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• (1400)

[English]

The Vice-Chair (Mr. Michael Kram (Regina—Wascana, CPC)): Good afternoon, everyone. I would like to call this meeting to order. Welcome to meeting number 32 of the House of Commons Standing Committee on Industry and Technology.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Friday, July 15, 2022, the committee is meeting to study the Rogers Communications service outage.

Today's meeting is taking place in a hybrid format, pursuant to the House of Commons order of Thursday, June 23, 2022.

I would like to welcome our witnesses today. From the CRTC, the Canadian Radio-television and Telecommunications Commission, we have Ian Scott, chairperson and chief executive officer; Fiona Gilfillan, executive director of telecommunications; and Michel Murray, director of dispute resolution and regulatory implementation, telecommunications. We have Mr. Scott and Mr. Murray joining us today in person and Ms. Gilfillan on Zoom.

Welcome to the committee.

I understand that Mr. Scott will be making a presentation for starters.

Mr. Scott, you have the floor. You have five minutes.

Mr. Ian Scott (Chairperson and Chief Executive Officer, Canadian Radio-television and Telecommunications Commission): Thank you, Mr. Chair.

Thank you very much, members, for inviting us to appear before your committee.

I note here that we're on traditional unceded Algonquin territory, and I'd like to pay respect to their elders.

I'm very pleased to speak to you today about the Rogers national outage.

As you mentioned, I'm joined by two of my colleagues—Ms. Gilfillan remotely and Michel with me here.

I would begin by saying that, as you know, the widespread outage disrupted millions of Canadians and Canadian businesses across the country. Most importantly, it prevented access to services such as 911, emergency alerting and other critical infrastructure services. That is simply unacceptable.

Canadians rely on wireless and Internet services in their day-to-day lives. They depend on them to be productive at work and at school and to remain connected to their families and, of course, to essential services.

[Translation]

The CRTC takes the safety, security, and wellness of Canadians very seriously and one of our key objectives is that Canadians always have access to a reliable and efficient communications system.

[English]

The stability and resilience of telecom networks have been and continue to be a major focus of the work of the CRTC. Our focus must be on protecting networks by having contingency plans in place.

It's important to note also that this outage was not the result of a cyber-attack. I know that you've now heard it from the minister and Rogers' CEO themselves, but it is worth repeating. As stated by Rogers, it was caused by a fault in a maintenance upgrade. Rogers must take the necessary steps to prevent another crisis like this one from happening.

As noted by Minister Champagne, Rogers' communications during the outage were unacceptable. Communications with the government were poor, as were communications with other organizations and, most importantly, communications with the public and with its customers. Rogers said it will do better. The CRTC will make sure it does.

As the regulator, what have we done so far? Our first step on July 12 was to request a detailed account from Rogers as to why and how this happened and, more importantly, what measures Rogers is putting in place to prevent such future outages. We received Rogers' response on Friday and immediately began reviewing the information to ensure completeness and adequacy. We are now in the process of determining next steps, but I will assure you that we will act quickly.

We'll also continue to work with ISED and with the Canadian Security Telecommunications Advisory Committee—I'm henceforth going to say CSTAC, as it's easier—in order to implement the three objectives already identified by Minister Champagne. In addition, we'll be co-operating with other government organizations and the industry to identify and address any outstanding technical issues that have been identified. This will include work done by the CRTC's interconnection steering committee's emergency services working group, also known as ESWG, as the effective delivery of 911 calls is, of course, crucial.

[Translation]

We believe in the need to be transparent. We will ensure that Rogers shares everything Canadians need to know about the outage and the measures subsequently put in place.

[English]

This is not just about Rogers. Network convergence and climate change events are increasingly putting our networks at risk. That is why, in addition to addressing this outage, along with the initial strong actions announced by Minister Champagne, we will be taking longer-term action to ensure that all telecommunications providers better protect Canadians.

• (1405)

[Translation]

The resiliency of the national communications network is a top priority for the CRTC. We all know it is instrumental to the country's safety, security, and economic integrity.

[English]

Mr. Chair and esteemed members, thank you again for the opportunity to speak to you. My colleagues and I would be pleased to try to answer your questions.

The Vice-Chair (Mr. Michael Kram): Thank you very much, Mr. Scott.

For the first round of questions, we have Tracy Gray from the Conservative Party for six minutes.

Ms. Gray, the floor is yours.

Mrs. Tracy Gray (Kelowna—Lake Country, CPC): Thank you, Mr. Chair, and thank you to the witnesses for being here.

Do you have a role in risk assessment of those you regulate?

Mr. Ian Scott: If you mean in terms of the networks themselves, that type of risk assessment is typically conducted by the industry department, which would audit certain technical practices. It has the ESWG committee, where industry and ISED representatives work together to address those types of issues.

Mrs. Tracy Gray: I understand that the CRTC mandate says, "Ensure Canadians can access emergency communication services. We make sure that Canadians can access services such as 9-1-1 and are warned through a public alerting system in the event of imminent perils." Is this correct? Is that in your mandate letter?

Mr. Ian Scott: As an arm's-length regulator, we don't have mandate letters, but I understand the point of your question. That's part of our responsibilities. We take them very seriously.

Mrs. Tracy Gray: Right. It's on your website. It says that you have a mandate to do what I read. Do you believe that you're fulfilling that mandate?

Mr. Ian Scott: Yes, I do.

Mrs. Tracy Gray: Okay. Do you believe, as a regulator, that you do have a role to also look at risk assessment for those you regulate, such as the telecommunications companies, looking back at what part of your mandate is?

