to, I don't know, but I can tell you that the underlying issues that you're suggesting are the types of issues we take very seriously and try to work within a collaborative model to address.

**The Chair:** Thanks, Mr. Masse.

We'll now go to our second round of questions, starting with Mr. Waugh for five minutes.

Sir, go ahead.

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

Welcome, guests.

I'm going to start with the Canadian Centre for Ethics in Sport.

Two years ago you had a white paper in response to the international Symposium on Match Manipulation and Gambling in Sport that took place in Toronto. In fact, Paul, you were there as one of the presenters.

In two years has it come a long way? We're getting ready for the Olympics coming up in Tokyo, so let's start from when you had the white paper two years ago in Toronto. Have you worked towards a consensus, not only in this country but other countries, too, leading up to the Olympics and other sports events that may take place once we get out of this COVID?

**Mr. Paul Melia:** Thanks for the question.

I would say, as far the white paper is concerned and any traction that we've had in trying to advance the recommendations that are contained in the paper, not to overstate it, but I think what we experienced in Canada at the sport level, at the government level quite frankly was that there were so many other competing priorities for sport. This isn't a burning bush on anyone's desk, so we really can't pay attention to it unless we have a catastrophe that commands our attention.

We believe there is a catastrophe bubbling below the surface of sport, and so we have continued to work hard. Other countries have grabbed hold of this—Australia, Germany, Great Britain, Finland—where they have created integrity units in their countries. They have said that the way to address this is through one universal policy that wraps its arms around this in a legislative and regulatory way. We need confidential reporting mechanisms. We need one set of consequences that would apply to all sports. We need mandatory education that all participants would be required to take.

As was pointed out, the most vulnerable sports in our country are our national sports organizations, Olympic sports and Paralympic sports, because these individuals don't make much money, so that's where organized crime focuses their efforts. The prop betting is where they really focus their efforts, because they believe they can make innocuous agreements around a coin toss or something like that, or a double fault in the second game of the second set in tennis. The player is going to get \$10,000 for doing it, and they say, "Well, I'll do that because that's not throwing the match," but then they hook them in and they elevate their ask after that.

These athletes are very vulnerable. One universal policy—an independent integrity unit administering it, confidential reporting, a set of consequences, mandatory education—all the things we did in anti-doping, for example, could apply to the issue of match manipulation and a way to prevent it.

This bill is a real shining light in terms of getting some traction around the recommendations of the white paper, and that's why we so strongly support it.

**Mr. Kevin Waugh:** Thanks, Paul.

Mr. Shoemaker, they list 15 sports, like basketball, badminton, baseball, curling, e-sports, ice hockey even. What are your thoughts on manipulation in the Olympics?

We've seen it of course for decades, you know. Individual athletes are taking PEDs, performance enhancing drugs, and so on, and then we find out four, five or six years later when they get caught. I'd like to know your thoughts on this bill and forward to the Olympics, because amateur sports could be a target for this. We just want to know what we can do for them.

• (1150)

**Mr. David Shoemaker:** I actually think Olympic sport needs to be viewed through two lenses. One is competition at the Olympic games themselves, where there is a strong commitment through the IOC's code and through its association with the integrity betting intelligence system, which makes the ability to enforce and monitor the integrity of Olympic sport on a level quite similar to its ability to monitor doping. Of course, it doesn't mean it won't take place, but I think it reduces the risks and the vulnerabilities.

Olympic sport takes place on a 17-day basis every two years, winter and summer. Those sports, though, are taking place year-round, over 365 days, and there are nearly 60 Olympic sports that have competitions all the time. Today, there is an incredible amount of betting on those sports, and that's where we need a responsible approach that allows us to better protect, better educate, take the proceeds and reinvest them back into the sport system.

**Mr. Kevin Waugh:** Thank you.

**The Chair:** Thanks very much, Mr. Waugh.

We'll now go to Madam Brière for five minutes.

**Mrs. Élisabeth Brière (Sherbrooke, Lib.):** Thank you, Madam Chair.

Thank you to all the witnesses today.

[*Translation*]

My question is for National Hockey League officials.

In your 2014 brief on the study of Bill C-290, which is very similar to the one under consideration today, you indicated that those who bet using foreign gambling establishments or illegal bookmakers would likely continue to do so, because government-regulated casinos could never offer the same convenience or odds as foreign and illegal betting organizations.

Subsequently, you indicated that illegal betting would only exacerbate the interest of new bettors in this type of betting, who would start on legal platforms and end up on illegal ones.

Do you maintain this position, that legalizing single sports betting will ultimately only benefit illegal platforms?

[English]

**Mr. Keith Wachtel:** Thank you for the question.

As we talked about in our brief, a lot has changed certainly since 2018, let alone going back to 2014, almost a decade ago.

What we've seen, especially as multiple states have enacted legislation in the U.S., is that an unregulated market has no protections, no oversights, no safeguards, but a regulated market, the one we're talking about here with all the implementations we have put in place for integrity monitoring, for responsible gaming is actually working. It is taking money from the so-called black market and legitimizing the ability for people to wager on single game sports.

We have seen a difference. A lot of that has to do with things like technology, and the ability to make sure that all of these monitoring services are able to find any irregularities. We certainly think that a regulated market makes a lot more sense and is a much better way to enact legislation than looking at the illegal market.

[Translation]

**Mrs. Élisabeth Brière:** Thank you.

We know that sports gambling is addictive and that there is a lot at stake in its legalization.

Today, do you believe that this legalization will exacerbate the problem of gambling addiction in Canada?

[English]

**Mr. Conal Berberich:** Obviously, addiction is a serious issue, and we believe that a regulatory framework that provides resources for wagerers who wish to wager lawfully would provide them with an opportunity to seek tools to help themselves, if needed.

It would include a model involving sports book operators, who take the issue very seriously themselves. The model would also provide responsible gaming messaging. We have our own interest in seeing responsible gaming, and have partnered with other trade groups, like the International Center for Responsible Gaming, to work collaboratively to raise awareness for the issue, to provide educational tools, and to provide tools for those people who need to seek help.

We believe there is some data to indicate that increased sports wagering availability does not increase the incidence of addiction, so a regulated marketplace and a collaborative marketplace will provide the opportunity for help, should those people need it.

• (1155)

**Mrs. Élisabeth Brière:** I have one more question.

[Translation]

Will the Nordiques return to Quebec City?

[English]

**Mr. Keith Wachtel:** That's a question that, unfortunately, would need to be answered by our ownership and the commissioner.

**Mrs. Élisabeth Brière:** Thanks a lot.

[Translation]

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

[English]

Mr. Fortin, you have two and a half minutes. Please go ahead.

[Translation]

**Mr. Rhéal Fortin:** Thank you, Madam Chair.

If the Nordiques come back to Quebec City, I want to know before anyone else. I'll have bets on that.

My question is for Mr. Melia.

I understand that the Canadian Centre for Ethics in Sport covers a number of sports, not just hockey, for example.

