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# Standing Committee on Industry and Technology

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Chair: Mr. Joël Lightbound





## Standing Committee on Industry and Technology

Monday, December 2, 2024

• (1530)

[English]

**The Chair (Mr. Joël Lightbound (Louis-Hébert, Lib.)):** I call this meeting to order.

Welcome to meeting number 149 of the House of Commons Standing Committee on Industry and Technology.

[Translation]

Before we begin, I would like to remind all members to read the little card in front of them about the use of earpieces and microphones. The health and safety of everyone is at stake, especially the interpreters.

I would also like the committee's consent to approve the budget for the study in question, which the clerk sent by email.

Do I have the committee's unanimous consent to adopt the budget?

Seeing no objections, I declare the budget adopted.

[English]

Pursuant to the motion adopted on October 28, the committee is resuming its study of the examination of telecommunication companies' service contract practices.

I want to welcome our witnesses today. From Bell Canada, we have Mark Graham, senior vice-president, legal and regulatory. From Rogers Communications, joining us virtually, we have Tony Staffieri, president and chief executive officer. He's accompanied by Bret Leech, president, residential.

Each of your organizations will have five minutes for opening remarks, starting with Mr. Graham.

The floor is yours for five minutes.

**Mr. Mark Graham (Senior Vice-President, Legal and Regulatory, BCE Inc.):** Thank you, Chair and members of the committee.

Before I begin, I'd like to start by acknowledging that the offices from which I'm joining you today are on the traditional territory of many nations, including the Mississaugas of the Credit, the Anishinabe, the Chippewa, the Haudenosaunee and the Wendat peoples. I'd also like to acknowledge that Toronto is covered by Treaty 13, signed with the Mississaugas of the Credit, and by the Williams Treaties, signed with multiple Mississaugas and Chippewa bands.

At Bell, our purpose is to connect Canadians with each other and with the world. To deliver on that purpose, we offer customers access to the best products and services at prices that have declined significantly in recent years. For example, the latest Statistics Canada consumer price index shows that prices for wireless services in Canada have declined by more than 45% since January 2020, and Internet access prices have declined by almost 6%. Over the same period, overall inflation has increased by 18%. A recent price comparison from the Department of Innovation, Science and Economic Development shows that Canadians now pay significantly less for wireless services than consumers in the United States.

As prices have come down, we have continued to invest in expanding our networks for Canadians. In 2020, Bell embarked upon the largest capital expenditure program in our history, investing \$23 billion to build world-class networks that are a foundation of our country's digital economy. Our 5G and 5G+ networks are now available to 86% and 51% of the population respectively, and by the end of next year, our fibre network will reach 8.3 million homes and businesses across our footprint. Our fibre expansion has brought competition to the cable companies and has given Canadians access to the fastest Internet technology available, full stop. We are immensely proud of this work and of our team members and the vendors who deliver for Canadians.

We also aim to provide our customers with the highest level of service possible. In October, Bell became the first telecommunications company in Canada to name a dedicated chief customer experience officer. We continue to improve our service and provide customers with greater flexibility through digital tools. Our award-winning MyBell app makes it easier for customers to manage their services online, and our virtual repair tool fixes common issues from within the MyBell app.

Transparency and clear communication are critical to building and maintaining trust with customers. Our wireless, TV and Internet services are governed by the CRTC's consumer protection codes, and there are also consumer protection laws in place in provinces across the country. Our pricing terms are clearly displayed on our website and in our contracts, and our customer service representatives are trained to explain them to our customers. We give explicit advance notice to customers on any changes in their plans, so they can decide if they want to change their plans or even their service provider. In the event that our high standards for transparency are not met, we work directly with the customer in question to make it right and to resolve any concerns they have.

I want to thank committee members for the opportunity to discuss these important issues with you today, and I look forward to our discussion over the rest of the afternoon.

Thank you.

• (1535)

[Translation]

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

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

[English]

**Mr. Tony Staffieri (President and Chief Executive Officer, Rogers Communications Inc.):** Thank you, Mr. Chair.

Good afternoon, committee members.

My name is Tony Staffieri, president and CEO of Rogers.

First off, I would like to say that I'm sorry I was unable to attend the meeting last week. I had a personal matter arise, and I asked Bret Leech, president of our residential division, to attend in my place to ensure the committee could have its questions answered. It wasn't my intention to disrupt your schedule. I am pleased to be here today.

With me today is Bret, who is responsible for our home services, including Internet, TV and streaming.

Rogers is committed to bringing our customers the best experiences with the best technology on the best networks. This includes world-class Internet and entertainment products on Canada's fastest and most reliable network. We do this by proudly investing in Canada. In the last decade alone, Rogers has invested over \$40 billion in our networks. To put this into context, this year we'll spend a record \$4 billion in capital infrastructure. Compare that to the planned Canada public transit fund of \$3 billion a year.

Every year, we reinvest 90% of our profits back into Canada. That's investment in Canadian infrastructure, Canadian jobs and the Canadian economy. This includes our commitment to 100% Canadian-based customer service teams. As part of this commitment, we brought home to Canada hundreds of Shaw customer service jobs from overseas last year, after our merger.

We're making these record investments while inflation drives up the costs of all our inputs into delivering Canadians the best, which is what Rogers is committed to across all our product categories—delivering Canadians the best experiences in the way they want. We know it's important for our customers to have products that fit their needs. It's about giving them the choice to pick the products and services that work best for them.

As we start today's discussion, I want to be clear: The price for base TV services covered under a customer's term commitment is not changing. Customers on a term commitment have a guaranteed price for their base TV service. Rental equipment, such as set-top boxes, is separate. In addition, all Ignite TV customers continue to receive their primary set-top box, which is included in their package.

While there has been a change in the monthly rental fee of additional set-top boxes, to reflect our ongoing investments in the services we deliver, the majority of Ignite TV customers are not impacted. Any additional set-top boxes are optional for customers. All Ignite TV customers have the ability to watch their TV service anywhere using our free Ignite TV app, without the need for an additional box. All Ignite TV customers have the ability to add or remove boxes from their package at any time without cancellation fees.

Customers can choose additional boxes, as they provide premium features that are not available on the TV app. These features include our award-winning voice remote, which makes searching for content easier. It provides the ability to search across all TV channels, our video on-demand library and our streaming services all in one place.

Rogers is making real and substantial investments in the network and software that power the experiences these boxes deliver. This includes equipment and software upgrades for TV and streaming. Examples include enabling customers to keep their PVR recordings indefinitely and access new apps on our Ignite TV platform, and upgrading hundreds of thousands of boxes.

Rogers is a proud Canadian company. We're committed to delivering the best entertainment experiences and the best service possible to Canadians. This includes working with our customers so their TV services meet their needs and budget, and offering choice on how they enjoy our content.

I look forward to our discussion today.

• (1540)

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

MP Gaheer, is the sound okay? I hear that you and MP Rempel Garner have had an issue.

**Mr. Iqwinder Gaheer (Mississauga—Malton, Lib.):** It's still an issue, Chair. I hear both the English and the translation. I think some mic is on in the translators' room.

**The Chair:** That's duly noted. I'll have the clerk look into it.

**Mr. Iqwinder Gaheer:** I think it's gone now.

**The Chair:** It's gone. Amazing.

Thank you, MP Gaheer.

Thanks to our witnesses.

To start the discussion, we'll go to MP Perkins for six minutes.

**Mr. Rick Perkins (South Shore—St. Margarets, CPC):** Thank you, Mr. Chair.

Thank you, witnesses, for finally coming.

I'm going to start with a general comment to both Bell and Rogers. You operate businesses that are privileged. You operate on airwaves granted to you and owned by Canadian taxpayers. You are protected by the Canadian government. In exchange for that, we expect a bit of responsibility, not the least of which is to show up to committee when you are asked to come.

Mr. Staffieri, you had five weeks' notice to come to this committee, yet you chose in a few hours, a day or two beforehand, not to come. I would have expected, after all of this, to see you here in person today.

Why aren't you here in person?

**Mr. Tony Staffieri:** Sir, I could not attend the previous meeting. I had a personal matter arise that I was not expecting.

I'm pleased to be here today and connect with you virtually, and I'm here to answer your questions.

**Mr. Rick Perkins:** Okay. Well, that wasn't an answer. I hope my next questions will get an answer.

How about this? You put in the fine print of the fixed-rate contracts with your customers that you have unlimited ability to jack up the prices on the set-top boxes they have, obviously without any notice, because they signed some 20-page contract in small print.

Given the fact that in the first nine months, your \$5.8 billion of cable revenue produced almost \$3.4 billion of gross profit, why did you feel the need to jack up the prices for Canadians by \$7 a box, hide it and slip it under the door?

**Mr. Tony Staffieri:** We're very clear and transparent in our contracts about what's included and what isn't. Our term commitments are on base TV services, and we make that clear. There are other items that are add-ons, and the customer has the discretion to include them or not. We try to be very clear and transparent, not only in our contracts, but through our frontline agents who have the conversations with customers. We're very clear on that.

More importantly, customers have choices. The technologies evolve, so if they don't want the set-top box, they can view the content through the TV app.

I should say that the vast majority of our Ignite TV customers are not impacted by this price change. The first box is included in the base TV package, and the customer has a choice as to whether or not they want the premium features and experiences that the additional boxes provide.

• (1545)

**Mr. Rick Perkins:** Well, that makes it okay for it just to show up on the bill out of the blue. When customers start screaming at your customer no-service centre, they hear, "Too bad. It's in the fine print." That's a great customer satisfaction thing. I'd like to know why you think that's okay.

How many other buried costs do you have in the contract that you can jack up and rip Canadians off with?

**Mr. Tony Staffieri:** As I said, we're very clear on what's included and not included. As we go through—

**Mr. Rick Perkins:** Give me a list, please, of the things that aren't included and that you can jack up without a single notice to the customer outside of the fixed-rate contract. Please give me a list.

**Mr. Tony Staffieri:** There are price adjustments that happen on services outside of the term commitment contract.

Bret Leech is here with us today and can walk through some of the specific examples of additional add-on features that customers have a choice of.

**Mr. Rick Perkins:** Can you table that with the committee, please?

**Mr. Bret Leech (President, Residential, Rogers Communications Inc.):** Thank you, Tony. I appreciate the opportunity—

**Mr. Rick Perkins:** You can table that with the committee, because I have limited time. I have to move on to my next questions.

Mr. Leech, can you table that with the committee?

**Mr. Bret Leech:** Yes, we can.

**Mr. Rick Perkins:** Thank you.

I see Bell lawyered up and didn't send anyone here who delivers a business. They sent the lawyer.

Can you please tell me how many things you have buried in your contracts that you can jack up on fixed-rate contracts? Do you do the same as Rogers?

**Mr. Mark Graham:** We have a different practice from Rogers. Our contracts for TV services are not fixed-rate contracts. We disclose very clearly to the customers that they're not.

With respect to set-top boxes specifically, we haven't increased the price of our additional set-top boxes at all in the last five years. In the five years prior to that, it increased once by \$1.