Mr. Ian Scott: I guess it comes down to what we mean when we're talking about a risk assessment. I would look at it, as a regulator, more from the perspective of outcomes. What I am most concerned about—and this is a perfect example—is that emergency services, alert services and connectivity are available and provided. If there are measures we need to take that are part of our mandate as set out in the Telecommunications Act, then absolutely we should act on them.

Mrs. Tracy Gray: We know there have been two massive outages in just over a year, but with no service to 911. Add in that emergency alerts were down in July of this year. One dangerous person alert by the RCMP and three Environment Canada tornado warnings never worked.

As the regulator, in looking at what your mandate is, which I've read out—and we know this is part of your mandate—do you accept some responsibility for not having adequate oversight, which led to this Rogers national outage?

Mr. Ian Scott: I'm certainly not trying to understate the significance of the CRTC's role, but perhaps it's best to take a step back.

I would indicate that the 911 network was fully functional and has a 99.49% reliability rate. It is operated by three carriers: Bell, Telus and SaskTel. The issue here is that Rogers lost complete connectivity, so it was unable to pass on 911 calls.

I would also distinguish it from the earlier outage, which was about the radio access network. I don't want to start throwing around technical terms, but it related only to the wireless segment. The radio access network was down, which meant that 911 calls did go through. They would go to any other carrier with an active antenna in reach of the 911 call, as designed.

• (1410)

Mrs. Tracy Gray: Okay. Thank you.

I understand that the 911 action plan came out in 2014. One area was reviewing how network outages could affect services.

Over the past six years, from then to this outage, how is it that something like this was not adequately prepared for?

Mr. Ian Scott: I might ask my colleague Mr. Murray to add in a second, but I guess one way of saying it is that it was very difficult to prepare for something that is truly unprecedented in the sense that this impacted the core of Rogers' network. This meant, as you heard from their CEO this morning and I think elsewhere, they were unable to connect. It was a very unusual circumstance.

Rogers, as you pointed out, had an outage. Other companies have outages from time to time. That will affect some services, and we follow up with them in each case, but this was unprecedented. We now need to focus on how we assure, in this type of situation, that emergency services are connected.

Mrs. Tracy Gray: Right. Well, if I may, in that same 2014 action plan, it stated that the CRTC would examine vulnerabilities in Canadian networks when reaching 911. With those vulnerabilities, was what happened with this massive outage of Rogers and this type of vulnerability identified? If so, what were plans that were put in place or recommendations that were made?

Mr. Ian Scott: I'll ask Mr. Murray to add to this. I didn't give him a chance a moment ago.

I don't believe this type of outage, certainly, had ever been experienced and was anticipated.

Michel, would you like to add something?

Mr. Michel Murray (Director, Dispute Resolution and Regulatory Implementation, Telecommunications, Canadian Radio-television and Telecommunications Commission): Thank you.

I might speak briefly in relation to the 2014 action plan you mentioned. I don't have all the details, but we've probably implemented now the vast majority of the items that were in that action plan.

For example, when we're talking about 911, as Ian mentioned, we actually have dedicated networks that are there for 911 across Canada. We do collect information about outages affecting the 911 network. The CRTC has been issuing a number of decisions since that action plan in relation to network resiliency and reliability and also security of the dedicated 911 networks.

Mr. Ian Scott: Ms. Gray, I don't want to use up your time, but I take your point. Clearly it's not enough, so we need to do more work.

The Vice-Chair (Mr. Michael Kram): Thank you very much, Ms. Gray.

For our next round of questions we have Mr. Dong from the Liberals for six minutes.

Mr. Dong, the floor is yours.

Mr. Han Dong (Don Valley North, Lib.): Thank you very much, Chair.

I also want to thank all the witnesses for coming to the committee today.

My first question comes from a constituent of mine. Following the incident, many Canadians have been thinking about switching their providers if it previously was Rogers, or at least diversifying their providers. In my riding, a constituent called. She tried to switch from Rogers to a smaller provider, but she was told by the

provider that her building was not serviceable. I therefore called the provider and was told that it's not due to technical reasons. I suspect, although they didn't confirm, that it has something to do with the agreement they entered into with Rogers or a contract they signed with one of the large three.

Are you aware of this situation that's happening across the country? Apparently, it's a phenomenon right now that tenants in condos and apartments and high-rises are to purchase service from only Rogers or Bell.

• (1415)

Mr. Ian Scott: I'm just trying to figure out how to phrase my response. This goes to the set of rules we have around access to multi-unit dwellings. Obviously, I don't know the specifics in this case. Most buildings, certainly historically—new ones may be a little different—had both cable and telephone company connectivity inside the buildings. New buildings may choose only one initially.

The commission's regulatory framework allows for any Internet service provider or local competitor to have access to a building. If they can't get that access, then they would come to us with a complaint. We get those complaints from not only small players but also the large ones, where Rogers might want to get access to a building that Bell is in.

Mr. Han Dong: What about tenants? What about commercial?

Mr. Ian Scott: Well, the tenants can only access whoever is in the building. A simple...unless, the only other way would be if there was a resale arrangement and a company was leasing access to one of the—

Mr. Han Dong: It sounds to me like, with the current rules, many consumers, especially those living in high-rises, do not have a choice. They can only go with one of the big two. It sounds to me like that's the situation.