I would like to hear your views on the issue of including horse racing betting in Bill C-218.

There is a debate right now. Some would like to see horse racing bets excluded and others think they should be treated the same as any other sports bet.

[English]

**Mr. Paul Melia:** I haven't actually given a lot of thought to that particular issue. I wouldn't see why it would be excluded. It is a sport, and it can be regulated. All of the same concerns that one would have around match manipulation in sport racing would be the same ones we would have around match manipulation in other sports.

The importance of education, the importance of being able to report when it's happening and to have consequences, all of those issues would need to be part of the regulatory framework applied to all sports, including horse racing.

[Translation]

**Mr. Rhéal Fortin:** I would like to discuss another topic with you, Mr. Melia.

My colleague just spoke about problem gambling. It's an important concern for us and for the public at large. Obviously, we would like to know what each of the organizations is doing or can do to try to curb this problem. I'd like to get your perspective on that.

Is there a way to do things that could be applied to all sports or would it need to be adapted?

What are your views on combatting compulsive betting?

[English]

**Mr. Paul Melia:** I think it starts with education. Again, this gambling, this single game betting is going on. The legislation that's being proposed is a way in Canada of creating a legislative framework and regulation around it. Part of that regulation should surely include education and support services for mental health and addiction that is associated with gambling.

I think the legislation provides an opportunity to provide greater services and support to those who may become addicted to gambling than the current system, where we have an unregulated market and where it's going on. We're not really aware of how much is going on, who may be addicted and who might be harmed, so I think there's an opportunity to provide the appropriate services.

This goes to the revenue sharing that would come—

**The Chair:** Thank you.

**Mr. Paul Melia:**—from the gambling to make sure it supports those support services.

[*Translation*]

**Mr. Rhéal Fortin:** Thank you, Mr. Melia.

Thank you, Madam Chair.

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

[*English*]

Last, but definitely not least, is Mr. Masse.

You have two and half minutes as our last questioner for this round. Go ahead, sir.

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

I'll bring Mr. Shoemaker back into the conversation here to provide some comments with regard to the Olympics.

The Olympics have a mixture of professional and amateur athletes. I think the consistency you're requesting is important. Perhaps you could highlight that. I think that's a unique aspect with regard to how we bring in regulation and also watch for matchmaking and so forth.

• (1200)

**Mr. David Shoemaker:** Absolutely. I think that's part of a theme. We need to pay close attention to the trends that have happened globally, the trends around legalization and the trends that digitization in sport have created around us. We have what is reported to be nearly a \$15-billion industry that's happening right now, and only 3% of it, to our understanding through some of the studies that we've done, is happening legally on single game betting.

We think that the same framework should occur for professional athletes as occurs for amateur athletes. We very much think that this notion of amateur athlete cannot be lost in this conversation. Mr. Melia commented on this notion that the vulnerabilities and the risks to them may in fact outweigh those to professional athletes, where the incentive to manipulate can be much greater, given that they do not earn a great income from their sport.

Having said that, there are two ways of looking at this in the Olympic games. The incentive to throw something in the Olympic games at the Olympic games themselves may not be that high. It's in those national sporting competitions, things that are occurring back in Canada, where there's still a whole lot of gambling going on, where we have real concern.

**Mr. Brian Masse:** A lot of that is taking place in the illegal market right now.

I think your point is actually something we really need to do some extra work on because the amateur sport athletes become professionals. Obviously, getting into the behaviour that we don't want to have happen and then advancing the professional is worse than actually doing what you're saying right now. Take it more responsibly so that best practices are there as they advance through their sports.

**Mr. David Shoemaker:** Yes, correct. Again, there are young athletes who, in most cases, are all amateur, meaning they are not earning money in their sport. Then there are many who are Olympic athletes. We think of them as NHLers, let's say, competing in the Olympics. We think of these as professional athletes competing in the Olympic games, yet they are the very definition of an amateur athlete—a rower, a luger, a bobsleigh athlete—who do earn some income but not a huge income like the major professional sport athletes in this country.

**Mr. Brian Masse:** Yes. If we do nothing on this, if we leave it as status quo, then all of that goes to organized crime right now and other types of betting off site.

**The Chair:** Thank you.

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

**The Chair:** Thanks very much.

That concludes our first hour.

I would like to take a moment to thank all of the witnesses for their incredible testimony today, for taking the time and for being with us and answering our many questions. I really appreciate it.

If there are any further clarifications that you would like to provide based on some of the questions that you heard today, please don't hesitate to send our clerk a note. We'll get that circulated amongst us as well.

Thank you again.

We'll now suspend for a moment as we start our second round and let in our witnesses.

• (1200)

(Pause)

• (1205)

**The Chair:** I call the meeting back to order.

Before we get into the testimony, I will make a few comments for the benefit of our witnesses.

Before speaking, please wait until I recognize you by name. When you're ready to speak, you can click on the microphone icon to activate your mike. When you're not speaking, please make sure you are on mute.

Interpretation for the video conference is available at the bottom of your screen. Make sure that you have selected the language you would like to listen to. You can speak either of our official languages. When you are speaking, please speak slowly and clearly so that we don't have issues with interpretation.

I would now like to welcome our witnesses. From the Central Ontario Standardbred Association we have Bill O'Donnell, who is the president, and Dave Drew, who is a finance committee member. From the Mohawk Council of Kahnawake we have Chief Gina Deer, Chief Michael Delisle Jr. and Renée Pelletier, who is a lawyer and managing partner at Olthuis Kleer Townshend. From Score Media and Gaming Inc. we have John Levy, who is the chairman and chief executive officer.

Thank you to the witnesses for being here today.

Mr. Lewis has a point of order.

**Mr. Chris Lewis (Essex, CPC):** Thank you, Madam Chair. I appreciate this.

I want to make two points. First, MP Waugh will be subbing in for me.

**The Chair:** Yes, I was notified of that.

**Mr. Chris Lewis:** The second thing is for Mr. Levy. I'm going to be a grandfather on May 16 and my grandson's name will be Levy. I wish I could be here for the conversation, but this is pretty exciting.

Thank you, Madam Chair. Have a great meeting.

**The Chair:** Thank you, Mr. Lewis. I appreciate that intervention.

We'll now hear from our witnesses, for five minutes each. I'll let you know that I have a one-minute card and 30-second card that will allow you to keep time.

We'll start with the Central Ontario Standardbred Association.

Please go ahead, Mr. O'Donnell. You have five minutes.

• (1210)

**Mr. Bill O'Donnell (President, Central Ontario Standardbred Association):** Good afternoon. Thank you, Madam Chair, for this opportunity to present to your committee.

My name is Bill O'Donnell. I am the president of the Central Ontario Standardbred Association, which represents and supports the horse owners, trainers, drivers, caretakers, tradespeople and others who participate in horse racing in Ontario's 12 standardbred tracks.