**Mr. Rick Perkins:** Thank you.

Mr. Staffieri, you just sold your backhaul as an equity sale. Those are the wires that connect the towers to the rest of the system when you make a cellphone call. You just sold that for \$7 billion to a U.S. firm.

How is that in compliance with the ownership limits under the Telecommunications Act? Why would you use that to pay off the debt you generated by buying more shares in Maple Leaf Sports and Entertainment?

**Mr. Tony Staffieri:** We're always looking, from a balance sheet perspective, to have the most cost-effective structure, so we can continue to invest in the networks. We're a proud Canadian company. I said that in my opening remarks. Just this past year—

**Mr. Rick Perkins:** If you're proud, why did you sell that critical infrastructure asset to an American hedge fund?

**Mr. Tony Staffieri:** We haven't closed that transaction yet. We announced our intent to enter into that transaction. The party is still undisclosed.

What I will tell you is that it's an asset that, under the structure, we will continue to manage and control. It was—

**Mr. Rick Perkins:** You won't own it, and the Telecommunications Act does not allow foreign ownership over 20%.

Why are you selling that critical telecommunications infrastructure, other than the fact that you ran up too much debt in your other businesses? Now you're selling off the kitchen table to pay for the bad debts you ran up in the other parts of your business.

It is incredible that you would sell such a critical piece of infrastructure to an American hedge firm. Quite frankly, I can't see how that is within the laws of Canada.

**Mr. Tony Staffieri:** We are very careful with the investments and financing transactions we enter into. We obviously comply with all of the legislation and laws of this country, first and foremost.

You should know that we are entering into that transaction with a view to increasing the amount of investment we continue to make in infrastructure and jobs in this nation.

**Mr. Rick Perkins:** That's not what you said publicly. You said you're using the funds to pay off your debt—to reduce your debt-to-equity ratio. You're selling your Canadian assets to pay off your debt. One of those debts is the \$4.7 billion you paid for more shares in Maple Leaf Sports and Entertainment. Now you're using the sale of telecommunications assets to pay off that debt.

That's not focused and proud Canadian.... That's selling our infrastructure to the U.S.

**The Chair:** That's all the time you have, Mr. Perkins. Thank you.

I'll now turn it over to MP Arya.

**Mr. Chandra Arya (Nepean, Lib.):** I'm glad to see Mr. Tony Staffieri, the president and CEO of Rogers Communications, here today.

The telecom business, as my colleague said, is a privileged business, where foreign ownership is not allowed to be more than 20% if the market share of the Canadian company exceeds 10%.

My question for Mr. Staffieri is this. You are in a protected business. You have a very stable cash flow from your wireless and cable business. Last year, if I'm not wrong, the EBITDA for your wireless business was about \$5 billion, and the EBITDA for your cable business was about \$2.9 billion. That's about \$8 billion in EBITDA. That gave you the opportunity to raise a lot of money and go to businesses that are not protected and should be open to competition. You bought Maple Leaf Sports and Entertainment.

Are you into banking or broadcasting? Why is it that you're using this protected cash flow to leverage it for buying other businesses? Doesn't it give you an added advantage, compared with other companies that may want to own the same assets?

• (1550)

**Mr. Tony Staffieri:** I should probably clarify a couple of points, if you're finished with the question, sir.

**Mr. Chandra Arya:** Go ahead. I'll have other questions.

**Mr. Tony Staffieri:** I have a couple of items.

EBITDA is not cash flow. It's a financial metric that doesn't take into account a number of other factors, in particular—

**Mr. Chandra Arya:** Mr. Staffieri, I'm sorry to interrupt.

I tried to find the net income of your wireless group and your cable. I could not find it, so I used the one figure that is publicly available.

**Mr. Tony Staffieri:** What that figure doesn't include is the substantial amount of investment we make back into the business, particularly for infrastructure. As I said, in the past 12 months alone, we set a record of \$4 billion of investment in infrastructure, creating better—

**Mr. Chandra Arya:** I'm sorry. I have limited time.

You said you're making investment in infrastructure—in the networks—but I'm saying you're making more investment in buying and promoting other businesses. You said you invested \$4 billion this year. If you had invested more money in infrastructure and networks, we could have had quality service. I'm sitting here in the capital of a G7 country. Sometimes I have to go to different corners of the building I'm in to get good cellphone coverage.

Is that quality of service acceptable to you?

**Mr. Tony Staffieri:** We're proud, as a telecom operator in Canada, to have an industry and a company that have one of the best networks in the world. There are numerous independent reports that confirm Canada's status as a premier network country.

**Mr. Chandra Arya:** Mr. Staffieri, the reason you jacked up the price for Canadian consumers, who already provide a great amount of your cash flow—the final reason—is that you incurred a lot of debt.

I don't know the latest numbers, but last year, your debt was around \$45 billion, compared to \$36 billion in the previous year, in 2022. You have incurred a lot of debt to buy other businesses, and because of the increase in interest rates and because interest payments keep increasing, to fund that, you have raised the prices for Canadian consumers.

What do you say to that?

**Mr. Tony Staffieri:** The way we fund our business is independent of the way we operate our business, to be clear. The increase in debt over the last little while relates predominantly to our acquisition of Shaw, which was largely financed through debt and really speaks to Rogers being willing to take the risk to invest in our businesses and in this country.

As a result, it's in our interest to make sure we're bringing the best products and services to Canadians, because we have to compete every single day with several competitors in every marketplace. We know that consumers have a choice—

**Mr. Chandra Arya:** I understand. I'm sorry for interrupting, Mr. Staffieri.

Do you think that Canada should continue the same policy of protecting the telecom industries? Is it not time...? I know that globalization as we knew it is receding, with the foreign direct investment rules we had. I think we need to have a relook at the changing global landscape.

However, we can still have the same liberal rules among the allied countries—for example, the Five Eyes countries. What would you say if I suggested that we open up foreign direct investment into the telecom sector without any restrictions on foreign ownership, irrespective of the market share of the telecom companies? What would you say about opening up your company, Bell and Telus in terms of foreign direct investment?

• (1555)

**Mr. Tony Staffieri:** Sir, I'm focused on running our business today in what is already a very competitive environment, and consumers are seeing the benefit of that. You're seeing prices continue to come down in both wireless and wireline services as we try to bring better value for money to Canadians every single day.

**Mr. Chandra Arya:** The thing is that top management is limited... One thing that is limited is the number of hours a day you have. You are diluting your focus from serving Canadian telecom consumers by using your valuable time and resources in buying up media companies, buying up sports companies and setting up a bank.

Why should Canadians continue to protect a telecom company that is diversifying into so many other businesses? Also, to service the debt, you're selling part of your telecom business to a U.S. company.

**Mr. Tony Staffieri:** We make investments in assets and businesses that Canadians and consumers want. Wireless, wireline and cable are core, but they also want entertainment. We're a communications and entertainment company, as we have been. That's part of our DNA. We try to bring content that consumers want to watch, and we're willing to invest. We're willing to invest in sports ownership and sports distribution as part of that. It is the most-watched content across the nation today.

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

[*Translation*]

Mr. Savard-Tremblay, you have the floor for six minutes.

**Mr. Simon-Pierre Savard-Tremblay (Saint-Hyacinthe—Bagot, BQ):** Thank you, Mr. Chair.

I'd like to thank all the witnesses.

My first question will be for Mr. Staffieri, but Mr. Leech can add his comments. It won't be much different from the questions that have been asked by my colleagues so far.

Customers are telling us, in no uncertain terms, that they are misinformed about the fact that they have to pay additional fees for the digital box after paying for their subscription. Everyone agrees on that.

Why do you at Rogers seem to deny that? Why don't you seem to see a problem with that, when everyone is saying so? When a customer asks if monthly fees for television and Internet services are going to go up, why are the rental fees for the digital set-top box not mentioned?

[*English*]

**Mr. Tony Staffieri:** [*Technical difficulty—Editor*] in the way we structure our commitments and our term contracts with our customers. As I said earlier, we're very clear that the term commitments are on the base TV programming. We want to give consumers and our customers a choice in how many TVs they want to add or delete when it comes to set-top boxes.

We didn't do that in a vacuum. We worked to provide our customers with a choice. We implemented a TV app where customers can view their entertainment experience on any screen and on any device. They can do that for free. They have the opportunity. It was important to us to make sure they had a choice in how they do that. We upgraded the experience of the set-top boxes. The costs and the investments we continue to make through software upgrades are significant. If customers choose to have that premium experience, then that comes with the fee for the set-top box.

I could have Bret spend a moment to talk about what some of those additional features are that are included in this.

**Mr. Bret Leech:** In terms of customers choosing us, I will give a few observations, if I may.

Customers in fact have used our Emmy award-winning voice remote over two billion times in the last year. Customers are watching more content year over year than ever before. In fact, on average, customers are watching approximately 36.4 hours of content.

In order to serve those customers, we need to make sure we have the very best network. We've been investing, as Tony said. One example I would like to provide is the investment in doing additional mid-splits in our network. That has increased our ability to use our megahertz, going from 42 megahertz to approximately 85 megahertz. From a customer perspective, that allows them to have the premier experience and to consume our entertainment and content.

We continue to invest across the country so that we can continue to expand even more. As customers are consuming the very best of a combination of linear and OTT, we're investing in both the physical network and the technical software network behind the scenes. As we deploy and invest in Canada, we do that not just through the physical construction and investment. We also create multi-tenant stacks of information that allow for absolutely the best experience through the set-top box, which is actually a gateway to a broader set of software and services that enables a very premier experience for Canadians who choose to have it.

• (1600)

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** You say it's clear, but it doesn't really have to be. We heard testimony from a number of people who said that there were a lot of complaints about this, because it wasn't mentioned at the outset.

That said, what is the justification for the varying rental cost?

[English]

**Mr. Tony Staffieri:** Go ahead, Bret.

**Mr. Bret Leech:** Thank you, Tony.

Customers have a choice. As Tony mentioned, for some customers the first set-top box is included with their service, as we outlined, but some customers choose to have that premier experience across a greater set. All customers have the opportunity, as Tony mentioned, to use the app free of charge, which they can use across multiple viewing devices. Others choose to engage to have a more premier service.

We absolutely have the best indexation that allows people to use our voice remote and engage in a manner that allows them to get the easiest path to consume the content that they would like to consume.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** Mr. Graham, I'm going to ask you more or less the same question.

When a customer asks about the monthly fees associated with their television or Internet service, why are the rental fees for the set-top boxes not mentioned or taken into account in the response given to them?

[English]

**Mr. Mark Graham:** Thank you for the question.

As I mentioned, we have a different approach to our TV service than Rogers. We disclose on our website and in all our communications with the customer, in their contract and their critical information summary, that prices may change for their service. As I said, in the case of set-top boxes specifically, we have not increased those prices in the last five years.

[Translation]

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

Mr. Masse, the floor is yours.

[English]

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

Thanks to the witnesses for being here.