I'm going to move on to my next question. On July 12 you instructed Rogers to provide details about the cause of the most recent outage. On Friday, July 22, you received a response. Did you have a chance to review the response?

Mr. Ian Scott: I did.

Mr. Han Dong: Do you have it right with you? There you go. My version is redacted.

Mr. Ian Scott: I haven't finished my homework. We received them, obviously, towards the end of the business day on Friday. Staff began examining the responses immediately. I worked over the weekend. I personally reviewed them. But certainly some aspects of theirs are well beyond mine.

Mr. Han Dong: What are the next steps to the investigation?

Mr. Ian Scott: The next steps are clearly with respect to these responses. We need to finish our examination of the responses and make a determination as to whether these are complete answers. My initial impression is that Rogers is being fully co-operative and transparent. There appear to be fulsome responses, but I'll let my expert staff finish their analysis and indicate whether anything is missing. Then we will work with ESWG to help with the minister's already established objectives in any way we can as we decide what are the next steps.

Mr. Han Dong: Okay.

There was one particular bit of information I was looking for, and I don't think it was asked. Is there any way that Rogers can quantify the economic loss directly due to the outage? I'm not talking about something indirect, whether or not people lost their means to complete transactions. I'm talking about direct economic losses. I'm talking about small businesses, not-for-profits not being able to raise funds on a Friday. We know that for a lot of Muslim organizations, Friday is their day to receive donations.

Would you be able to include that question in your next steps of the investigation to see if we can quantify the economic loss due to the outage?

Mr. Ian Scott: We certainly do not have that information. I don't know whether Rogers could possibly make such an estimate. I don't know if you put that question to them this morning.

I think it would be very difficult to quantify. There are so many unknowns.

I did hear Mr. Staffieri say that they are in discussion with both residential and business customers to understand better the economic impact on them. I have no further information at this point in time.

Mr. Han Dong: As a member of the committee, can I have your commitment to ask that question to Rogers, to ask them to quantify...?

Mr. Ian Scott: We can ask them, yes.

Mr. Han Dong: I appreciate the difference between the 2021 outage and the outage that was experienced last Friday. Were there any instructions or changes promised by Rogers back in 2021? Again, they said that they'll do things to make sure this doesn't happen again.

Mr. Ian Scott: I am aware that they informed us and took steps following the outage so that particular type of outage could not happen, would not happen.

Sorry, I shouldn't say "can't happen". That never is the case.

• (1420)

Mr. Han Dong: They took steps. Were you satisfied with the steps they took and that since 2021 those outages haven't happened?

Mr. Ian Scott: With hindsight, I would now say no, maybe they should have been focusing on the core.

Yes, we were. They addressed the issue. They identified the cause. They introduced measures that would lessen the probability of that ever happening again. In that sense, yes, but one can never

anticipate whether or not outages can happen given different circumstances.

Mr. Han Dong: Are you saying that in hindsight you weren't satisfied?

Mr. Ian Scott: I'm saying that in hindsight, it turns out that was a much smaller problem than the one we experienced on July 8 when the core network went down.

The Vice-Chair (Mr. Michael Kram): Thank you, Mr. Dong. Your time is up.

Next we have Monsieur Lemire from the Bloc Québécois for six minutes.

[Translation]

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

I'm glad to see you in that chair.

Mr. Scott, thank you for being with us.

Some media outlets reported that, according to certain experts, the Rogers network outage shows that the country's telecommunications sector needs more competition and its companies need better government oversight.

Do you agree with this statement? Why?

Mr. Ian Scott: I think these are two very different subjects.

We certainly need to have more competition between companies that provide wireless services and those that provide broadband Internet access services.

However, in this situation, it's not clear there is any distinction between the two.

Mr. Murray, do you have anything to add?

Mr. Michel Murray: No, I have nothing to add.

Mr. Ian Scott: Very well.

Mr. Lemire, thank you for the question.

Mr. Sébastien Lemire: Perfect.

I echo the minister's words about wanting a resilient, reliable and affordable network. I think one of the solutions is competition or a fourth player. In wireless, you have to make sure that there is some pressure on all the competitors.

Nonetheless, as you mentioned, the CRTC has requested detailed explanations from Rogers regarding several aspects of the network outage.

Do you intend to publicly disclose the information Rogers will provide?

Mr. Ian Scott: For the most part, we certainly will, but some information is confidential. However, as I mentioned in my presentation, everything we can publish is publicly available.

Mr. Sébastien Lemire: If you are not satisfied with the answers you get from Rogers, what steps can you take to ensure that events such as major outages do not happen again?

Mr. Ian Scott: We have several tools at our disposal. For example, if we have more questions for Rogers and they don't respond, we can apply administrative monetary penalties. That's a possibility, but I don't think that will be necessary.

Mr. Sébastien Lemire: Failures occur regularly, but never on this scale.

Have other options been considered?

Do you have the authority to, for instance, inspect Rogers' facilities and ask questions about their backup system? What happens if there is an outage? Do you conduct audits?

Do you have a way to verify a telecommunications network's resiliency?

Mr. Ian Scott: I'll ask Mr. Murray to answer that question.

Mr. Michel Murray: I am neither an expert on these matters nor a lawyer. That said, the Telecommunications Act includes powers of inspection. I can't say whether they could be used in a case like this, but it is a possibility. There are several others as well.

As we mentioned earlier, we have just received Rogers' responses and are beginning to study them. Depending on what we find, what the facts are and so on, there will be a lot of discussion about possible next steps.