I have been involved in horse racing all my life, as an owner, breeder, trainer and driver. I am currently the vice-president of the Ontario Standardbred Adoption Society, or OSAS for short, which is where we find homes for retired racehorses. I am also a director on the Ontario Racing board.

Our association supports the proposed expansion and regulation of single-event sports wagering in Canada but wants to ensure that our agriculture-based horse-racing industry is protected in the process.

I'd now like to turn our presentation over to Dave Drew for more details about our recommended changes to Bill C-218.

**Mr. Dave Drew (Finance Committee Member, Central Ontario Standardbred Association):** Thank you and good afternoon.

I want to point out that Bill O'Donnell is one of the top drivers in North America. He was inducted into the Harness Racing Hall of

Fame both in Canada and in the United States, and also inducted into Canada's Sports Hall of Fame. He has been tireless in his efforts and continues to work full time on improving racing.

In support of having legalized and regulated single sports wagering, and in order to help protect the livelihoods of approximately 50,000 Canadians who are involved in and contributing \$5.6 billion to our economy every year, we are recommending two small but very important changes to Bill C-218.

A key to protecting horse racing is ensuring that provincial governments and those contracted to provide single sports wagering pay their fair and appropriate share to the horse-racing industry for the costs of breeding, raising horses, training horses and conducting races.

Currently horse racing is fully regulated and is very much integrated between the racetracks, owners, trainers, jockeys and drivers. The wagering dollars are a very significant piece of supporting horse racing by first helping support funding. The current illegal betting that is happening on horse races prevents us from earning a large piece of that revenue, so we do not want to see additional organizations set up that could put as their portfolio the racing of horses without having to support the integrated portion of that, which involves the costs of putting on races, the costs of breeding, etc.

The answer to that element is embedded in a November 26, 2020, government bill, Bill C-13. That provided a solution under paragraph 207(4)(b). The amendment that is recommended is as follows:

(b) bookmaking, pool selling or the making or recording of bets, including bets made through the agency of a pool or pari-mutuel system, on any horse-race; or

That includes an exemption for horse racing so that others cannot simply add horse racing onto their portfolio. It would be excluded from fixed-odds single sports wagering but would continue on under the regulated current system.

The second small but important change would be to provide historic horse racing as a parimutuel wagering product whereby people can wager on the outcome of horse races that have been held in the past. This has been implemented in Kentucky. It's been implemented in Virginia, and it has provided sources of parimutuel wagering, which help support the current horse racing business.

In order to allow for historic horse racing, the word "horse-race" in subsection 197(1) simply needs to be removed. Our recommendation regarding the word "bet" is that it be defined as follows:

bet means a bet that is placed on any contingency or event that is to take place in or out of Canada, and without restricting the generality of the foregoing, includes a bet that is placed on any contingency relating to a fight, match or sporting event that is to take place in or out of Canada save and except that, with respect to a horse-race, bet means a bet that is placed on any contingency or event in or out of Canada;

That would remedy the issue and allow historic horse racing, which we see as a vital addition to the product.

These two changes would make a significant difference to the lives of the 50,000 people who are involved in horse racing in Canada.

• (1215)

**The Chair:** Thank you.

**Mr. Dave Drew:** We appreciate the opportunity to share that information with you.

Thank you.

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

We'll now go to the Mohawk Council of Kahnawake for five minutes.

Please go ahead.

**Chief Gina Deer (Chief, Mohawk Council of Kahnawake):** [*Witness spoke in Mohawk as follows:*]

Shé:kon Sewakwé:kon.

[*Mohawk text translated as follows:*]

Hello everyone.

[*English*]

We are pleased to address you today concerning Bill C-218, to make note of the impacts it will have on the gaming industry in our community and to recommend bill changes, amendments, and accommodation or reconciling with the interests of Kahnawake and other first nations in Canada.

I will turn it over to Chief Mike Delisle for some of the history.

**Chief Michael Delisle Jr. (Chief, Mohawk Council of Kahnawake):** Thank you, Chief Deer.

I'll start with a brief history of gaming in Kahnawake. The Kanyen'kehà:ka, Mohawk in English, have engaged in gaming and sports betting since time immemorial, a fact that has been confirmed by historical research. Games of chance and wagering on sporting events such as lacrosse have always been and continue to be an integral part of Kanyen'kehà:ka culture and central to our relationships with other nations. In 1996, as an assertion of our inherent right to self-determination, Kahnawake enacted the Kahnawake gaming law, an assertion that is clearly also reconcilable with subsection 35(1) of Canada's Constitution Act, 1982.

Over the following 25 years we utilized our own ingenuity and resources to build a successful, sound and reputable gaming industry in both the online and land-based sectors. Online and land-based gaming in Kahnawake is licensed and regulated by the Kahnawake Gaming Commission. Its pragmatic and thorough approach to regulation has earned the commission a reputation of being fair, diligent and well respected.

From an economic perspective, gaming in Kahnawake is a socio-economic initiative. Gaming produces significant revenues that are used for a variety of community projects we would not otherwise be able to recognize. It employs hundreds of people, both from

Kahnawake and elsewhere, and facilitates valuable workforce development.

Kahnawake's sports betting brand, Sports Interaction, is operated by Mohawk Online, a company wholly owned by the Mohawk Council. Profits from Sports Interaction have been benefiting our community and have most recently provided us much-needed relief from costs stemming from the COVID-19 pandemic.

The Kahnawake gaming industry is a perfect example of an indigenous community's succeeding. We are facilitating economic self-sufficiency to take care of our evolving needs. In our 25 years of operation we have exercised our jurisdiction over gaming openly and conscientiously. We have done so with the knowledge and support of members of the current federal government, such as Minister Lametti.

First, we must be clear that Kahnawake does not take issue with the intent of the code being amended to permit provinces to facilitate sports betting. We recognize Bill C-218 as a positive move forward for Canada's gaming industry. However, we do take issue with the bill's failure to consider, accommodate and reconcile the interests of indigenous peoples.

In its present form the bill threatens the economic resilience of Kahnawake's gaming industry. Simply put, Bill C-218 perpetuates an injustice to indigenous communities that resulted from an agreement between Canada and its provinces in 1985, whereby authority to conduct and manage gaming was exclusively delegated to the provinces. At that time indigenous peoples were not consulted, nor were our interests considered or accommodated. We were simply closed out. What happened in 1985 was a stain on the honour of the Crown.

While it is true that since 1985 some provinces have made efforts to accommodate indigenous interests and share some portion of gaming revenues, this is not the case in Quebec. To date, Quebec has not entered into any agreements to share in gaming revenues with indigenous communities, nor has it ever indicated a will or intent to do so. In short, advancement of Bill C-218, unless it is amended, will result in a deepening of the injustice experienced by indigenous communities, including Kahnawake, since 1985. Worse, Kahnawake's gaming industry will so severely be affected it could face total decimation.