One thing I just heard you mention, Mr. Staffieri, is that customers can get that content "for free". I would suggest that nothing a customer of Rogers gets is for free. They've paid for it one way or another. I think it shows the distance between where your lifestyle and life are at versus those of the customers we represent, because this nickel-and-dime approach is significant.

The simple question I want to ask you—I really want to know—is this: Do you think it's ethical, from you and your team at Rogers, to have different prices for different customers based upon their advocacy? When you're looking to talk to your customers right now, you have persons with disabilities who may not be able to actively engage and try to get this. You have people who can't leave a job because they don't have the time to actually spend three to five hours on the phone trying to get a better rate. You have other people who are able to negotiate a different price.

Explain to the Canadian public the ethics of you and your board allowing your own customers to be divided.

**Mr. Tony Staffieri:** What you see playing out is the dynamics of a competitive marketplace. We have to compete. This past weekend alone, Black Friday weekend, was a busy period for our industry. As we compete for customers, we are compelled to make sure we put the best value proposition in front of the customers, and—

**Mr. Brian Masse:** That's a predatory practice on your own customers.

Explain specifically, if you can't fight for yourself and be on the phone because maybe you're a single mom going to work, why should you pay more? There may be people with disabilities, or individuals with English as a second language, or people who don't have the skill set and don't have somebody to advocate for them. Why do they have to pay more than the people who have been identified to get the actual reduction?

I can tell you that not only has CBC recorded many of these stories, but I have a whole bunch here that people have emailed to me.

Can you specifically tell Canadians right now why some have to pay more for the same services?

• (1605)

**Mr. Tony Staffieri:** As I said, we strive to provide the best value proposition for every single customer. The pricing will depend on the time of year and when it was purchased. It will depend on the services and products that were included.

However, it's important to stress that we aim to make it easy for customers to interact with us, whether it's by phone, whether it's digitally, or whether it's through electronic chat.

Most importantly, I want to—



**Mr. Brian Masse:** Okay. I want to make sure I get this straight. You're okay that if a single mom is not able to be on the phone and get a discount, she can pay more. It's also okay for somebody with a disability or for somebody else. You guys are okay, in your boardroom, with having different Rogers customers pay different amounts of money based on their individual situation.

Are you okay with that?

**Mr. Tony Staffieri:** We work with customers to make sure that we can get them the products and services that fit their budgets. Recently, after closing Shaw, we expanded our connected for success program. For deserving Canadians on low incomes, we have programs where they can get Internet for as low as \$9.99. We have wireless plans at \$25.

**Mr. Brian Masse:** That's not the question, though. Again, you've answered, I suppose, that the culture of Rogers is that it's okay to be predatory on your own customers. There can be different prices under the same situations for the same product.

Quickly, I'll go to Bell for a moment.

I'd like to specifically know the items that you can increase unilaterally. Can you table that for our committee, so we can have a comparison of that? Is that something that you'll be able to do, please?

**Mr. Mark Graham:** Yes, we can provide that information to the committee.

**Mr. Brian Masse:** Do I have any more time?

**The Chair:** Yes.

**Mr. Brian Masse:** I will go back to Mr. Staffieri.

I have a situation here where somebody had Rogers come to their household—they play for Bell, too—and they were stuck in a contract they didn't want for another two years. What's your suggestion for the people who didn't want the service they got? They got no satisfaction. What's your suggestion? Where do they call, and what do they do?

**Mr. Tony Staffieri:** For customers who enter into term commitments with us, in the first instance, we want to be very clear on what's included and what's not included. We provide the customer up to 10 days to look over the contract and think about it, and they can cancel within that period of time with absolutely no penalty. That's the flexibility. We want to make sure customers are getting into products and services that they want. It's not in our interest—

**Mr. Brian Masse:** You don't know what a person can do. I'll table some of these stories for my other colleagues to have, so that they'll see them.

With regard to the story that the CBC broke, there are all kinds of people who are actually complaining about this practice. Basically, do you just assume that your customers are stupid? Obviously, there is enough evidence here that people were confused. They had different expectations, and you haven't relented from this practice, as opposed to saying, "Well, you know what, some are getting it and some aren't. Some are paying for part of it. Some might be paying for all of it. We don't know."

Why don't you just end this practice altogether? Why do you think it is that so many of your customers never understood your own process? Are they that dumb?

**Mr. Tony Staffieri:** As I said at the outset, in terms of you referring to the price adjustments on set-top boxes, the majority of our customers are not impacted by the change. One set-top box is included, and—

**Mr. Brian Masse:** Make it all of your customers, then, and treat them equally. Why don't you just treat them all equally and not have any of them be disadvantaged?

By the way, just because you have the app, that doesn't mean that it's free. You're paying for service anyway, and it's of different quality than what you're paying for with the set-top box, so you're actually discriminating among your own customers. Why not just stop this nonsense right now and stop doing those extra billings?

**Mr. Tony Staffieri:** As I've said, the set-top box provides premium features. Bret has walked through some of those—award-winning voice remote and a number of other features—which are beyond being able to experience and view the content through the app.

**Mr. Brian Masse:** Sadly, you understand how tough life is for some people out there, and this all matters to them.

I'm sorry. I'm done with my time.

Thank you, Mr. Chair.

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

I'll give myself one question before I turn it over to MP Rempel Garner.

Mr. Staffieri, based on your knowledge of your customers, what would be your estimate of the percentage of your customers with set-top boxes who knew about the possibility of you adjusting the price along the way? Is it 50%, 60%, 100% of your customers who knew about it? What would be your guess?

• (1610)

**Mr. Tony Staffieri:** In advance of making the change, we notified the customers, as we do with any price adjustments. That's first and foremost. I'm having difficulty answering your question in terms of how many customers knew that price adjustments on set-top boxes could happen. I wouldn't know that, but what we do when the customer feels confused is to work with every single customer to make sure that they have options and to look at what those are. If it's a cost that they don't want to incur, then we look for ways to work with that customer. It's in our interest to make customers happy.

**The Chair:** MP Rempel Garner, the floor is yours.

**Hon. Michelle Rempel Garner (Calgary Nose Hill, CPC):** Thank you, Chair.

Mr. Staffieri, if I were a potential Rogers customer who called in and was looking for a contract that guaranteed a price for two years for TV and Internet service, and let's say you were a sales rep for Rogers, what would your pitch to me be?

**Mr. Tony Staffieri:** There are a few things. We highlight the benefits and the competitive advantage of our features, the value proposition in terms of price, and the key conditions and terms.

Bret can walk you through what some of those key items are that we cover off with the customer—

**Hon. Michelle Rempel Garner:** I don't want Bret. I want you.

Would you proactively tell me that if I had hardware, the fee could go up outside of a guaranteed price? Would you proactively tell me that?

**Mr. Tony Staffieri:** We're very clear with customers—

**Hon. Michelle Rempel Garner:** As a sales rep, in your script, would you proactively tell me that my monthly fee, that guaranteed set rate, would not include potential increases to rentals? As the sales rep, would you say, "Hey, you know what? This is the monthly rate, but that could increase"? Would that be in your sales rep script?

**Mr. Tony Staffieri:** We're very clear on what's included in the term commitment that a customer enters into and what is outside of it. The things outside of it don't have the price guarantee.

**Hon. Michelle Rempel Garner:** I'm still pretending to be one of your customers here. Right now, what you're doing to me is, I think, what you're doing to your clients; you try to dance around the salient details.

Would you proactively tell me, as a potential client, that there's a guaranteed price for this thing, but the hardware fee could increase? Is that something you instruct your sales reps to do?

**Mr. Tony Staffieri:** We make it very clear, and that is part of the communication that we have—

**Hon. Michelle Rempel Garner:** I'll take that as a "no".

Did any of the government relations firms that advise you tell you to say that you were coming to the committee and then sub in Mr. Leech at the last minute? Was that advice that you received from any sort of professional firm?

**Mr. Tony Staffieri:** I'm very respectful of this nation's government and the work of this committee as part of that. As I said in my opening remarks—

**Hon. Michelle Rempel Garner:** Arguably, you're not answering my questions.

Would you table with this committee the script used by the sales rep who sold Cathy Cooper her contract?

**Mr. Tony Staffieri:** Yes. Our frontline script is something that we can table with the committee.

**Hon. Michelle Rempel Garner:** Would that conversation have been recorded for quality assurance and training purposes?

**Mr. Tony Staffieri:** We do record our customer interactions.

**Hon. Michelle Rempel Garner:** Would you provide to this committee the conversation that your sales representative had with Cathy Cooper?

**Mr. Tony Staffieri:** We will table that with this committee.

**Hon. Michelle Rempel Garner:** Thank you.

As part of the CBC exposé on this issue, a couple of folks have suggested that you need a minimum of a university degree education to read the fine print in your contracts. Given that, I'm going to take it that your answer is that you do not provide proactive disclosure to potential clients on increases in fees, because you didn't answer my question directly. I'm happy for you to refute that, but I'm going to say that your policies do not proactively disclose that information. It sounds like you rely on the fine print, and now you have experts saying that you need a university degree to understand the fine print.

Would you recommend that the committee recommend to the government that the CRTC regulate that Rogers—and Bell and all telcos—proactively disclose potential increases in costs associated with fixed-rate contracts, as well as the requirement for plain-language contracts?

• (1615)

**Mr. Tony Staffieri:** Legislation and the regulatory environment are clear and mandate a minimum level of disclosure that has to happen today in terms of what is included, what is excluded and what is subject to potential price adjustments.

**Hon. Michelle Rempel Garner:** There's no plain-language requirement. Is that something that you would recommend? I mean, if you're clear about this.... You say that you provide clear advice. Would you support...? Would Rogers issue a press release saying that it would happily issue contracts in plain language?

**Mr. Tony Staffieri:** We do that today. We aim and strive to communicate in very simple language. It's in our interest.

**Hon. Michelle Rempel Garner:** Would you table with the committee—of course, with personal details redacted—the contract that you made Cathy Cooper sign so that we can evaluate whether or not we think it's in plain language? Would you be willing to do that?

**Mr. Tony Staffieri:** We'd be happy to do that.

**Hon. Michelle Rempel Garner:** If I reviewed that contract myself, do you think it would be reasonable for me to say that it's a plain-language contract?

**Mr. Tony Staffieri:** I think you would find it straightforward. More importantly, if there were pieces of it that you didn't understand or that you found confusing, as I said, we have a 10-day period.

**Hon. Michelle Rempel Garner:** How long did Cathy Cooper have to wait on hold with your representative to get answers to her questions? Could you table that with committee as well?

**Mr. Tony Staffieri:** We will table that and provide it to the committee.

**Hon. Michelle Rempel Garner:** Thank you.

Here's my last thing: Is this how Ted Rogers would have done business? Like, honestly, is this the ethos that Ted Rogers would have done business under?

**Mr. Tony Staffieri:** It's in Rogers' DNA. It always has been. It continues to be today. It's to build a business focused around the customer.