• (1425)

Mr. Sébastien Lemire: What were the lessons from the outage in 2021? Would anything have prevented what happened in 2022?

Could we have learned from the events in 2021?

Could more have been done to avoid what happened a few days ago?

Mr. Michel Murray: As we said earlier, the 2021 outage was a different event. The circumstances were not the same. It impacted the cellular network. For the most part, customers were still able to access 911 services. So the circumstances were different.

We sent Rogers questions as part of our request on July 12. We have just received the answers. It will be possible for us to ask more questions to ensure that we fully understand the differences between both situations and to see what could be done to keep improving so that an event like this does not happen again.

Mr. Sébastien Lemire: Among the solutions put forward, there was talk of being able to rely on Rogers' competitors, who could somehow take over in such a situation.

Do you think it is appropriate to rely on competitors to provide service continuity, since there may be a lack of investment in some areas?

A proposal like this one could lead some to level down. Indeed, even if their investments are insufficient, competitors could save the day in the event of an outage.

Mr. Michel Murray: All those issues will need to be considered.

Obviously, when dealing with a situation like the one on July 8, any and all solutions are worth trying. That means considering their

advantages and disadvantages. We also have to determine how to decrease disadvantages and increase advantages for Canadians.

Mr. Sébastien Lemire: Thank you.

[English]

The Vice-Chair (Mr. Michael Kram): Thank you, Monsieur Lemire.

Next, from the NDP, we have Brian Masse for six minutes.

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

Thank you to the witnesses for being here today.

Mr. Scott, will you open up an inquiry under section 48 of the Telecommunications Act to look at making sure there's a guarantee of basic service levels, compensation, resiliency and redundancy, especially on the emergency response aspect? Will you do that?

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

We will be looking at a number of possibilities. I can't say what they will be yet. As I said, the first step is to examine and satisfy ourselves about the completeness of the responses working through ESWG, and then the commission will make a determination as to the next steps.

Mr. Brian Masse: Here's a current scorecard and this is what I think I find frustrating with regard to what's taking place here.

You have a failure by Rogers in the system affecting not only just the economy but also, critically, 911. That falls under the responsibility of the minister and also our regulatory bodies because, whatever anybody wants to say about it, we allowed a provider to provide service that wasn't complete, and they weren't willing to invest in it because it wasn't the technology that was the problem.

Now what's going to happen is.... The minister has been meeting privately with the CEOs of an industry that's notorious for fighting amongst themselves and also uses unscrupulous practices with consumers, as the Competition Bureau has shown. Now we have a regulator, being the CRTC—and no disrespect, Mr. Scott, you're a former Telus executive—and we're not going to see all the documents. You admitted already that there are going to be redactions on those things.

How is the public to have any confidence whatsoever in this process? If it's not the minister's responsibility for this, then is it the CRTC's, or do you not have the proper legislation? This should not happen. It's as simple as that. Whose fault is it at the end of the day, and how can the public's confidence be restored when we have all of this insider stuff being set up for the solutions? There won't even be a public inquiry about it.

Mr. Ian Scott: There are a lot of elements to that question, but I will say this.

Number one, you asked whose fault it is, and the answer is Rogers. You asked me—

Mr. Brian Masse: No, they operate under legislation.

Mr. Ian Scott: They operate the network, and they are responsible. They are, and they have taken responsibility for the outage.

Our responsibility will be to investigate thoroughly. We do so in a public manner through public proceedings. The only information that will be kept confidential is that which is either harmful for competitive reasons or harmful because it could provide a tool kit for those who would exploit weaknesses in the networks.

• (1430)

Mr. Brian Masse: What penalty will Rogers have for this from you?

Mr. Ian Scott: We have barely begun our examination. I can't reach a conclusion before we have evidence.

Mr. Brian Masse: What could be the result then? Is it going to be financial? Will it be anything criminal? What will be the consequences? People couldn't get through to 911 or had other problems that we don't even know right now. Who is going to prescribe those penalties? People want to know.

Mr. Ian Scott: First of all, whether or not penalties are required is a matter still to be determined. We have a number of tools at our disposal, the most obvious of which is administrative monetary penalties, but they are used to encourage compliance. They are not meant or designed to be punitive, which is made clear in the legislation. Obviously, we do not have jurisdiction over criminal matters.

Mr. Brian Masse: Exactly, so here we are again with basically a minister making up stuff in terms of what they can do at the time. He doesn't even get a phone call about the situation, and you didn't get a phone call about the situation. We have a situation where our legislation doesn't even provide for any type of real culpability at the end of the day anyway.

Again, you have a power that you could exercise now instead of fooling around with this, and we can get some information which you may or may not provide to the public. You've already said that some of it might be redacted, so you're going to decide what those are. How does the public even know that? What's the oversight for you at the end of the day, just Parliament?

Mr. Ian Scott: I think that's a very significant oversight, but, yes, we are accountable to Parliament.

I would take issue with your characterization of the public's not knowing. Not only are the claims of confidentiality subject to applications by the public, but they are a matter of public record.

The information can be sought, and Rogers will have to persuade the commission of the need to keep it confidential. The commitment that I did make was that all the information Canadians need to understand how this happened and what is being done to lessen the possibility of anything happening in the future will be communicated in a fulsome way to Canadians.

Mr. Brian Masse: How are you going to be available...or I guess, what powers do you have in the personal conversations that Rogers and others will have with the minister and all those meet-

ings and then other subsequent meetings that might take place? Who can be in as a carrier given this and who cannot? Who is going to decide who is even going to be in as the carriers for these things? How are you going to get access to those meetings? Do you have access to all those meetings between the minister and the different organizations?