The present state of the single events sports wagering market is frequently described as being under control of either organized crime or offshore interests. To be very clear, Kahnawake's gaming industry is not operated by organized crime nor offshore interests. The fact is we occupy ourselves with good and honest social responsibility and have built a gaming industry that we stand behind as being integrous. This fact must be considered in your deliberations.

I'll pass it back now to Chief Deer.

• (1220)

**Chief Gina Deer:** The committee has the power to recommend amendments that will correct the 35-year-old injustice to indigenous communities. You have the power to accommodate and reconcile the interests of the Crown with those of indigenous peoples. You have the power to urge Parliament to balance the interests of the wealthy and the powerful with the interests of indigenous communities.

Our proposed amendments to the bill were set out in our written submission to the committee. We invite you to consider recommending these amendments in your report, not only because they are compelling legal arguments but to do so is simply to correct some of the wrongs, and it's a just thing to do.

**The Chair:** Thank you, Chief Deer.

**Chief Gina Deer:** Thank you.

**The Chair:** I appreciate that. I hope the remainder of it comes out in questions.

Last, we'll go to Mr. John Levy from Score Media and Gaming Inc.

You mentioned Hamilton and Toronto. I'm in Mississauga, in the middle.

**Mr. John Levy (Chairman and Chief Executive Officer, Score Media and Gaming Inc.):** I'll wave to you every day when we get out of COVID-19 as I'm commuting from Hamilton to Toronto.

**The Chair:** Perfect.

Please go ahead. You have five minutes, sir.

**Mr. John Levy:** Madam Chair, first of all, thank you for providing me with an opportunity to articulate our full support for Bill C-218 and the legalization of single-event sports betting in Canada.

I'm proud to appear before you today on behalf of theScore, a Canadian innovation success story and third-generation family business. Following in the footsteps of my father, who is a pioneer in the Canadian cable television industry, we have built theScore into a North American leader in sports media, betting and e-sports. Utilizing a technology-led, mobile-first strategy, theScore has become one of the most popular sports media apps in North America. We then capitalized on the emerging regulated sports betting opportunity in the United States and launched an innovative mobile sports book operation that is now licensed in multiple jurisdictions.

In September 2019, we debuted theScore Bet, making history by becoming the first media company to create and operate a mobile sports book in the United States, and theScore Bet is now live in four states with a growing footprint and user base. Our early entry into regulated sports betting has positioned us at the forefront of the robust industry and led to significant growth of our company. In two years our workforce has increased by more than 50% and we're actively hiring at an accelerated pace to support the rapid expansion of our sports book operation.

Canada is now poised to usher in this vibrant industry that has potential to be transformative to our economy. Sports betting has flourished in the U.S. since legalization in 2018. It's created thousands of jobs, generated additional advertising revenue for sports

media platforms and sponsorship revenue for teams and leagues, and produced significant tax proceeds for the states where it's legal, all providing a highly regulated system for fans to feel comfortable placing bets on the teams and sports they love. It's clear that a similar thoughtful and modernized legal wagering framework would benefit all Canadians.

The essential component of the public policy conversation around this bill is underscored by quoting the bill's name in full: Safe and Regulated Sports Betting Act. Unregulated and illegal sports gambling is rampant across our country and offers no consumer protections or tax revenues for the provinces. Sports wagering needs to be monitored and regulated with comprehensive oversight to protect the consumers.

Bill C-218 will allow the provinces to implement necessary consumer safeguards to provide for a safe and responsible sports wagering environment. These have been established by provincial and territorial governments for other forms of wagering over decades. Single event sports betting will seamlessly integrate within these regulatory frameworks already in place.

We urge the House of Commons and the Senate to pass Bill C-218 as quickly as possible. In connection with the legalization of single event sports wagering, we acknowledge the need for the horse-racing industry to be safeguarded. We note that Bill C-13, the government version of this legislation, contained language to properly address this issue, and we support an amendment to Bill C-218 that would replicate the approach of Bill C-13, thereby ensuring that the interests of the horse racing industry are protected.

Time is of the essence with the passing of this bill. These gaming revenues represent a significant boost to a recovering economy by incenting job creation and regional economic development in many communities that will see direct and immediate benefits. Until the bill is passed, consumers will continue to remain exposed as they engage with unregulated outfits. There is now widespread industry and clear cross-party support to amend this outdated federal law, and it's time we seize this opportunity.

I thank the members of the committee for their consideration and thoughtful deliberation of this bill and the opportunity to provide my perspective and recommendation.

Members of the committee, thank you very much.

• (1225)

**The Chair:** Thank you very much, Mr. Levy. You're very, very punctual with your time. I really appreciate that.

We'll go into our first round of questions for six minutes each starting with Mr. Waugh.

Go ahead, sir.

**Mr. Kevin Waugh:** Thank you, Madam Chair.

Welcome to the three groups that have joined us here today.

This question is for the Mohawk Council of Kahnawake.

I go on your website, and you are the first online sports book in Canada with sport interaction. How's that going? How much do you take in per year? Can you share some of those numbers with us today?

**Chief Gina Deer:** We have been doing quite well during this COVID time. There has been an improvement. We have over \$4 million, I believe, this year, but, again, COVID has really restricted people from movement, and it has made an improvement on the site.

**Mr. Kevin Waugh:** Can you talk about regulatory aspects of your sport interaction? We had the Saskatchewan Indian Gaming Authority here as a witness earlier. Maybe you could talk about the regulatory system that you operate under right now in Quebec. Could you speak to that, if you don't mind?

**Chief Gina Deer:** Are you talking about the regulatory system and the due diligence that is done in order to get a licence?

**Mr. Kevin Waugh:** Yes.

**Chief Gina Deer:** There is a very thorough background check of due diligence for people who will be licensed within Kahnawake. The Kahnawake Gaming Commission has player protection as a priority. We offer self-exclusion for players to ensure that, if somebody is a problem player, they would be protected.

Over the years we have worked closely with different jurisdictions to develop and stay on top of all of the forever-changing markets, as we had seen what happened in the U.S. We have made agreements with the State of New Jersey, and we have a memorandum of understanding.

We have worked very hard over the years, and Chief Mike Delisle can attest to that. He has been here from the beginning in the earlier years when all of this started.

**Mr. Kevin Waugh:** In your brief, you mentioned that you have had discussions with Minister Lametti. Can you expand on those discussions, and have you talked to the Quebec government about this bill?

**Chief Gina Deer:** We have not talked to the Quebec government about this bill. There has not been much success over the years. Attempts were made to speak with Quebec, but the fiduciary responsibility lies with Canada, in our view.

That being said, we reached out to Trudeau on this bill when we got notification that it was coming forward. We aired our concerns that we had with the bill. We were told that we needed to contact Minister Lametti. We did have a visit from Minister Lametti, ironically, so we didn't even have to contact him. He came to our community, which is a first for Kahnawake. We had a discussion, and we showed him what we do here. We gave him a presentation. He talked about the legitimate gaming architecture that we have created here in Kahnawake.