**Hon. Michelle Rempel Garner:** What is? Do you mean providing complicated contacts and having high fees?

**Mr. Tony Staffieri:** There's a reason that more Canadians choose to do business with Rogers than with any other telecom provider.

**Hon. Michelle Rempel Garner:** I think I can hear Ted Rogers screaming from somewhere. Hopefully we'll be able to do him justice if you can't.

Thank you.

[Translation]

**The Chair:** Thank you, Ms. Rempel Garner.

[English]

MP Turnbull, the floor is yours.

**Mr. Ryan Turnbull (Whitby, Lib.):** Thanks, Mr. Chair.

Thanks to all the witnesses.

Mr. Staffieri, the government made clear in budget 2024 that there should be no surprise fees and no surprise increases. This came after Rogers and Bell announced fee increases in January. Last week, the CRTC launched the process to make sure that telecom companies are transparent and honest about their fees.

Can you guarantee that there will be no increases this coming January?

**Mr. Tony Staffieri:** We're always reviewing all of our prices, how they are in the marketplace and also, importantly, what the costs of our inputs look like. One of the important things that haven't been highlighted is that the costs of inputs continue to go up. We—

**Mr. Ryan Turnbull:** Mr. Staffieri, I don't want to be disrespectful to you, but that's not an answer to my question. The answer was “no”, basically, because you skirted around answering it directly, sir. I understand that your input costs are fluctuating and may be going up, but that doesn't necessarily justify increases to the customer when you're a highly profitable Canadian company.

I'm going to move on. The letter from the CRTC says, “Service providers should not be surprising their customers with price increases beyond the price they had originally agreed to.” My question is this: During the current context of affordability challenges that families are facing in Canada, shouldn't Canadians be able to count on a fixed-price contract being actually stable and fixed, with no surprises?

**Mr. Tony Staffieri:** Our TV programming commitments are fixed and stable. That's one thing we do that isn't widespread in the industry. You heard from our competitor today that they don't lock in prices during that term commitment. That is one thing we do guarantee.

As I said, we make it clear as to what's included and what's not included—

**Mr. Ryan Turnbull:** Mr. Staffieri, I'm sorry to cut you off again. I don't mean to be disrespectful to you personally, but I have to say, that's not what we've heard. The CBC article lists many of your customers. I've talked to many of them in my riding of Whitby, and I have been one of your customers who've been deeply dissatisfied

with your services and the increases that seem to always creep into the contracts that people have with you. It's not just you. It's Bell as well.

Canadians, I think, deserve price certainty and a high-quality customer experience. That's how you build a loyal customer base. I'm sure I don't need to preach that to you, but in this case, it seems like I do. The CBC article says that many of your customers are calling these price increases “infuriating”. They've called them “shady”. They've called them “a cash grab”. They've said that they feel like they've been “bamboozled”.

How many complaints like this do you get from your contracts and customers, who are continually complaining, it seems, about the price increases that are thrust upon them as a surprise? Can you give us the number of complaints that you receive in a given year?

● (1620)

**Mr. Tony Staffieri:** There are a couple of comments I would make.

As I said earlier, the majority of our Ignite TV customers were not impacted by the price change. I think that's important to highlight.

In terms of customers who were impacted and who have reached out to us, we've been working with every one of those customers, trying to look at what their needs are and whether the TV app is a more cost-effective way—

**Mr. Ryan Turnbull:** Sir, again, I'm sorry to cut you off, but I do feel like you're not really answering the question. You're saying that you wait until customers complain and then you work with them after the fact. They've already had a price increase that they weren't anticipating. They come back to you because they didn't read the very fine print in the contract that they signed, and they have a set-top box increase.

What is the justification for increasing the fees for those set-top boxes? I mean, the article from the CBC says that they can go up from \$7 to \$12, as I understand it. If you have three or four of those boxes, that's a pretty significant increase per box that you are subjected to, after having signed a fixed contract. That comes as a big surprise to a Canadian family that can't afford to pay an extra \$50 for their TV package.

What is the justification for increasing those fees? How do you justify that to your customers, without sidestepping it by giving them some other option or saying that they signed that contract? How do you justify the increase in fees for a piece of equipment that they've already been using?

**Mr. Tony Staffieri:** The primary determinant in price adjustments is the cost of inputs. When it comes to set-top boxes in particular, there are investments that are made in terms of software and the functionality—Bret talked about those earlier and went through those—as well as additional features.

**Mr. Bret Leech:** Yes, I'd like to just highlight—

**Mr. Ryan Turnbull:** Bret, I'm sorry. I'm cutting you off because I'm almost out of time and I want to ask one more question. We already heard you give us an explanation of that.

Regarding consumer protection codes, do you think, Mr. Staffieri, that you need additional regulatory safeguards in place to protect consumers? Do you think that Rogers, as the largest market share telecommunications company in Canada, needs more regulatory safeguards in order to protect its own customers?

**Mr. Tony Staffieri:** I made the point earlier that competition drives us all to do what's best for the customer. We have to earn their business. Customers have choice in every market. We have to compete with alternatives. It's not just other telecom players, but we're competing with alternative technologies as well, whether it's an over-the-top streaming app or any other way that consumers want to view their content.

Competition is healthy, and competition drives us to continue to do better for the customer.

**Mr. Ryan Turnbull:** I'll take that as a "no". You don't need regulatory safeguards in place because you're saying competition is better. I would disagree, because we have very limited competition and it seems that Canadians have a large number of complaints about those price increases.

Thank you for your testimony.

It's back over to you, Chair.

[Translation]

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

Mr. Savard-Tremblay, the floor is yours.

**Mr. Simon-Pierre Savard-Tremblay:** Thank you, Mr. Chair.

I would now like to turn to Mr. Graham.

I'm going to quote you, Mr. Graham, but correct me if I'm misquoting you.

You said earlier that there had been no increase in the price of set-top boxes.

Is that what you said?

[English]

**Mr. Mark Graham:** Yes, that's correct—in the price of an additional set-top box.

• (1625)

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** Okay. You were talking about a price increase for additional set-top boxes.

Does Bell anticipate an increase in the short term?

Please answer yes or no.

[English]

**Mr. Mark Graham:** You can see a clear trend in prices over time going down, and our experience over the last five years is that those prices have not increased.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** Is it fair to say that, much like at Rogers, your customers are simply paying for the rental of necessary infrastructure and access to a service that they've already contracted for in a first contract?

Is that correct?

[English]

**Mr. Mark Graham:** Our customers have included in the price of their TV service the primary set-top box, as well as access to our Fibe TV app. They may then choose to pay for additional set-top boxes, and I referred to the price of those set-top boxes previously.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** Unlike Rogers, does Bell allow its customers to buy the boxes, the set-top boxes?

[English]

**Mr. Mark Graham:** I think that's a more complicated answer than I'm able to give you at this point, but I'd be happy to follow up with you in writing.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** So you don't know if Bell allows the purchase of the set-top boxes.

[English]

**Mr. Mark Graham:** I don't have that answer for you today, but I would be happy to follow up in writing.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** I'd like to thank you in advance for that.

Can you guarantee that this guarantee of price stability will be maintained?

You said that there had been no increase in five years. However, should we expect an increase in the future, even if you say the trend is downwards? Can you guarantee that this will not be the case?

[English]

**Mr. Mark Graham:** As I said, the clear overall trend for the prices of all our services is that they're declining. You can see what the prices associated with our set-top boxes have been over the last five years. I don't think I should publicly disclose our pricing plans with our competitors listening.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** Still, Bell can reserve the right to increase prices for its services at any time during the duration of a contract.

Is that correct?

[English]

**Mr. Mark Graham:** Yes, that's the arrangement with our customers, and it's disclosed prominently on our website, in the customer's order confirmation, in the critical information summary that's mandated by the CRTC to be provided, and in the customer's contract.

[Translation]

**The Chair:** That's interesting. Go ahead, Mr. Savard-Tremblay.

**Mr. Simon-Pierre Savard-Tremblay:** We are in information retrieval mode to properly form an opinion on all of this.

Let's talk about some cases.

For example, in some areas, people remain loyal to the operator, not because they are satisfied with the price, which is sometimes exorbitant, but because it's the only operator that offers reliable coverage.

This is such a costly expense that some want the authorities to intervene to implement better solutions. In fact, one of the reasons we're conducting this study right now is that we've heard certain things and people have complained.

Do we really need to get the authorities to intervene? We're all in favour of self-regulation, if it works, but if it doesn't work, what should we do?

[English]

**Mr. Mark Graham:** In the case of our TV services, we've been rolling out our fibre network to bring competition to the existing cable companies. Across our Fibe TV footprint, customers have choices, and they exercise those choices every day in a highly competitive market.

[Translation]

**The Chair:** Thank you.

Mr. Masse, you have the floor.

[English]

**Mr. Brian Masse:** Mr. Staffieri, your company announced recently that the pay-as-you-go option is being terminated. Before, you had customers with \$100 in pay-as-you-go. Now they have to be enrolled in a \$25-a-month program.

Why did you do that?

• (1630)

**Mr. Tony Staffieri:** You're referring to our prepaid wireless offering, I believe.

What we've done is simplify the offering. We made it lower-cost, on average, by enabling much more digital and self-serve capability. For customers who previously had a prepaid balance, we offered, as part of the conversion, discounts that make up for the value they had on their prepaid card. They can come on for as low as five dollars a month to maintain that service.

**Mr. Brian Masse:** I have a case here. This one is \$25 a month. I will follow this up, because you're now saying it could be five dollars.

This goes exactly to what I was questioning you about before. Apparently, it's ethically okay for some Rogers customers to get some benefit or reduction, and for others not to get it. They are now, in this system you have here, going to spend.... Twenty-five dollars per month has been offered, but you're saying you can get it for five dollars. I'm hoping that everybody hears this and under-

stands that they can get this substitute for as little as five dollars. Still, that's more money than what they paid before.

I have another situation that has come in. This person writes that their daughter had Internet service with Rogers as a student. She ran into financial problems and the service was terminated in May 2024. Rogers continues to bill her monthly for the full amount of the service, equal to the amount she was paying prior to the termination of the service. She just received another bill for December 2024. The parent intervened on behalf of their daughter to dispute the bill and was transferred to several departments. The answer was that she still has to pay the full amount, despite everything they did. The dispute went to your legal department. They finally got a phone number, fax and so forth. Then the legal department hung up on them. They sent an email and tried the fax several times. The legal team has now actually blocked this customer you have here. Sir, here's another example of somebody who at least has an advocate trying to fight you, still.

How fair do you think it is that, again, that some customers are treated differently than others?

**Mr. Tony Staffieri:** I'm not familiar with the specific example you're quoting, in terms of what the facts are. I'm not sure I understand the question.

If I go back to the point that you made about the prepaid card, the amount of discount they get will vary depending on how much prepaid balance they have. That's why you get differences.

Certainly, the customer you referred to.... We would be very happy to work with that customer to look at what the issue is. On the most recent example you quoted, as I said, we really want to look into it. If you could provide those details, we will make sure we do the right thing for that customer.