Mr. Ian Scott: My understanding is that the matters the minister has raised are being assigned to ESWG. ESWG is a committee made up of ISED representatives and industry technical representatives. I have been assured that we will be invited to participate at the ESWG.

Mr. Brian Masse: Will all that be public?

Mr. Ian Scott: Are all of the matters at ESWG public? No, because they relate to technical issues that, if they were completely public, would create a tool kit for those who have nefarious intentions. There is certain information that needs to be protected, Mr. Masse.

Mr. Brian Masse: Yes, but just not the public.

Mr. Ian Scott: No, the public includes those who would exploit that information.

The Vice-Chair (Mr. Michael Kram): We are out of time, Mr. Masse.

Moving on now to the second round, we have Monsieur Deltell from the Conservatives for five minutes.

Monsieur Deltell, the floor is yours.

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Thank you so much, Mr. Chair. I'm very pleased to see you.

[*Translation*]

Mr. Scott and Mr. Murray, welcome to your House of Commons.

As you can see, we're here to ask questions, you're here to answer them, and that often makes for some very interesting discussions.

Can you remind us of what you did at the CRTC following the events on April 19, 2021, meaning after the crisis in southern Ontario and elsewhere throughout the country?

• (1435)

Mr. Michel Murray: I don't have access to the details of what we did. Some time has passed since then.

However, as was mentioned a moment ago, the situation in April 2021 was different. The cellular network was not working, but all other services were operational. People could still reach 911.

In the event of a large-scale outage or a major problem, we get in touch with the service provider to try to understand what is happening. We also want to know when they expect to restore service and how emergency services are impacted, including 911 and alert services. That is our priority when an event like this occurs.

Since Canadians also contact us to find out what is going on, we make sure we get all the information we need to answer their questions.

Mr. Gérard Deltell: People contact you, then. You must know that, in 2021, Mr. Anthony Lacavera, the founder of WIND Mobile, alerted the public to the situation that occurred then. He said we should make sure our networks can talk to each other. He had therefore defined a problem and found a solution. Minister Champagne is now appropriating it. That's his prerogative.

We're talking today about what happened three weeks ago. Trouble is, the same company had a big problem 15 months ago. We understand that the scale is completely different for both. This morning, I even said that it was different and that we were not talking about 12 million people.

However, for the hundreds of thousands of people impacted twice by the same provider, namely Rogers, I'm not sure they found it amusing to be told it was less serious. Especially since a citizen, the founder of a group, had alerted the public. I can't believe that you at the CRTC didn't know.

After the events in 2021, what did you do to make sure that, if by some misfortune there were an outage, the major service providers could at least deal directly with each other?

I'm asking the question because that's not what happened.

What did the CRTC do after the events in 2021?

[English]

Mr. Ian Scott: If I can join in, I think there's a distinction here. Outages happen, and I don't like saying it's not just Rogers. At the moment it's very much Rogers, and there have been two in relatively recent times; you are quite correct. They're so different in nature that it's hard to ask why the right measures weren't put in place. Measures were put in place. What this outage has taught us is that we need more measures. We need greater network reliability and we need greater measures, prescribed measures, for the industry to co-operate in emergency situations.

This is unprecedented, but it has now happened and there need to be further steps taken. We will take steps, and the minister has announced that he has taken certain steps.

[Translation]

Mr. Gérard Deltell: You've mentioned the minister four times now, but as I said, he appropriated the idea of making sure that service providers work together after the events in 2021.

I would now like to turn to another topic, as my time is limited.

Are there any laws and regulations affecting the CRTC that could be changed to prevent the problems we experienced three weeks ago?

Mr. Ian Scott: I don't think so. A legislative provision can't resolve this type of situation.

Mr. Gérard Deltell: You obviously know that we are *faiseurs de lois*, as they say in bad French.

I addressed that question to Rogers' representatives, to the minister and now to you.

We therefore have no legislation to pass or regulations to change.

However, section 48 of the act clearly outlines that CRTC licensees must provide adequate service. However, there is no denying that Rogers contravened section 48 on July 8.

I understand that the CRTC is not a court of law and that your role is not to assign punishment.

Earlier, my NDP colleague went quite far in his suggestions. I will ask the question again, though, and I think it is a legitimate one.

Earlier, the head of Rogers was sitting in your seat. He acknowledged that what happened was terrible. He apologized and said that Rogers would invest millions of dollars to correct the situation. That's fine, but people were denied service for too long.

This morning, I received another email from an individual saying they had no access to their services for six full days.

What will the CRTC do to punish Rogers?

• (1440)

Mr. Ian Scott: I beg your pardon. I will answer in English, if I may.

[English]

It is simply too early to indicate what will be a commission decision. We are a tribunal. We are quasi-judicial. We make our decisions based on facts and a record, not public statements or promises. We will get a record and then we will take the next steps.

As I said to Mr. Masse, our proceedings are public. To say how we will punish Rogers is not the issue today. Today is understanding what happened and what measures need to be put in place, and then other matters will be addressed as we go along.

I don't speak for the commission. The commission makes decisions based on a record, and nine members make those decisions on the advice of expert staff.

[Translation]

It's not possible to give an answer today.

The Vice-Chair (Mr. Michael Kram): Thank you, Mr. Deltell.

[English]

Your time is up.

Next on my list we have Mr. Fillmore from the Liberals. I understand he had some technical difficulties which have now been resolved.