There have been some, I guess, holdups on getting discussion going on gaming specifically. We did notify Trudeau that some of the discussion was dragging on. He recommended that we attempt to work with Minister Lametti on a workable solution for Kahnawake around gaming.

• (1230)

**Mr. Kevin Waugh:** Thank you.

I'm going to go to Mr. Levy.

You have been in this game a long time. Your timing is impeccable. You sold your channel, I think, to Rogers in time, and then you got into gaming before anybody got into gaming. We noticed your channel 10 years ago. You were the first to give odds on it. You have been very successful.

I want to talk about the four states that you have right now in the United States. How's that going? What are you seeing? You're up against the big boys like DraftKings and so on in the United States. Sometimes as Canadian outfits, we often swim upstream, but, man, you have hit a home run against the big boys.

**Mr. John Levy:** I think that's kind of the way we are. When we launched our TV network in Canada—and thank you for your question—we were up against the big boys here in Canada, too. We launched in the mid-1990s. TSN had a 10-year head start on us. Rogers was launching Sportsnet. We have never been afraid of competing.

For us, it has always been about having the customer come first. Sports betting was really just a natural extension for us in the context of serving the needs of our consumers.

The repeal of the single-event wagering and introducing Bill C-218 and having it pass would be of enormous growth, not only for our company, but for all Canadians. We're already experiencing what that looks like in the U.S., where we have launched in four states, working with regulators and creating technology that allows us to be part of the solution and not part of the problem, which I think is very important.

We're very excited about the prospect of being able to execute on our home turf and satisfy the needs and the passions of our millions, literally, of sports fans all across Canada who are looking for sports wagering.

**Mr. Kevin Waugh:** Have you had any discussions with provincial and territorial authorities here in the country?

**Mr. John Levy:** Absolutely. Our team has been part of the consultative process for the last year and a half. We're actually in one of those unique positions where we're able to talk about our experience in the States. One of the disadvantages of it not being legal in Canada is that we have these millions and billions of dollars that are floating in the unregulated and grey market and should be brought inside and allowed to grow businesses such as ours and to satisfy leagues for cash revenues that are available.

It's all about the possibilities that are created if and when sports betting becomes entirely legal. Yes, we've been part of the process with the provinces. They're ready to go. Ontario is jonesing to go forward.

**Mr. Kevin Waugh:** Thank you.

**The Chair:** Thank you very much. I appreciate that.

We'll now go to Mr. Badawey for six minutes.

Go ahead, sir.

**Mr. Vance Badawey (Niagara Centre, Lib.):** Thank you, Madam Chair.

May I take this opportunity to first acknowledge that the lands that I'm speaking from here in Niagara are those of the Haudenosaunee and Anishinabe peoples. With great respect to those in the past and still residing here, I give that mention.

With that as well, I do want to thank many members for their bipartisan effort, there's no doubt, throughout the many years of this bill, Bill C-218, being brought forward. To those members, such as MP Irek Kusmierczyk, Brian Masse, Kevin Waugh and Minister Lametti, thank you for bringing this forward and putting it on the table. It's long overdue.

Folks, I think for the most part this bill attaches itself to equitable economic benefits for those across the country. As well, it brings something above ground, legalized wagering for single sport betting, and therefore it's not part of the grey market as it has been in the past.

Being from Niagara, I'll say there's no question that we are positioned to benefit. We are a border community, with two major casinos within an area that attaches itself to a great number of people.

I want to go back to that word "equitable". With that, here in Niagara, hundreds, if not thousands, of jobs will be created. Tens of millions of dollars will be made. Of course, the equitable balance is going to place us with our competition across the border and there's no doubt we'll benefit.

Putting all that aside, I want to prioritize my time with our indigenous community.

Chief Deer, as well as Chief Delisle, *sekoh*. It's great to see you folks and I appreciate the time that you're giving us.

You both spoke earlier, and Chief Deer, you in particular had run out of time. With all due respect, I want to give you that time right now, with my time, to expand on some of the comments and points that you were about to make. I feel that a lot of what you and the indigenous community are discussing is very important to create that equity and to ensure that it is a partnership between the provinces and territories, and of course, the federal government.

With that, Chief Deer, I'll go straight to you and allow you to finish some of the topics that you were discussing earlier.

• (1235)

**Chief Gina Deer:** What I was going to finish on is to ensure that we're not shut out this time. Back in 1985, we were shut out. Here is a chance to have an amendment that includes indigenous communities and populations.

We are having a difficult time with COVID, but being involved in the gaming industry has helped us help our community members. We are helping them on an individual basis and with their local businesses through the funds that we have gained through this endeavour with Sports Interaction and Mohawk Online.

Again, we support what's being proposed, but we would also like to see, I wouldn't even say a carve-out, but just a level playing field for indigenous communities.

Within Quebec, we do not have any agreements with the province and we have no revenue share with the province. In other provinces, indigenous populations have some benefit or have some agreements. That's absent here in Quebec. We firmly believe it's the responsibility of Canada to make that amendment in this instance and accommodate first nations, because we always talk about reconciliation and the wrongs that have been done in the past. As we move forward, even with Bill C-15 and UNDRIP, there is the right to economic development.

**Mr. Vance Badawey:** That said, Chief Deer, and Chief Delisle, you can jump in at any time as well if you'd like, we see some of the challenges that we have in our indigenous communities all across Canada when it comes to, especially, infrastructure, housing and things of that nature.

Do you find that this equitable balance would enable your community, and many other indigenous communities that will participate, to leverage the dollars that are made available to them by all levels of government to then, therefore, bring your infrastructure in terms of water, sewer and housing into balance with the expectations that you as a community have?

**Chief Gina Deer:** Absolutely. We're not only looking at our community; we have been looking at some of the other communities. We have opened up our donation policy so we could start to assist other first nations in different ways. For us, it's not just about Kahnawake. It is truly about helping all indigenous populations across Turtle Island.

**Mr. Vance Badawey:** With that, and I'm sure within your own community as well as others, those asset management plans are being put in place in recognizing your capital needs.

Do you have any price tag? Do you have any infrastructure deficit that you're recognizing within your own community that these balanced funds can contribute to?

**Chief Gina Deer:** Absolutely. We look at some of the people who do not live in the village proper and the water situation they have. We still have people living in substandard housing. We're making efforts to fill in all the gaps as they come to us. There is language and culture, for instance. We're working very hard to revive that. This was almost a lost language at one point.

My aunt has passed away.

**Mr. Vance Badawey:** I'm sorry to hear that.

**Chief Gina Deer:** I will be going to her funeral. She was a first-language speaker. This job was very important, and she gave me the strength to be here today.

Helping our people is integral, and this revenue does help our people.

**Mr. Vance Badawey:** On behalf of the whole committee, we all extend our condolences and sympathies to you and your family. Our thoughts and prayers are with you.