**Mr. Brian Masse:** Thank you. I appreciate that. We'll follow up.

Telephone and Internet service is an essential service for Canadians. I think the departure we have here is that I believe everybody should be treated the same, especially since it's a public service. As Mr. Perkins noted at the beginning of this meeting, the public spectrum is auctioned off and used for this company's privilege. They get safe harbour from foreign investments and foreign competition. At the same time, we are sanctioning, as legislators, an abuse practice through the back door—letting Canadians be treated differently, depending on the corporate boardroom influence they have. Ethically, I have a problem with that, because I represent persons with disabilities, seniors and all kinds of different people who don't have the same strength, in terms of support in their life, to fight through this process.

I think that's something serious for this committee to really engage in, because we are sanctioning an abuse and a predatory practice against the Canadian public. These airwaves we own—the spectrum—are the public's, so it's not fair for these people to be treated differently by these companies.

Thank you, Mr. Chair.

[Translation]

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

Mr. Généreux, you have the floor.

**Mr. Bernard Généreux (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, CPC):** Thank you, Mr. Chair.

Thank you to the witnesses.

Mr. Staffieri, do you agree with me that a company's image is priceless?

[*English*]

**Mr. Tony Staffieri:** If I understood the question correctly, sir, our reputation means everything to us.

[*Translation*]

**Mr. Bernard Généreux:** That's perfect.

It took you five weeks to appear before the committee, which in itself shows a lack of respect, but in the case at hand, let's talk about the respect you have for your customers.

Since the CBC published this story, have you planned to offer credits to your customers who you overcharged by \$7 for each additional item on their contract? Or do you feel that it's owed to you? According to the CBC, and according to your customers, that doesn't seem to be the case.

Are there any plans to credit your customers?

• (1635)

[*English*]

**Mr. Tony Staffieri:** Let me start off with, again, reiterating that I have the utmost respect for this committee and for the work that it does, and I'm pleased to be here today to answer your questions.

In respect of our set-top box price plan adjustments, as I said, we're working with customers who have concerns to look for alternatives that are going to fit their budgets based on that. The reality is, as I said earlier, the primary determinant for price plan changes, as in the case of these set-top boxes, is the cost inputs. Therefore—

[*Translation*]

**Mr. Bernard Généreux:** Okay.

[*English*]

**Mr. Tony Staffieri:** —as we provide more and more features to make our product better, the best in the marketplace, those come with costs in terms of investments.

[*Translation*]

**Mr. Bernard Généreux:** If I understand correctly, people already had the set-top boxes and received an increase of \$7 per set-top box. In fact, it seems that you had an opportunity to increase costs and that it was written in fine print in the contract.

From the outset, you've been saying that you live in a very competitive environment. I imagine that's the case, and I understand that. There's Bell, Videotron, Telus and so on. The other major players are also present.

To refer to what Mr. Masse asked you earlier, in some markets, if I understand correctly, the service you offered wasn't expensive enough, since your competitors offered services that were more ex-

pensive. So you had the necessary margin to increase the price by \$7 per set-top box.

Did I understand correctly? Your competitors were asking a higher price, so you had that space to raise your prices.

[*English*]

**Mr. Tony Staffieri:** The price we charge on a market-per-market basis will depend on a number of factors, most of which are what the competitive landscape looks like in that particular market and whether we can offer a competitive service that is a value-add to the customer and that more than offsets the costs we have to invest in that particular service. It isn't always necessarily—

[*Translation*]

**Mr. Bernard Généreux:** Mr. Staffieri, I don't want to cut you off and disrespect you.

These people end up having to pay an additional \$7, an amount that was obviously not intended at the outset. Isn't that in itself—I don't dare say it's theft, but....

The customers already have their set-top boxes. Then you increase their bills by \$7. If I'm not mistaken, the set-top box was included in the expense provided for in the customer's contract in the first place. However, you're adding an amount for a service that's already in place. The cost of providing that service or the set-top box hasn't changed.

Am I wrong in saying that?

[*English*]

**Mr. Tony Staffieri:** There are a few things I would say. One is that—and I highlight again—the primary box is already included, for free, in the term package for the content. You indicated that the set-top box is still the same set-top box. There are a number of software upgrades that go into it, which feature functionality that's done remotely. All of that is a cost we incur. A recent example—

[*Translation*]

**Mr. Bernard Généreux:** I'm sorry to interrupt you again, Mr. Staffieri.

I've been a Videotron customer for several years. In the region where I live, I don't have a lot of choice anyway, so I'm forced to live with the conditions I'm offered.

Not too long ago, I had a problem with the speed of the Internet connection. The speed of my system didn't seem to match what the company was supposed to offer me. I called Videotron. The service was very good. They increased the capacity of my system and upgraded it without charging me any additional fees. I think it's included in my service. If an update is needed, all the company has to do is press a button to update millions of pieces of equipment at the same time. It's not complicated.

For a while now, you've been telling us that, in certain contracts, or in certain regions of Canada, you have to raise your prices because you're in an even more competitive environment. However, you're increasing your prices in areas where you probably had the opportunity because your competitors are asking a higher price.

Basically, I'm trying to get you to tell us what you do. You raise prices where competition allows, and you don't raise prices where competition doesn't.

• (1640)

[English]

**Mr. Tony Staffieri:** Sir, perhaps I could just clarify a couple of things. One is that the question you're referring to relates to set-top boxes. Those come at additional costs to us. The example you gave was with respect to Internet speeds that you were paying for and weren't getting with Videotron. When our customers call and they're not getting what they expected in terms of our core service of Internet, which isn't very often, we make sure they get not only the speeds they're paying for but in many cases even more than that. As an industry, we go through what we call "surprise and delight". We want to over-deliver on customer expectations, and not under-deliver.

[Translation]

**Mr. Bernard Généreux:** Mr. Staffieri, I'm sorry to tell you, but the reason so many customers are asking questions and we're here today to talk to you about it is that there are also Rogers customers who have a serious service and connection problem.

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

Mr. Van Bynen, please go ahead.

[English]

**Mr. Tony Van Bynen (Newmarket—Aurora, Lib.):** Thank you, Mr. Chair.

I was interested in the comments you made earlier, Mr. Staffieri, about assessing the competitive landscape. My concern is that any time we run into these kinds of difficulties, we're running into marketplaces that are dominated by one or two or three significant players. The examples are in finance, technology, communications, food, banking and insurance.

I guess my concern here, Mr. Staffieri.... In the finance world, an organization called the Financial Consumer Agency of Canada was established. Is there an equivalent of that agency with the telecom industry?

**Mr. Tony Staffieri:** In terms of advocacy groups, there are various ones in different parts of the country, if that's your question. There's an association for the telecom industry as well.

I'm not sure if I answered your question. If I didn't, perhaps you could rephrase it, please.

**Mr. Tony Van Bynen:** Sure. If I look at the mandate for the Financial Consumer Agency of Canada, this is an agency that I believe the federal government funds with about \$5 million. The balance of those costs are paid for by the industry. Their first goal is to "be the national leader in financial consumer protection". Their second goal is to "strengthen the financial literacy of Canadians for an increasingly digital world". Their third goal is to "be the authoritative source of Canadian financial consumer information".

It seems to me that the industry from the finance side of things has agreed to fund a group that protects consumers' interest. Is there a particular group similar to that in your industry that protects the

consumer? I'm not talking about a fractured group here and there. Is there a national agency at this point in time?

**Mr. Tony Staffieri:** There's not a national agency for telecom the way you describe it for financial services, but there are other areas of regulatory oversight. Certainly, ISED has oversight on spectrum and how it's used and deployed. We've recently been working with them on—

**Mr. Tony Van Bynen:** I'm sorry, Mr. Staffieri. I have a limitation on time as well.

This is a situation where the industry is actually funding a national agency. Would Rogers be prepared to establish or to contribute to an agency like this, one that's being funded or managed independently for the benefit of consumers? Would Rogers be prepared to do that as one of the industry players? Of course, we'll ask that of Bell as well.

It's pretty straightforward. Would you be prepared to finance an agency that protects the consumer?

**Mr. Tony Staffieri:** With regard to consumer legislation, we all need to comply with a number of those today, but ultimately the best outcome for consumers is the competitive landscape. When you look at the telecom sector, we have, on a national basis, four active, well-funded competitors in every market. When you look south of the border—

• (1645)

**Mr. Tony Van Bynen:** But, Mr. Staffieri, four, to me, is market dominance by four groups. We don't have that competitive element.

I'll assume, from the fact that you didn't respond to my question, that Rogers wouldn't be supporting an agency of this nature for the benefit of their customers.

We recently received a letter from CRTC. They expressed concerns about pricing certainty. What steps is Rogers taking to align its practices with the CRTC's concern about price certainty and the prohibition of unexpected fee increases?

**Mr. Tony Staffieri:** There are a couple of things there that you touch on. With respect to base services, whether Internet or wireless services, we make it very clear what the monthly charges are and which ones could be subject to price adjustments.

What you're referring to, I believe, are the additional services that are provided and the fees related to that. As I said, in each of those instances of additional fees, consumers have choice. I can go through a number of examples where they don't want to incur the fee and work through, for example, a self-serve app. That's an alternative as well.

**Mr. Tony Van Bynen:** Are you preparing for the potential regulatory processes or safeguards that the CRTC may introduce to limit price changes during contracts following the announced consultations by that regulator?

**Mr. Tony Staffieri:** I'm sorry...?

**Mr. Tony Van Bynen:** Is Rogers preparing for potential regulatory processes or safeguards that the CRTC may introduce to limit price changes during contracts following the announced consultations by the regulator?

Has Rogers engaged with the CRTC to offer its perspective or alternative measures that could balance customer protection with business needs?

**Mr. Tony Staffieri:** First and foremost, we respect every legislation that impacts us and our customers.

On the particular initiative you're referring to, we have been responding to any requests for information or questions that the CRTC has given to us.

**Mr. Tony Van Bynen:** Mr. Chair, is that my time?

**The Chair:** Yes, thank you, Mr. Van Bynen.

MP Patzer, the floor is yours.

**Mr. Jeremy Patzer (Cypress Hills—Grasslands, CPC):** Thank you very much, Mr. Chair.

Thank you for finally appearing at our committee, Mr. Staffieri. I'll direct most of my questions towards you here.

The Liberal government created a smaller, less competitive telecommunications market in Canada when they allowed Rogers to merge with Shaw. Since then, can you please tell this committee how many people who worked for Rogers before no longer work for Rogers, since the takeover in 2023?

**Mr. Tony Staffieri:** There are a couple of things I'd like to clarify.

Rogers coming together with Shaw brought more competition to the west. That was—

**Mr. Jeremy Patzer:** Sir, how many jobs were lost? How many people are no longer working for Rogers who were working for Rogers previously? How many people who were brought over from Shaw are no longer working for Rogers since 2023?