We can go with Mr. Fillmore or we can go with Mr. Erskine-Smith.

I see a thumbs-up from Mr. Fillmore, so that's what we'll do.

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

Mr. Andy Fillmore (Halifax, Lib.): Thank you very much, Chair.

Thank you to the witnesses.

I want to come to the point about when CRTC heard about the outage. Can you tell us when it was that you were made aware of the issue?

Mr. Ian Scott: Our technical staff was aware of it in the morning. Obviously, from about nine o'clock on, our client services received some complaints. There were news items and so on.

Rogers' technical staff reached our telecommunications staff in the mid-morning. I don't have the precise time with me, but I would say something around 10:30, which is consistent with what I heard Mr. Staffieri say earlier. That was about when they got their internal communication sorted out. I then heard from a senior official personally a couple of hours later, and Mr. Staffieri contacted me later in the day.

Mr. Andy Fillmore: Thanks for that. We want to get on the record the sequence. We have on the record the sequence of communications from Rogers, but it's interesting to hear it from the CRTC as well.

Once you heard directly from Rogers, what did that trigger within CRTC? What started happening that day in your office?

Mr. Ian Scott: There were many things. Fundamentally, we were attempting to find out and discuss it with Rogers. We were in contact with them throughout the day to understand the nature of the outage and when it would be restored. Those were the fundamental issues to which, in fairness, they couldn't answer. They didn't because they couldn't at that point.

My personal message to the senior officials was that 911 had to be restored as the first priority. I wanted to make that clear to Rogers. I guess somewhat—well it's not an editorial comment—it was a statement from me that their communication with their customers and the public was inadequate, to say the least, and that they had to communicate better with the public and with government.

Mr. Andy Fillmore: Okay. Thank you.

We heard from Rogers some of the potential technical solutions they've been asked to figure out because the minister asked them to. They involve bouncing 911 calls to another carrier, presumably the same as with a point-of-sale transaction. Those are some technical software and hardware solutions.

From the CRTC's perspective, what is within the CRTC's domain? What can you do to ensure this doesn't happen again?

• (1445)

Mr. Ian Scott: The words that scare me are “doesn't happen again”. As I said, this is unprecedented in terms of the nature of the outage. It's the fact that they lost connectivity completely. That

could occur, whether because of a cyber-attack or extreme weather circumstances.

These challenges are increasing, so our focus as the regulator will be on contingency planning and ensuring that the robustness is there. This happened, and now we need to take into account what happens when a network goes down completely and there is no connectivity. Obviously, 911 is one of the most important elements to us, but generally we need to make sure that the carriers work together to ensure that Canadians have communications available to them.

Mr. Andy Fillmore: I wonder if you or your colleague would be able to offer an opinion or insight as to whether the regulations that you're currently empowered with are sufficient. Are there others that you wish you had in your tool kit that Saturday, or that perhaps your investigation is starting to lead you toward thinking about adding to your tool kit? Is the regulation as it stands today sufficient? Are there things you foresee that would be beneficial to add?

Mr. Ian Scott: I would like to be omnipotent but we're not. It's a bit like the question we were just asked.

I can't think in these.... With respect to network outages, I don't have a provision that says if we had the power to do X or Y, we would have been able to prevent this. There are areas where I would like to see legislative reform, such as access to support structures. These are complicated issues, but there are a number of areas—and the commission has commented publicly on this—where we would like to see certain problems solved. However, specifically with respect to the outage and network reliability, I think this is a situation that can be addressed by the industry. It's in their collective interest to do so, and it's in our interest and that of ISED to make sure they do so.

Mr. Andy Fillmore: Mr. Chair, how are we on time?

The Vice-Chair (Mr. Michael Kram): You're 30 seconds over already.

Mr. Andy Fillmore: Thank you for your indulgence, and I thank the witness.

The Vice-Chair (Mr. Michael Kram): Thank you so much.

Next we have Monsieur Lemire for two and a half minutes.

[*Translation*]

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

Mr. Scott, in several reports by media outlets, according to experts, the outage showed that telecommunications networks should be considered public assets, rather than privately owned or operated, as they are critical digital infrastructure for Canadians.

What do you think of this statement? Could it lead us to rethink how telecommunications networks are managed? I would like to hear your views on this issue.

Mr. Ian Scott: If I understand the question correctly, I believe it is not a matter of whether telecommunications services should be provided by a private company or a public body. It is more of a technical challenge.

[*English*]

It doesn't make a difference. That's not the challenge. The challenge is to anticipate these kinds of technical challenges and have a degree of co-operation.

[*Translation*]

I hope that answers your question.

Mr. Sébastien Lemire: Perfect. Thank you.

I assume you had a chance to look at Bill C-26. I would like to know what you think of it.

Like Minister Champagne, are you confident that this bill will address the need for a strong and resilient network? We're seeking both qualities.

Have you ever analyzed the issue? Do you see any ways to improve this bill?

Mr. Ian Scott: That question really should be addressed to the minister and his department. It is not our responsibility. Parliament makes decisions about Canadian laws. Not us.

However, security is an important consideration in the Telecommunications Act. No question about it. It's not currently addressed in the act, but it's very important to include it.

Mr. Sébastien Lemire: Could you say a few words about the compensation Rogers intends to offer its customers?

Are they sufficient, in your opinion, considering what these customers already went through?

• (1450)

Mr. Ian Scott: I won't comment.