I thank you for being here and for giving us your input. I feel that ultimately the funds that can be leveraged with respect to this bill being passed, and of course the involvement we have with you, will go to those infrastructure needs you have in your community.

**Chief Gina Deer:** *Niá:wen.*

• (1240)

**Mr. Vance Badawey:** *Niá:wen.*

**The Chair:** Thanks very much, Mr. Badawey.

Chief Deer, I am very sorry for your loss.

We will go now to Monsieur Fortin.

Please go ahead, sir. You have six minutes.

[*Translation*]

**Mr. Rhéal Fortin:** Thank you, Madam Chair.

I thank the witnesses for being here today. It is always important to have different perspectives on important issues like this.

My first question is for Mr. Levy. I understand from your testimony, Mr. Levy, that you believe that Bill C-218 is a good bill, but that ultimately it should be Bill C-13, since you say that horse racing should be excluded from this authorization. I clearly understood your testimony on that.

I would like to know the reason why, in your opinion, horse racing should be excluded from Bill C-218.

[*English*]

**Mr. John Levy:** Your question makes an important point. Hopefully, there's no confusion about this.

We support an amendment to Bill C-218 so it basically follows the same approach as Bill C-13, which as written, did have protection for the horse-racing industry. My understanding is that the racing industry is fully supportive of this amendment. You could go into the specific details of it, but without going into the details, it basically protects racing to be able to operate and conduct racing the way they always have, and it didn't get caught up in Bill C-218 with an unintended consequence. It's an amendment to Bill C-218 to bring it in line with what was originally proposed for Bill C-13, which is favourable to the horsemen, and which the horsemen are in favour of and are supporting.

The second element they're talking about, which is historical racing, is an additional amendment. Quite frankly, I don't know what historical racing is. I think there were some comments.... I'm a horseman, too. I know Bill and Sandy directly. I think that may work or not, but it certainly should be debated at some future time.

For now, I think the amendment we are proposing and that's being fully supported by everybody is to bring Bill C-218 to look like Bill C-13. Get it passed. Let everybody win, having betting be a part of a licence agreement impacted by it.

[*Translation*]

**Mr. Rhéal Fortin:** Thank you, Mr. Levy.

You will tell me that it may not be possible, but I would like to understand the reasoning behind this. The horse racing industry is an expensive industry, we agree. Horses have to be bought and bred, feed has to be bought, jockeys have to be paid, and so on. Sport is an expensive business. You only have to look at the salaries of hockey players. They are not trivial. It costs tens, if not hundreds, of millions of dollars per team to pay staff and athletes. Since there are also significant costs in the horse racing industry, I would like to understand why there would be a different regime there than for other sports.

I understand that there are accommodations to be made. If a province is managing sports betting, for example, on all the sports activities in their jurisdiction, there may have to be a way to share the revenue with the teams and so on. I understand that.

However, why should the horse racing industry be treated differently than others?

I'm not saying I'm against it, I just want to understand.

[*English*]

**Mr. John Levy:** Again, I think the issue must relate to what's in front of us right now, which is Bill C-218. What we want to focus on is that we don't want to do anything that's hurting the racing industry. What the amendment that we're proposing will do is it will leave the racing industry in the same position they're in now.

Are there other issues with respect to racing? I'm sure there are. I mean, I used to be in that business. But the reason they're supporting sports betting is that they see it as something that will really benefit horse racing at Woodbine and all of the other tracks, and the horsemen and everybody all across the country. That's why they're supporting it.

If there are other issues to deal with, let's deal with them down the road, but let's bring it in from the cold, from the grey market, and let's bring it into a licensed and regulated [*Technical difficulty—Editor*] environment. We don't want to miss this opportunity this time. We missed it a number of years ago. None of those dollars were working for any Canadians over the last period of time. Now is the time to solve this problem. If there are other things that would help horse racing in the future, I would be all in favour of looking at them.

• (1245)

[*Translation*]

**Mr. Rhéal Fortin:** Thank you.

I have a question for Chief Deer.

As I understand it, there has been no negotiation or agreement with Quebec on the issues you addressed in your remarks.

What is your specific request with respect to Bill C-218?

I understood you were going to suggest amendments to us in writing. We will receive them later, but for now, can you give us an overview of your requests?

[English]

**Chief Gina Deer:** We're looking for a carve-out [*Technical difficulty—Editor*] ensure that we are not left behind and forgotten this time. With regard to a lot of the terms we heard here, such as the offshore market and the illegal market, we do not fit in those categories. We are a legitimate gaming institution here in Kahnawake. We have the regulatory side and we also [*Technical difficulty—Editor*]. Through that, in the last 25 years, we've been working in this industry. We've asked to have recognition from both Quebec and Canada to come to some sort of agreement around this. That has never happened. There have always been issues.

Again, we are here today to say that we have a legitimate gaming architecture here in Kahnawake, as it was described, and the amendments afford us a spot so that we are not labelled either offshore or illegal, as has happened in the past.

**The Chair:** Thank you very much, Chief Deer.

Thank you, Mr. Fortin. That was an extra minute for you.

[Translation]

**Mr. Rhéal Fortin:** Thank you.

[English]

**The Chair:** I hope you're keeping track.

**Mr. Rhéal Fortin:** I'm not, but I trust you.

**Voices:** Oh, oh!

**Mr. Rhéal Fortin:** Thank you.

**The Chair:** Mr. Masse, please go ahead, sir. It's your turn for six minutes.

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

In the next round, you can have my two and a half minutes. I have to be back in the House a little bit before that.

Thank you very much to our witnesses for being here.

Chief Deer, thank you for being here. Principally, you're concerned that you will be left outside of the offshore and considered illegal. Those are the primary concerns: to make sure that this is not the case and that you could continue the operations that you have right now in a fully binding way and a recognized way. Is that correct?

**Chief Gina Deer:** Yes, and actually, we can refer to our legal counsel, who has supplied us with some of the terminology that would be used in the amendment of the bill.

Renée, would you like to speak to that, please?

**Ms. Renée Pelletier (Lawyer and Managing Partner, Olthuis Kleer Townshend, Mohawk Council of Kahnawake):** Thank you, Chief Deer.

Thank you for the question.

As is contained in the written submissions from the Mohawk Council of Kahnawake, the proposed amendment is quite simple. It would be an addition to subsection 207(1). That subsection reads in part:

Notwithstanding any of the provisions of this Part relating to gaming and betting, it is lawful

—and this is where the province has its carve-out. What the Mohawk Council of Kahnawake would propose is the addition of the words “for an Indigenous governing body to conduct and manage a lottery scheme pursuant to the terms of an agreement with the Government of Canada”.

**Mr. Brian Masse:** We'll have to get some more on this, in terms of whether there are other repercussions, but essentially you're just looking to be made whole through this process so that you can continue your operations as you're currently doing right now. Is that a good summary?