**Mr. Tony Staffieri:** I won't provide you a specific number, but I will tell you that we continually look for efficiencies in different parts of the business, and we look to deploy those resources to other growing areas of the business.

**Mr. Jeremy Patzer:** Mr. Staffieri, there was a memo that was circulated within the company. This was reported on by The Globe and Mail. It said that there are 1,200 employees who no longer work for Rogers after.... A memo with your name on it went out.

Are there more initiatives like that under way? Have there been more that have happened since those 1,200 people departed your company?

**Mr. Tony Staffieri:** As I said, there are areas in our business where we invest, and we create opportunities in employment across the nation, particularly with respect to infrastructure investments

that we make. On balance, we continue to increase the investments we make year after year. I quoted the number of \$4 billion for last year, and we'll continue to increase that. We believe in the nation, and we believe in our business and investing in infrastructure.

**Mr. Jeremy Patzer:** How many jobs in western Canada have you created since the merger with Shaw? How many jobs have you created? Just give the number, please.

• (1650)

**Mr. Tony Staffieri:** We've created almost 2,000 jobs—1,800, to be specific. That includes the repatriation of call centre jobs that were offshore. We're the only Canadian telecom company where all our frontline interactions and representatives are here in Canada.

**Mr. Jeremy Patzer:** You've been trimming off jobs. You've sent memos with your name on them. You've already gotten rid of 1,200 other jobs, and apparently there are more coming with a second round that has your name on it as well. You're telling me, on one hand, that you're creating jobs, yet you've been laying people off and buying people out across the company. What's going on here?

**Mr. Tony Staffieri:** Sir, I'm not at all clear on what memo you're referring to.

As I said, we're focused on making the right investments in the right areas of our business. We're confident in our growth prospects and the opportunities we create for Canadians and our employees.

**Mr. Jeremy Patzer:** You're saying that reporting in The Globe and Mail about a memo that went out with your name on it—how areas where the company was underperforming were going to experience some cuts, and that 1,200 employees no longer work for Rogers because of that initiative—is fake news.

**Mr. Tony Staffieri:** I'm not going to comment on The Globe and Mail's reporting.

What I am telling you is that we continue to look for areas to invest in. Our track record is one of investment and growth in this country.

**Mr. Jeremy Patzer:** Did you lay off 1,200 people, yes or no?

**Mr. Tony Staffieri:** Different parts of our organization have gone through and will continue to go through different dynamics. Some are growth areas and some are areas where we can find efficiencies. As I said, if there's a particular role that became duplicative as we came together with Shaw, we always look to find opportunities for talent in other parts of the organization.

**Mr. Jeremy Patzer:** You're saying those people just experienced it differently, I guess.

Do you think competition in rural broadband is robust in Canada?

**Mr. Tony Staffieri:** Well, there are a couple of things embedded in your question.



In terms of rural, one thing that is top of mind for all of us is connectivity for all Canadians, and coverage. We're working with different levels of government to increase connectivity where we don't currently have services by deploying fibre and, importantly—through the 5G wireless network we've been deploying successfully—5G home Internet.

**Mr. Jeremy Patzer:** On that, briefly, I looked online. We have Rogers and Bell with us today, at this meeting. Both of you offer the exact same service for the exact same price.

If there was a healthy competitive ecosystem in Canada, do you not think there would be a difference in both price and product delivery?

**Mr. Tony Staffieri:** In a competitive environment, you can expect price variation at different times, as I talked about. You can expect competitors to look at what the competition is doing. That's what brings more value for consumers and continues to bring prices down. As was said earlier in this session, this has caused pricing to come down. In the last year alone, wireless prices have come down 10.8%, based on Statistics Canada. On the wireline side, they've come down 9%. They've come down even more in the west as a result of the increased competition Rogers brought to the west.

**Mr. Jeremy Patzer:** How many new homes or households have you guys connected to broadband based on the \$1-billion fund you supposedly set aside for investment in rural broadband?

**Mr. Tony Staffieri:** I can get you the latest specific numbers for what has been connected as a result of that \$1 billion in the west you're referring to.

However, there's still more to do on that. I think it's more about homes passed than how many are actually connected, because we want to earn the business of every home we pass. I talked about it in terms of 5G home wireless, home Internet and, soon, satellite coverage. We've been leading and investing in satellite technology and bringing that coverage to Canadians.

• (1655)

**The Chair:** Thank you.

MP Gaheer, the floor is yours.

**Mr. Iqwinder Gaheer:** Thank you, Chair.

Thank you to the witnesses for their testimony today.

My question is for Rogers, but I'll ask Bell the same one.

How is Rogers responding to customer complaints about fee increases during the commitment periods? I know, Mr. Staffieri, that you talked about a 10-day window, when they can cancel a new contract. Perhaps this is in the fine print they're not reading. You also said that, if they're not happy, you will work with them on an individual basis. Are you offering refunds? Are there alternative plans being offered?

**Mr. Tony Staffieri:** What we are primarily trying to do is look to what the customer needs. Often, they don't need the actual set-top box, and we move them to the TV app.

Bret, maybe you can talk about some of the options we're giving customers.

**Mr. Bret Leech:** You're right. It is all about what customers actually need, and those needs vary across the country. For example, in our premium service, customers with us have unlimited PVR, where some of our competitors cap that at 60 days or the number of hours. We actually provide options for those who need to have those types of experiences, which is a different type of need that some customers have, and we want to make sure we can afford that choice to them.

**Mr. Iqwinder Gaheer:** Do you give them the option to opt out of the contract, though, if they show dissatisfaction with the contract?

**Mr. Bret Leech:** As I believe Tony mentioned earlier, the first set-top box, which is really a gateway to a broader ecosystem of entertainment, is offered and included as part of the Ignite solutions. Then what we allow customers to do...because their needs evolve over time. Those who might want to engage the app that Tony has mentioned are able to do that. Others may choose to have that premium experience. We've continued to enhance those premium experiences. For example, video-on-demand services that are available through the premium services have increased 67% over the last several years. Indeed, average hours per viewer have increased 9%, demonstrating that many customers do choose to have—

**Mr. Iqwinder Gaheer:** I'm sorry, Mr. Leech and Mr. Staffieri, but I'm going to have to ask you that question again.

Do you give them the option...? Let's say I'm on a phone call and I've been on hold for a while, and you give me the different options that I can choose from. If I'm still not satisfied.... Is the customer, at the end of that road, given the option to cancel the contract? Can they opt out of the contract, yes or no?

**Mr. Bret Leech:** As we've mentioned, I believe that the first set-top box is included, and other set-top boxes, if the customer no longer needs them, can be returned.

**Mr. Iqwinder Gaheer:** Mr. Staffieri, are they given the option to cancel the contract, yes or no?

**Mr. Tony Staffieri:** As Bret said, when it comes to the set-top box, if it's a service they don't want to pay for, then the customer has the option to return the set-top box and no longer pay for it.

**Mr. Iqwinder Gaheer:** Can I get an answer from Bell? If a customer is not happy with price increases, at the end of that road, are they able to cancel that contract, yes or no?

**Mr. Mark Graham:** Our customers can always choose month-to-month services at the outset of their arrangement with us, or if they enter into a contract, they can exit at any time. In the case of our TV contracts, which we're talking about here today, they may refund to us a portion or all of the credit we gave them toward the cost of the professional install. If you enter into a contract, we waive the cost of the professional install, and then you can exit that contract any time and pay back, in the first year, the cost of that install, or, in the second year, half the cost of that install.

**Mr. Iqwinder Gaheer:** What about the remaining contract fees for the months that are remaining? Do they have to pay a penalty there, or are they waived?

**Mr. Mark Graham:** No, there is no penalty, and they don't pay the remaining fees.

**Mr. Iqwinder Gaheer:** For both, first Rogers and then Bell, are there plans to revise contract terms to limit or eliminate mid-contract price increases? If so, when can customers expect these sorts of changes to come forward?

Mr. Staffieri, you can go first.

**Mr. Tony Staffieri:** We continually look to adjust and alter the value proposition to the customer and what's included or not included in the contract. The key is to make sure that we're very clear and transparent in how we do that. As I said, with the issue at hand, we are very clear on the TV programming, content, viewing experience and the set-top box that's already included in the base package. Bret has walked through that.

We'll continue to look at the additional services. Our Ignite TV has just evolved into Rogers Xfinity, and that brings a whole host of other entertainment experiences based on the Entertainment OS platform that we license from Comcast. You can expect us to continue to vary the value proposition based on the evolution of technology in our industry.

• (1700)

**Mr. Iqwinder Gaheer:** Can I hear from Bell?

**Mr. Mark Graham:** As I mentioned, I think we have a high degree of transparency with customers about the nature of our arrangement. We strive to offer both non-contract and contract options to customers so they can find one that meets their needs in the competitive market, and that's working for us today.

**Mr. Iqwinder Gaheer:** Look, to be honest, I don't know if I heard an answer from either group on that question, but the point I want to make, and the point Canadians are making, is the fact that they aren't happy with these mid-contract price increases.

When they sign a contract, they aren't reading the fine print. Oftentimes, when they receive an update on their phone or an update to a contract for whatever service you provide.... Not everyone is a lawyer. Even the lawyers are not going through the contract line by line, so no matter how transparent you think you are with the contract, it does catch some people off guard when there is a mid-contract price increase. Clearly, Canadians don't like those contract increases, so they expect a change there, whether it's a long-term contract or a month-to-month contract.

Thank you.

[Translation]

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

Mr. Savard-Tremblay, you have the floor.

**Mr. Simon-Pierre Savard-Tremblay:** Thank you.

Mr. Graham, you were saying that the price of digital set-top boxes was trending downwards. You said that Bell hadn't raised the price in five years. However, beyond digital set-top boxes, you increased subscription fees as recently as February. Can you give us some justification for that?

To provide some context, I would remind you that, in September 2023, the average price for a gigabit of data in Canada was \$5.37, while in other western countries, such as France and Italy, it is \$0.20 and \$0.09 respectively.

Canada is one of the countries where telephone services are the most expensive, so why did Bell Canada increase its subscription price in February 2024?

[English]

**Mr. Mark Graham:** I'm sorry. I need a clarification.

Are you asking about the price of our television service or the price of our wireless service?

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** I'm going to ask you about both.

[English]

**Mr. Mark Graham:** For both services, as I said, we aim to be as clear and transparent with our customers as we can. When you look at the overall trend of pricing, the amount customers pay is going down across all of our services.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** Mr. Graham, if you want to be transparent, answer my question.

I'm asking you why it went up last February.

[English]

**Mr. Mark Graham:** The prices of individual plans go up and down based on market conditions and the cost of inputs. The clear overall trend is that prices are going down for all our services. The actual amount that customers pay for all of our services is decreasing.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** I understand that we're not going to get much of an answer.

Mr. Staffieri, do you feel that the situation we've been describing for some time now, which is also the customers' situation, corresponds to what the consumer protection codes state? They require service providers to clearly communicate all additional charges in a contract, and the CRTC reminds us that contractual provisions allowing for significant changes to equipment costs are not compatible with price clarity and certainty.