That is a subject we will have to deal with, and it would not be appropriate to comment on it at this time.

Mr. Sébastien Lemire: Thank you.

[*English*]

The Vice-Chair (Mr. Michael Kram): Thank you.

Next we have Mr. Masse from the NDP for two and a half minutes.

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

Mr. Scott, you just said that you think the industry can fix this and it's in their best interest. How did we get here in the first place?

Mr. Ian Scott: If you mean how did this outage happen, I mean, I think there's been a—

Mr. Brian Masse: Yes. You're saying they can fix this, so they obviously didn't plan properly or didn't work together. You're identifying that they can do that and then it's in their best interest. That doesn't sound like very much oversight.

Mr. Ian Scott: Well, no, what I said was “we”, and I assume—although I cannot speak for ISED, I did hear what the minister had

to say—that both the department and the CRTC will insist and will require the industry to make the necessary arrangements. My comment about the industry is that they do have an incentive to work together to address this kind of outage, because it could happen to anyone.

Mr. Brian Masse: Yes. So we've set up a system, then, that failed itself. I mean, this is what we have to do as a committee—figure out our legislative role with how we've set up a system that's heavily regulated, has very little competition, and on top of that has an essential service for Canadians, including 911. We've set up a system right now, and I want to make sure I get this correct, where we are going to rely on the industry to fix that problem.

Mr. Ian Scott: No, I said that we would ensure, for our part, that there are measures put in place to address this kind of situation.

Mr. Brian Masse: If this fails, what should be the difference in terms of your recommendation right now, at the moment, if we go through this again and it's not successful, similar to what Rogers had, another problem? Do you have any recommendations about how we should change any of the responsibility and culpability of this?

Rogers can say that it's their fault, but at the end of the day, we provide them access and rights to do business with public interest right now. What should change in the future on that front, if we find ourselves here again, if they can find the solution you think they can?

Mr. Ian Scott: My focus is on working...having the commission deal with the industry to put in place the necessary measures. I don't have a crystal ball. I can't predict the future, and I won't predict failure. I hope to ensure the opposite, that the necessary measures are put in to make sure that the networks are more robust.

I would also just add that you've said a couple of times now that the 911 network failed. It did not. The 911 network always worked. Rogers lost complete connectivity, so their customers couldn't connect—

Mr. Brian Masse: That's a technical argument.

Mr. Ian Scott: No, no, I'm not arguing, sir.

Mr. Brian Masse: At the end of the day, if you're calling 911 and your phone doesn't get through—

Mr. Ian Scott: I'm saying the 911 network—

Mr. Brian Masse: People don't care. Their phone didn't get through. That's what it is, at the end of the day.

Mr. Ian Scott: I agree.

Mr. Brian Masse: It doesn't matter. At the end of day, the call didn't get to where it needed to go for an emergency call. That's all that matters to people and what I think they care about right now.

Mr. Ian Scott: I agree, sir, very much. My point simply was that you just characterized it as the 911 network failing, which was not the case.

Mr. Brian Masse: Well, you can argue on a technical point, but the bottom line is that people just really care about consistency and their call getting through.

Mr. Ian Scott: You are right.

The Vice-Chair (Mr. Michael Kram): Thank you so much. We are out of time.

Next we have Mr. Généreux for five minutes.

[*Translation*]

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

I thank the witnesses for being with us.

Mr. Scott, there's a saying that goes, "Things happen in threes." I hope that for Rogers, that doesn't turn out to be the case. Obviously, this situation caused a lot of problems for many people.

As you said yourself, there were different levels of outages in different circumstances. Since we're talking about technology, they're not always predictable. I think everyone agrees on that point.

However, to minimize the number of outages, and even avoid them altogether, is the CRTC missing any tools? Are there any other tools that might help you in your work?

• (1455)

Mr. Ian Scott: Thank you for the question.

Mr. Murray, could you answer, please?

Mr. Michel Murray: I think those are questions we will be looking into over the coming weeks and months.

As the chair said, committees have been established to study them.

[*English*]

We are going to work with the Canadian Security Telecommunications Advisory Committee, CSTAC, which would be looking at these questions.

[*Translation*]

We will participate in those conversations. There's also the Emergency Services Working Group, which is constantly making recommendations to the commission on all matters related to emergency services. So we will work with that committee and see what can be done.

Mr. Bernard Généreux: Thank you very much, Mr. Murray.

Mr. Scott, you said earlier that you would make sure, in this case, to improve communications with Rogers. This is relevant for the government as well, since the minister had to call the company, not the other way around, to find out what was going on.

Also, outages don't just happen with Rogers. They happen with other companies too.

What are you going to do to make communication better in the future? This is not the first time Rogers has had to deal with this kind of situation. It happened 15 months ago as well.

Were there any penalties imposed on the company at that time? If so, what were they?

Mr. Ian Scott: That is a very important question.

[*English*]

I can't speak to what the commission will do. The issue of Rogers' communications will be something that the commission will be looking at, so I can't tell you what the resolution will be. As I said earlier, it is always a question of us making a collective decision. Clearly, there was inadequate communication, and we need to establish, I would say, a protocol not just for Rogers but for all of the industry, because Rogers is not the only company that has outages. It just had the biggest one, but it is not the only company that has outages.

Communication with Canadians needs to be better, and it needs to be, I think, prescribed. That's something we will look at in the coming weeks.

[*Translation*]

Mr. Bernard Généreux: Fifteen months ago, did you impose penalties on Rogers? You say your organization is an administrative tribunal. You have the ability to impose fines if I understand correctly.