**Chief Gina Deer:** That's correct.

**Mr. Brian Masse:** Okay. Thank you, Chief Deer.

I'm going to quickly move over to the Central Ontario Standardbred Association, to Mr. O'Donnell or Mr. Drew, whoever wants to respond to this.

I agree with the first amendment. I thought the government's legislation was better than what we had drafted originally in this. I've been public on that. In fact, I have defended the government's legislation from attempts made in the House of Commons to repeal it, because I think it adds a value part for the horse racing industry.

However, I am having a little difficulty with regard to the historical betting, because it's fantasy betting, and it's done probably through some algorithms and other types of work, which are probably quite comprehensive, to ensure that there's proper management of it, and it's done on the basis of a couple of states in the U.S. It seems to me that it's premature for us to do that in this context.

Can you comment on that? Why should we change all of our Canadian laws when even in the United States there are only two states doing this kind of fantasy betting?

• (1250)

**Mr. Bill O'Donnell:** I think I can answer that.

First of all, the historical betting is pari-mutuel, so we contend that it was part of our racetrack industry.

This is a simple slot machine. They take races from the past, as far back as when Sandy Hawley was riding, as he said, or even me. You put your quarter in the machine and it just runs an eighth of a mile, say, and it contributes...that part would go to operations—racing or whatever. The integrity part goes with all the rest of the regulations, I would think.

**Mr. Brian Masse:** What you're doing is confirming the process of how you play it. That's one thing, but right now, this would be a big departure from real-time and real sports betting. This is a fantasy bet that you could apply to just about anything.

Why would we change our national and provincial models based upon something that two states have just started to experiment with? I understand that in one of the states it's actually been a little bit difficult to define whether it's betting or it's a slot machine. You've referred to that.

At any rate, why should we do it right now in this bill, or delay or complicate this bill for something that two states are experimenting with?

**Mr. Bill O'Donnell:** Go ahead, Dave.

**Mr. Dave Drew:** We support the issue of single-event sports wagering from many aspects. One big aspect is that there is a lot of black market wagering in single sport wagering and also on horse racing. The implementation of this bill, with the integration of betting on single sports events, most likely will reduce the amount of wagering that takes place on horse racing.

We are in fact looking for some offset, and this is one methodology that has been used and used successfully whereby it can be integrated into a pari-mutuel platform. We would integrate it with the existing platforms of racetracks and put those events in as specific pari-mutuel wagering events, which are currently regulated.

The CPMA has agreed that they would regulate the use of historical horse racing. They have given us that commitment.

**Mr. Brian Masse:** My question was why should we complicate the current situation by two experimental states on this issue, which is a fantasy. It's not based upon any reality whatsoever. It's a mixture of things. It's a concoction of several things that took place in the past. It's an interpretation of those metrics and then put on a slot machine, versus what you're asking for, which I think is very reasonable in terms of the amendment that was made from the government legislation, which is very real.

It would seem to be that this is a stretch for the current law right now to experiment...this entire process. It would seem that it's only being done as a way to compensate for revenue from an industry that's struggling for a variety of reasons. This is very important and... I support supporting this industry for many reasons, but it's not happening right now. I don't even know if historical gaming on horses or any other type of thing is taking place in the black market, the illegal market or the organized crime market. It seems to me that this is a stretch to include for a problem that's outside of this, whereas the first part of it is actually a value-added amendment that actually helps the industry. Also, what you're asking through historical can also eventually, once researched properly, be done provincially anyways.

**The Chair:** Thank you very much. My apologies, but we won't have time for an answer. Mr. O'Donnell, if you would like to provide a written response afterwards, we'd be happy to receive that.

We'll now go into our second round of questions for five minutes each. I don't know which member from the Conservative Party would like to go.

Is it you, Mr. Moore?

**Hon. Rob Moore (Fundy Royal, CPC):** It's me. Thank you, Madam Chair.

Thank you to all the witnesses. It's good to see my colleague, Kevin Waugh, here who has championed this private member's bill.

There certainly does seem to be a lot of agreement on this bill. I want to speak to one of the proposed amendments that's been put forward, which is the carve-out for horse racing. We've heard testimony both from this panel and the previous panel on the importance of this.

What we didn't hear today was the economic importance in the communities of ensuring that this carve-out exists. Would Mr. O'Donnell or Mr. Drew like to expand on that?

• (1255)

**Mr. Bill O'Donnell:** Go ahead, Dave.

**Mr. Dave Drew:** The impact of horse racing is wide ranging in the communities in which we operate. It's very much agricultural-based and includes breeding farms for people who are breeding horses to be raced. It includes the purchase, raising and training of these horses by qualified trainers. It includes drivers who drive horses, jockeys who are a part of that and all the backstretch workers who work with horses day in and day out.

On average, there are more than two people employed within our industry for every horse that is involved in racing. Many of the communities where the racetracks are located—London, Elora, Dresden, Ontario, and so on—are agricultural-based societies with all of the things that make racing happen and with all the contributors such as feed companies, veterinarians and blacksmiths. It is very wide-ranging in terms of the economic impact and we want to sustain that to the best of our abilities.

**Hon. Rob Moore:** Thank you for that answer.

As someone from a riding that has a great deal of agriculture and a lot of horse owners in the area, I know the economic impact that this can have in our communities.

Mr. Levy, you mentioned the grey market. We didn't really expand on that. I think we all have an idea of the black market on things and also what we're trying to do here. Can you expand a bit on the grey market, when you use that terminology?

**Mr. John Levy:** Thank you for the question.

We consider anything that is currently undertaken in terms of sports betting that's occurring in Canada today, whether you call it grey market or black market in the U.S., or whether you call it illegal, in the Criminal Code, single-event wagering is not permitted, period, end of story. This bill is about amending that.

To date, in the non-legal and the safe and legal environment that this bill will foster, the Canadian Gaming Association estimates that \$14 billion has been wagered outside of the legal regulatory framework. Deloitte has said that by 2025 that number could be as high as \$25 billion. That's money that's not going to help companies like ours create jobs, like we're doing, and create innovation. From a political standpoint, that's money that's not being taxed and redistributed for the benefit of all Canadians.

We think this law will level the playing field. We can all apply. It's going to be a competitive environment. That's what we look forward to.

**Hon. Rob Moore:** I only have 30 seconds.

I'm from New Brunswick in Atlantic Canada. The Atlantic Lottery Corporation has already submitted a brief supporting this.

Could you just quickly tell me, Mr. Levy, what you think the impact will be on the illegal market with the passage of this legislation?

**Mr. John Levy:** I think it will be dramatic. We have millions of customers coast to coast on our app. They love the app. They love our brand. They are getting news and content from us. Our research is saying that they're waiting for something like this to occur. Make it easy for them. Make it efficient for them and do it in a safe and trusted environment. That's what this bill will do.

We're not talking about generating new revenues. We're talking about bringing them out of the cold and into a regulated environment, which I think is so important. It's been hurtful for the last number of years. I can't imagine how bad it will be if we don't get this passed today.