In light of that statement about consumer protection codes, I'll repeat my question. Do you feel that you are going against them?

[English]

**Mr. Tony Staffieri:** We comply with all the legislation and regulations that apply to our industry, as well as to our customer commitments and interactions.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** In that case, Mr. Staffieri, why did the CRTC send you a letter about this on October 30, 2024?

• (1705)

[English]

**Mr. Tony Staffieri:** We attend to any correspondence we receive. As I said, that's not only our intent, but, in actual fact, we look to comply with all the regulations and legislative rules.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** Did you simply reply to the CRTC?

[English]

**Mr. Tony Staffieri:** I'm not specifically clear on which correspondence you're referring to. We have quite a bit of interaction and correspondence with the CRTC, as well as with other regulatory bodies. If you'd like to provide that, it is probably a matter of public record as to what our response was to the specific letter you're referring to.

[Translation]

**Mr. Simon-Pierre Savard-Tremblay:** I'm talking about a letter from the CRTC expressing concern about your practices, and you're telling me that there is more than one. That's reassuring.

**The Chair:** Thank you, Mr. Savard-Tremblay.

Mr. Masse, you have the floor.

[English]

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

I don't have the exact number, but I know that Mr. Patzer has identified the number of layoffs that took place.

Mr. Staffieri, can you confirm that you require non-disclosure agreements for people to get severance pay?

**Mr. Tony Staffieri:** In terms of any employment separation that we have, we have standard terms around that. As is very typical, the non-disclosure of certain things that are proprietary to Rogers would be part of that as well, if that's what you're referring to.

**Mr. Brian Masse:** What percentage of layoffs require a non-disclosure agreement?

**Mr. Tony Staffieri:** That would be very typical in the industry and in the Canadian landscape—

**Mr. Brian Masse:** I'm asking about yours. What percentage do you...?

Have you denied anyone severance pay if they didn't sign the non-disclosure agreement? What happens then?

**Mr. Tony Staffieri:** As I said, on any employment separation... I'm being careful with my words because every situation is different and there are different legislative requirements in different jurisdictions. We vary based on a number of factors in terms of what it would look like in terms of particular terms relating to an employment separation agreement.

**Mr. Brian Masse:** The challenge we have here is that since the Liberals approved the takeover of Shaw, we've seen Rogers employees and Shaw employees fired. I guess the government may have some regrets. Then making those employees sign non-disclosure agreements.... We could have maybe put that in the terms and conditions.

What do you have to say to them? I have a number of former employees here who feel they've been bullied into signing a non-disclosure agreement. Do you have any words for them? Some of them have been loyal Rogers employees for upwards of a decade.

**Mr. Tony Staffieri:** As I said, every situation has been different. We've been working with employees to find alternative opportunities for them. In cases where we just don't have that, it's our policy and our intent to make sure we work respectfully with the situation of every individual who leaves this company.

[Translation]

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

Mr. Perkins, you have the floor.

[English]

**Mr. Rick Perkins:** Thank you, Chair.

Mr. Staffieri, I'm going to go back to a question you were asked earlier.

How many of your customers were impacted by the \$7 surprise increase?

**Mr. Tony Staffieri:** We don't disclose the exact number, but I think it's important to highlight, as I did at the outset, that the majority of customers were not impacted. The majority—

**Mr. Rick Perkins:** I didn't ask you that. I asked for the number.

You know, we have the ability as Parliament to ask for the production of documents. We may do so, since you're trying to hide how many people have been affected.

You were very proud that when somebody's technology gets upgraded.... Do you automatically send out a new updated box to people or do you keep charging them the extra \$7 on an old box?

• (1710)

**Mr. Tony Staffieri:** One of the upsides of technology today is that we can download software remotely and increase, in a very cost-effective way, the functionality that the box can provide to the customer. While the customer may not see a change in the physical box all the time, there are upgrades and developments—

**Mr. Rick Perkins:** Actually, you can't upgrade the hard drive. You can't upgrade any of the hardware in it. You're more than willing to let the person still have an old box but charge them higher and higher prices for that box in your small print. You don't proactively go out and ask them to switch.

I'm going to move back to the backhaul. You've sold the fibre optics that connect your towers to the system for all your cellphones for \$7 billion to U.S. interests. You said it was equity. Blackstone says it's going to get \$400 million a year in revenue.

Can you tell us what pricing guarantees you gave Blackstone, so that it can guarantee its \$400 million annual revenue from Canadian customers to that U.S. hedge fund?

**Mr. Tony Staffieri:** To date, we disclosed our intent to enter into a transaction that's, very generally, described as a joint venture in the sale of some of our backhaul. We have not concluded on term—

**Mr. Rick Perkins:** Seven billion dollars' worth—

**Mr. Tony Staffieri:** I'm sorry, sir. I'll finish by saying that we have not concluded that—

**Mr. Rick Perkins:** —is not just “some”. I'm asking you, what pricing guarantees have you given them? They've come out and said they'll get \$400 million a year from you, so you must have given them some minimum pricing guarantees in order to ensure that.

**Mr. Tony Staffieri:** We have not concluded a transaction. As I said, we announced our intent—

**Mr. Rick Perkins:** You're not going to answer the question.

I would ask for unanimous consent from the committee to ask Rogers to produce the agreement that they have to date with Blackstone, please.

**The Chair:** Say that again, Mr. Perkins.

**Mr. Rick Perkins:** I would like the committee to ask Rogers to table the document on the details of their agreement with Blackstone to date.

**The Chair:** Mr. Perkins, the committee can ask for it.

Is there a need for a motion? I don't think there is a need, but the committee can ask for it.

**Mr. Rick Perkins:** We'll expect, then, that we'll get something from Rogers on that.

I'd like to move to the CRTC ruling about a year ago, which said that, in order to foster more competition in Canada, other providers will be allowed on the existing providers' fibre optics to provide better pricing. Since that time, Rogers lobbied the federal government 59 times, and Bell 34 times, to try to change that decision to prevent competition. Lo and behold, they got their wish recently when the Liberal minister said, “Yeah, it's okay. CRTC, we're sending you a request—an order—to reconsider that you not allow any other competitors in Ontario and Quebec on Bell and Rogers' fibre optics.”

Why do you say you prefer and support competition when, actually, you're lobbying against the ruling that would provide more competition, Mr. Staffieri?

**Mr. Tony Staffieri:** Healthy competition comes with healthy investment, and healthy investment means that the participant is will-

ing to take risks. That's what we do here at Rogers. We invest our capital and our shareholder money. We borrow so that we can invest in connectivity. That's the premise and that's been a cornerstone of having the best networks in the world. In Canada—

**Mr. Rick Perkins:** Operating profits of 50% before taxes, on the cable side, are a pretty healthy profit margin, so I would say that this is a very profitable business on airwaves spectrum—which is a Canadian asset owned by Canadian taxpayers that you're allowed to rent. When the CRTC orders more competition and you lobby against it, that's obviously in your business interest but not in the interests of consumers, because having more competitors means lower prices.

I will ask you again, why are you lobbying against the CRTC decision to allow for more competitors on the fibre optic network?

• (1715)

**Mr. Tony Staffieri:** As I said, we encourage competition on the back of capital at risk and investment. You referred to spectrum. We invest more in spectrum than any other telecom operator in this country. We bid on that—

**Mr. Rick Perkins:** You have a rule at Rogers to bid on all spectrum, even if you don't need it, in order to block the competitors, don't you? I've had former executives tell me that, at Rogers, your policy is to bid and buy it all, and block it from other people. Is that not the case?

**Mr. Tony Staffieri:** We're very careful in what we invest in, and we invest in what we need to have the best networks. In respect to auctions—

**Mr. Rick Perkins:** Why don't you use it all?

**Mr. Tony Staffieri:** We actively deploy all the spectrum we purchase. It's in our interest to do that to create the best customer environment when it comes to wireless networks.

**Mr. Rick Perkins:** Just to conclude, Mr. Chair, I requested for Rogers—and I think I have the committee's agreement—to table with this committee the preliminary document that it signed with Blackstone on the backhaul.

Thank you, Mr. Chair.

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

Go ahead, MP Sorbara.

**Mr. Francesco Sorbara (Vaughan—Woodbridge, Lib.):** Thank you, Mr. Chair.

Good afternoon, everyone. Welcome to the representatives from the different telecom companies.

First, on the Rogers side, since your acquisition of Shaw, can you describe the pricing that you've been offering to your customers? Has the pricing increased or decreased following your acquisition of Shaw?

**Mr. Tony Staffieri:** At a high level, I can tell you, and I'm proud to tell you, that as a result of increased competition in the west, prices have come down, particularly on bundled products. For the Shaw Mobile customers, we committed to freezing those prices and they continue to be at the same prices in the marketplace today.

Bret, maybe you can talk about some of the competitive pricing dynamics in the west.

**Mr. Bret Leech:** We operate, as you said, Tony, in a very competitive environment. Since coming together with Shaw, if I were to note the government's own statistics from Statistics Canada, we have seen a decrease in prices for our customers.

**Mr. Francesco Sorbara:** I'm subbing in for a colleague.

We live in a country where oligopolies exist, especially in the protected markets in which the telecom companies operate.

If I can use the analogy.... Look at the grocery sector. For a long time, a lot of the grocery participants said these leases for where you could set up shop didn't exist. All of a sudden, we brought in legislation—I think it was Bill C-56—and now you have entities saying, “Jeez, these leases may have existed to prevent competitors from entering the grocery market.” Now we have a voluntary code of conduct in the grocery sector, which I hope becomes a legal code of conduct, because there is too much corporate concentration.

Please forgive me if I don't.... The other analogy is that you folks are like the Energizer bunny because you're like the gift that keeps on giving, in a very negative sense, to your customers. Regrettably, we have to say this. Canadians are frustrated when they see their bills increasing. I understand it in some sectors. We have seen reductions in certain services, like wireless and so forth. Have the reductions happened quickly enough? I would say no. Do we have a protected market? I would say yes. I can probably glean over all your financial statements, your P and L and your cash flow statements and see the billions of dollars in share repurchases, dividend stock buybacks and so forth.

Frankly, I love competition and I love wealth creation, but I hate crony capitalism and I hate crony concentration in markets. This is independent of political allegiance or alignment. We really need to look at this in this country and where we're going. Canadians work hard for the money they make and they want to see the value for it. We're here to represent our residents and Canadians. We're not here to represent anyone else's interests. We're here to promote competition and get rid of the crony...especially competition within competitive markets.

Today, I found out that one of your entities is selling your assets to one of the PE shops out of New York City. I'm going to look at that when I finish up here and read more about it. It creates some worries.

On the wireless side, how competitive or uncompetitive is our market versus other jurisdictions? When you travel abroad, it seems much cheaper there than it is here at home.

I'll go to Bell first, and then to Rogers.