• (1300)

**The Chair:** Thank you.

Thanks very much, Mr. Moore.

We'll now go to Mr. Kelloway for five minutes.

Go ahead, sir.

**Mr. Mike Kelloway (Cape Breton—Canso, Lib.):** Thank you, Chair.

Hello to my colleagues. I want to thank the witnesses for being here today.

My questions will be for Chief Deer and Chief Delisle. I hope I pronounced your name correctly, Chief Delisle.

I'm actually coming to you from Unama'ki, Mi'kma'ki. It's an honour to speak to both of you.

Both of you mentioned that there are agreements between most provincial governments and indigenous governments with respect to indigenous participation in gaming, where gaming revenues are shared with the indigenous communities within the province. However, as you stated, it's not the case in your community.

As others were asking you questions around this, I changed the structure of my question. I'm wondering if you could answer my question and go into some detail. If you had that revenue source

coming, what would the priorities be in your community? I'm really curious about that, to show cause and effect.

**Chief Gina Deer:** The priorities are to fill in the gaps. That's one of the things we're doing. Again, language and culture are integral to who we are as a people. We're trying to revive them. There has been some movement with the Canadian government around reviving the language and supporting that. So much has been lost and so much work needs to be done.

Also, looking at the infrastructure, we still have people with water issues. In this community specifically, we've had a lot of illegal dumping over the years. Going way back to the 1950s and 1960s, there were dump sites that were created. We don't even know what's in that land. Not all of our land has become usable. There's a lot of testing that needs to be done before we utilize lands. It's very concerning when people have private land and they want to build. What is there?

We have the highest rates of scleroderma, autoimmune diseases and cancer, you name it, within this community. The rates are outrageous for a community as small as ours.

We also do a lot of servicing and helping when it comes to health. The older population sometimes has to choose between medicine, food and hydro. As the Mohawk Council of Kahnawake, there are so many areas that we need to fill in. Things are brought to us on a regular basis.

Just this week a man came forward who needs assistance in his home—a ramp, an elevator or something. Every evening he's dragging himself from his wheelchair down to his bedroom in the basement. He'll go down in that manner.

The needs in this community are from the little to the large. Again, it's an endless list for us. The government does not fund all of the needs in indigenous communities, as we have seen. There are many holes.

When it comes to education, we've been fighting so hard for secondary education. We try to promote people to further their education in this community but there's not enough funding for that. There are many challenges. The list goes on and on.

**Mr. Mike Kelloway:** In a previous life, before I was elected, I worked predominantly in the 13 first nations communities in Nova Scotia. There's an assumption by many that with monies, for example, around education, that everyone gets funding. That's not the case, as you know all too well. Sound investments need to be made.

I really appreciate both you and Chief Delisle talking in great detail as to how we can look at this as an opportunity, and I appreciate your historical context.

I have a question for both of you. Are there other communities that you would look at, if this amendment were to happen, as a best-practice first nations community, or an Inuit community that you would look to in terms of using their successes as blueprints?

**Chief Michael Delisle Jr.:** Thank you, Mike, and you did pronounce my name correctly.

Mike to Mike, yes, absolutely, and Chief Deer mentioned earlier... I just want to go back to the first question you asked.

We've developed internal funds, both for individuals as well as business: the Kahnawake emergency measures fund and the business interruption fund. We've poured literally millions of dollars directly from our established online gaming business back into the pockets of individuals, whether it be people in the community who have lost jobs because of COVID, people who have worked across the border who cannot do that because of COVID, and businesses that have had to shut. Based on our own task force that has kept us very safe over the past year-plus now, millions of dollars have been poured into that.

Going back to the new question you asked, we've looked to our sisters and brothers—and thank you, Mr. Badawey, for acknowledging the land that you sit on—in Six Nations and other places to establish something similar to what we've been doing here in Kahnawake for the past 25 years with other online gaming, through Mohawk Internet Technologies and the Kahnawake Gaming Commission doing licensing.

They are looking to establish a fund to be able to help clean water, not only in Kahnawake but beyond our borders as well. I have to say it this way: There was a failure of the Canadian government to be able to bring our people out of third world type of resources that they do not have. We don't sit on any type of natural resource here. We've been very ingenious in terms of bringing that forward.

Thank you for the question.

**Mr. Mike Kelloway:** Thank you to you both.

• (1305)

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

Last but not least, we'll go to Monsieur Fortin for two and a half minutes.

Go ahead, sir.

[*Translation*]

**Mr. Rhéal Fortin:** Thank you, Madam Chair.

My question is for Mr. O'Donnell.

Could you tell me what your views are on the issue of whether or not to exclude racehorse events from Bill C-218? Bill C-13 excluded them while Bill C-218 includes them. My understanding is that they should be excluded, in your opinion.

I would like to know why horse racing, as opposed to any other sport, should be treated differently.

[*English*]

**Mr. Bill O'Donnell:** Well, we're an industry by ourselves. Whatever money comes in, that's how we survive. They call it the sport

of kings. It's really not a sport of kings. It's a hard-working bunch of agriculture, grassroots people who own horses and try to race them for purse money to feed their families basically, and do all the other things they do with horses—feed them, raise them, breed them and whatnot.

Our fear is that we're going to be left out of this altogether. As Mr. Levy said, and I commend him, we should be protected somehow. If they're betting on our product, we just want a little piece of that, and to be protected and get some money back to help run our organization, our industry. The black market bets on our racing. No matter what they do on any sport or anything they bet on, those industries don't receive anything back.

I think that's the most important thing, that we have to be included somehow.

[*Translation*]

**Mr. Rhéal Fortin:** You have significant expenses and we understand that. However, if I compare the expenses of horse racing to the expenses of the National Hockey League, I think that the costs related to hockey games are quite high. I wonder why the same reasoning would not apply to horse racing. I understand that this may not be an easy question to answer.

[*English*]

**Mr. Bill O'Donnell:** I think any of the other sports operate on admissions, sponsorships, TV deals. All we have is the people who bet on the races. That's the only income we have on the horse side. On the horse people's side, we share in the revenue, whereas racetracks have food and beverage sales. We don't share in the food and beverage and admissions. It's only the commissions from betting directly on the horses that provide us with purse money and Sires Stakes money, to be more specific.

**The Chair:** Thank you.

[*Translation*]

**Mr. Rhéal Fortin:** Thank you, Mr. O'Donnell.

Thank you, Madam Chair.

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

[*English*]

That concludes our second hour of panellists. I'd like to take this time to thank all our witnesses for their very important testimony and your remarks today.

If you would like to provide further clarification for the committee, I would ask that you please send that to our committee clerk as soon as possible so we can include it in our deliberations.

I have a very quick reminder for the members that the deadline for submitting amendments for Bill C-218 is today at 4 p.m. If you have any questions or any issues with that, please don't hesitate to reach out to me or to the clerk as well.

Thank you all very much.

I adjourn this meeting.

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