• (1720)

**Mr. Mark Graham:** The market in Canada is highly competitive. It's more competitive than it is in most of our peer countries. As we talked about, since January 2020, wireless prices have fallen by 45%, while overall inflation has been 18%. That compares to wireless prices in the United States, which increased 2% over the same period, or in the United Kingdom, which increased 29% over the same period.

If you go to specific plans, you can regularly get a plan with 100 gigabytes of data on Bell for \$60. In the U.S., a plan with AT&T with 75 gigabytes of data will cost you \$100 Canadian. I think they're more competitive here in Canada.

**Mr. Francesco Sorbara:** I follow the Statistics Canada releases, and I have seen the indications of prices declining. We stated that a 25% price decline would happen over a period of time. If that's happened, that's great.

I believe we have to go further. I think we have to make the contracts that Canadians sign—if these contracts should even be in existence—null or very simple. Like Mr. Masse said, a lot of Canadians don't have time to spend hours on the phone. They aren't lawyers. They don't have the graduate degrees or whatever to sit there and debate to try to get the best deal. These are very hard-working Canadians who are busy bringing their kids to hockey or soccer and are trying to pay bills and so forth.

I really hope you folks understand that, because there's very little patience left with certain corporate sectors of the economy, especially with those that are considered protected, for various reasons, against foreign competition, enjoy EBITDA margins probably in the mid-40% range for most of their businesses and generate a ton of cash flow.

Thank you.

[*Translation*]

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

Ms. Rempel Garner, please go ahead.

[*English*]

**Hon. Michelle Rempel Garner:** Thank you.

Colleagues, I don't know about you, but I've kind of heard enough here today. I actually think there's a lot of commonality that's been shared among members of this committee, which is heartening.

I'm thinking about Cathy Cooper, whose story really instigated this whole issue. I'm thinking about what kind of justice we can give her today while these men are sitting in front of us.

Colleagues, arising out of the testimony today, and given the matter at hand, I move:

That the committee report to the House its disappointment in Rogers Communications Inc. for not proactively disclosing the true costs of their products and services to consumers, and notes the detrimental impact the lack of competition in the telecommunications sector is having on Canadian consumers.

We'll make sure that we send that to the clerk right away in both official languages.

Colleagues, I've tried to put forward a motion that's devoid of partisan language and just states the facts. We've now heard almost two hours of testimony after we had to spend several hours of our own time trying to get Mr. Staffieri here. I imagine what we've heard today sounds a lot like what Rogers and Bell customers hear on the phone, when they're trying to argue about their contracts.

I appreciate the many employees who work within these companies, but if we're not expressing displeasure as parliamentarians, the leaders of these companies will continue to think that Parliament doesn't matter and won't respect our authority. It's important that our committee sends a strong signal to our colleagues that we are displeased. Hopefully, that signal of displeasure will spur these men to act, if the displeasure of their customers hasn't been able to do that in the past. I also hope that we can give some measure of closure to Ms. Cooper. What a ride this has been for her.

I hope you will support this motion, and I'm happy to take any questions.

**The Chair:** Thank you.

There is a motion on the floor. It's been circulated by the clerk in both official languages.

I now have MP Turnbull.

**Mr. Ryan Turnbull:** Thank you, Mr. Chair.

I generally agree with the contents of the motion. We can definitely condemn or express our displeasure with the findings of the work we've been doing.

I would, however, like to suggest an amendment, which is to take out the reporting back to the House portion of it. This committee can easily write a letter and express our point of view without having to report back to the House. That gives the Conservatives a break from their filibuster, which has been going on for 37-38 days. They have used committee reports for that partisan purpose in order to give themselves a little break and waste the time in the House. I don't think we should be giving them that opportunity.

I strongly feel that the content of what Ms. Rempel Garner has suggested is something that I can get behind, certainly, but not to report to the House. I'd humbly amend her suggested motion to delete the portion that says "report to the House", and I would be happy to debate that further.

Thank you.

• (1725)

**The Chair:** You've all heard Mr. Turnbull's proposed amendment.

Are there any comments?

Go ahead, Mr. Perkins.

**Mr. Rick Perkins:** Just quickly, I would oppose that. I think it's a way to bury it.

This needs to be brought to the attention of the House.

**The Chair:** Are there any more comments?

If not, I'll put it to a vote.

[*Translation*]

Is everyone clear on what we're voting on?

We are simply voting on an amendment to remove the words "report back to the House".

[*English*]

**Mr. Ryan Turnbull:** Would other members want to speak to it?

Have you called the vote?

**The Chair:** On your amendment, Mr. Turnbull, I have called the vote.

I didn't see any speakers.

(Amendment negatived: 6 nays; 5 yeas [*See Minutes of Proceedings*])

**The Chair:** The amendment is defeated, which takes us back to the motion originally proposed by MP Rempel Garner.

Do I have any speakers?

Go ahead, Mr. Masse.

**Mr. Brian Masse:** I want to thank the mover for the motion. I think it is something that we should have as part of our deliberations here.

As Parliament, we set the terms and conditions of how the spectrum can be used in the public. We also control parts of the industry with regard to how they enact their own competition or don't have their own competition and how they treat their customers.

I think what's really unnerved me in some respects about the testimony here today is that it hasn't seemed to reach an understanding that it's not okay to treat Canadians differently if they have signed on for the exact same product. They have the same contract and everything, right down to the sentences from the start to the end of that contract. We allow a system in place for some to be disadvantaged. Those who are disadvantaged are probably the same people whom we often have to deal with in terms of society. They are, once again, treated as secondary citizens, even by these corporations.

I think that's why I'd like to see some more action on this in the future, because we do have a role and a responsibility for how this is conducted. I'm hoping the minister is listening and following some of this as well. The CRTC has said a little bit.

To conclude, I think it's important that we set some type of standard here that this is not okay. You literally have, in the Rogers universe, some customers subsidizing other customers because they're paying more for the same thing. It's because they had a friend somewhere or an insider. If they have somebody who can help them and they have endless amounts of time to fight, they can get a reduced cost. We need to protect the most vulnerable.

**The Chair:** Thank you, MP Masse.

MP Turnbull, you have the floor.

**Mr. Ryan Turnbull:** Thanks, Chair.

I do agree with some of the points Mr. Masse made here. I do note, to be honest, that I have found that the witnesses today, at times, haven't necessarily answered our questions in a fulsome manner, which is a bit concerning.

I know the CRTC has written a letter, which I have in front of me. There's obviously.... I'm not going to call it an "investigation". I think they've called it a consultation process that is under way. I think it should be more of an investigation into what kinds of complaints consumers have.

I thought my colleague, MP Tony Van Bynen, in this committee, made a good comment about the fact that there is no real consumer protection agency in this space. That's another thing we can consider.

I note that the CRTC also referred to "consumer protection codes". Those are tools designed to rebalance the relationship between customers and their service providers, and to empower, in particular, customers in those relationships. I don't know whether those need to be amended, but it looks like that's what the CRTC has signalled at the end of its letter.

I don't know what we could do to further investigate this as a possibility, but certainly, I know my constituents want to see the dominant players in this industry held to account for increases they've experienced inside of the contract terms that they signed on to. It seems that there are too many increases or things in flux that come as surprises to them. That's deeply concerning, because I think that's what Canadians really feel is unfair about the practices of some of the large companies that dominate this market.

Again, I relate to my colleague Mr. Sorbara when he said that he's not really opposed to businesses doing well. I'm not opposed to that. However, when it's at the expense of Canadians, when they feel as though they're not being treated fairly, that's a place where we need to stand up and help protect those consumers. This is really an opportunity for us to dig deeper into this issue and to ensure that we express our views.

As I said, I don't think that a report back to the House is necessary. We already voted on my proposed amendment, so I won't speak to that at length. However, in this particular case, we have a limited amount of House time, and we know that the Conservatives have been filibustering their own motion in the House of Commons for 37 or 38 days. Someone can correct me if I'm wrong. The Conservatives get a committee to report something back to the House so that they can get a break from their filibuster.

They're filibustering to keep their own motion from being referred to the procedure and House affairs committee. I sit on the procedure and House affairs committee, and we've been waiting diligently for the motion from the House to be referred to us so that we can study the supposed question of privilege. We'd be happy to do that work in the committee, but the Conservatives, of course, are blocking their own motion from being referred to the procedure and House affairs committee.

This, in itself, is a procedural tactic that the Conservatives are using to give themselves a break so they don't have to continue filibustering on their own motion that they won't allow. It's an obstructionist tactic.

We could very easily express our points of view in this committee, and I think we've all done so quite well. Actually, I have been pretty happy with how this committee has been proceeding today. We've been largely on the same side, which is to protect Canadian consumers from what we perceive to be practices that are less than optimal for protecting those consumers' interests.

I really think that we can consider options for consumer protection codes or for a consumer protection agency of some kind. We can make recommendations, coming out of this study.

• (1730)

I think we should not allow the Conservatives to continue to filibuster in the House and then delay their own filibuster, which is just another obstructionist tactic.

**Mr. Rick Perkins:** The only filibustering is your unwillingness to abide by the House orders.

**The Chair:** I have MP Battiste—

**Mr. Ryan Turnbull:** Mr. Perkins raises a good point. I appreciate his saying that.

**The Chair:** I'm sorry, Mr. Battiste. I thought that was over, but it's not quite.

**Mr. Ryan Turnbull:** I wasn't quite finished yet.

Mr. Perkins says that we didn't abide by the House order, which is not true. Certainly, the question—

• (1735)

**Mr. Jeremy Patzer:** I have a point of order.

**The Chair:** Give me just one second, colleagues.

We started a little late. We've done the two hours of the meeting—

**Mr. Rick Perkins:** We can ask for more resources.

**The Chair:** Yes, but I don't have more resources confirmed at this point.

Also, I'll just note that on Thursday we don't have a full panel of witnesses, and we could take time for some committee business to deal with this motion. I understand that there is a lot of agreement about having this committee send a clear message.

**Mr. Ryan Turnbull:** [*Inaudible—Editor*]

**The Chair:** Mr. Turnbull, please....

I think that's been done today and at the last meeting, but I see and I can sense a desire to do more. Hopefully, we'll get parties to—

**Mr. Rick Perkins:** I have a point of order.

**The Chair:** Mr. Perkins, go ahead.

**Mr. Rick Perkins:** I think that would be fairly useless, since the parliamentary secretary to the Minister of Industry just said, with his microphone off, that he's going to filibuster on Thursday on this, because he's so afraid of talking about this and having it reported to the House. He's trying to hide behind the idea that—

**The Chair:** Mr. Perkins, that is not a point of order.

I'm hoping that the parties will find common ground before Thursday and that we can deal with this matter very swiftly, be-

cause everyone agrees that there needs to be a strong message from committee members and parliamentarians at large.

**Mr. Rick Perkins:** On a point of order, did we hear back on my request for...?

**The Chair:** I have not heard back.

We've done the two hours, Mr. Perkins, so I will have to adjourn this meeting.

Thank you to our witnesses.

Thank you, colleagues.

The meeting is adjourned.

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