Did you do so with Rogers 15 months ago and, if so, what were they?

Mr. Michel Murray: No, penalties were not imposed 15 months ago.

Mr. Bernard Généreux: Can you tell me why?

Mr. Ian Scott: I will answer in English, if I may.

[*English*]

It's because the AMPs are not meant to be punitive.

Mr. Bernard Généreux: So?

Mr. Ian Scott: No, it is an important difference. It is meant to make companies, encourage companies, to comply. Rogers and others have had outages. We investigate, and then they introduce measures, if they introduce measures, to correct the problem.

Mr. Bernard Généreux: Mr. Scott, if you cannot give a fine when someone had an outage and you don't give them a fine because it's more to encourage people to change their manner, the way they are doing things, how are you going to impose *une amende*, a fine, whatever? How are you going to do that?

Mr. Ian Scott: It's not that we don't do it. We do it on the CASL side. We have done it recently on the telecommunications side. We penalized a major telecommunications company for frustrating a competitor from offering service. So, we do it.

My point was simply that if Rogers does something—has a practice—and we tell them that we want them to change and correct it and they change it, then they don't require punishment. What you're saying is that they do in this case. Maybe they do; I don't know. We haven't made that determination.

Mr. Bernard Généreux: Okay, that's fine.

The Vice-Chair (Mr. Michael Kram): Mr. Généreux, that is time.

[*Translation*]

Mr. Ian Scott: My answer was too long. I'm sorry.

[*English*]

Mr. Bernard Généreux: Mr. Chair, I have another one. Be generous.

The Vice-Chair (Mr. Michael Kram): I'm sorry. We do have a tight schedule.

Finally, we will go to Mr. Erskine-Smith for five minutes.

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

I appreciate your being here, Mr. Scott.

I have to say at the outset that I also appreciate the questions you put to Rogers because it was from their answers that I fully understood what had taken place. You and I have exchanged in the past about my frustrations that I expressed to you around price in this sector. I always took the answer to concerns that I've expressed to be, "Well, we don't have an affordable network, but we have a resilient network."

The outage that we've seen with Rogers puts some lie to the fact that we have this resilient network. What do you say now when we don't have an affordable network? Resiliency has also been put at risk, given the concentration we've seen in the over 12 million customers Rogers has. Does it not make you reflect? I'm certainly reflecting, but does it not make you reflect on the heavily concentrated oligopoly and the need to address that core challenge?

• (1500)

Mr. Ian Scott: The short response to your question of whether we need to do more and better is yes. Network reliability generally has been good. This is an example showing not good enough, and it was a catastrophic failure. Steps have to be taken, no questions about it.

Are wireless rates too high? You and I have had this discussion, and, yes, they are. They are going down, and they need to continue to go down. We have a regulatory framework in place to assist in that, and it will continue.

I will take issue with the different—

Mr. Nathaniel Erskine-Smith: Could you pause there just for a second.

I was looking at the analysis of rates, and Saskatchewan kept jumping out at me. I had a question the other day on the radio: Should we nationalize networks? I have to say I balked at the question. I wasn't as familiar with SaskTel as I should have been, but Saskatchewan has much lower rates, certainly level one and level

two in wireless, than other parts of the country. Is it a consequence of a Crown-controlled operation out there?

Mr. Ian Scott: I don't have those numbers with me.

I can tell you that Saskatchewan does not have the lowest wireless rates in Canada. Quebec, on average, had the lowest wireless rates in Canada. That can largely be attributed to the effectiveness of a regional competitor in the form of Videotron. That competition has driven down rates in Quebec more than anywhere else in the country.

The commission's framework was designed to encourage that and other forms of competition so that will be the case everywhere.

Mr. Nathaniel Erskine-Smith: You mentioned that it's in Rogers' interest to address this. I would say it's now in their interest to address this because it's a PR nightmare for them.

If they had had an incentive to address this, they would have, because the answers they were describing at our committee separating wire line and wireless partitioning don't seem overly complicated to a layperson like me, and it cost them \$250 million—we'll say 10 CEOs' worth—to fix this problem. They make over \$1.5 billion in net income every year. If it was in their interest, if there was adequate competition, if it was so easy for a customer like me to go somewhere else, then wouldn't they have put more in to a resilient network?

Mr. Ian Scott: I don't know the answer to that, obviously. It's kind of a hypothetical. I would say this, though. The measure, as I understand what Mr. Staffieri was referring to, is to separate the networks out at the core because, in this instance, what happened is that, when the core failed, everything failed.

Mr. Nathaniel Erskine-Smith: Yes, they basically DoSed themselves.

Mr. Ian Scott: What they're saying is, at a minimum.... I'll give you an example.

Several times the outage in 2021 has been raised. That was on the wireless network. The reason they still offered the other services is it was only the wireless radio access network that was unavailable for a period of time. What Rogers is now saying is it would be good practice to flip the core. I don't know of another situation where the core failed in its entirety anywhere.

Mr. Nathaniel Erskine-Smith: I don't want to presuppose the outcome, and you said you're still doing your investigation, but assuming you find negligence here, your tool is an administrative monetary penalty.

Mr. Ian Scott: The issue of a financial penalty was at question, and there we have AMPs available to us. There are many other tools. We can make various orders and require them to do a number of things. It depends on what harm you're trying to cure.

Mr. Nathaniel Erskine-Smith: This is my last question, because I'm running out of time.

The FCC in June and July tabled a report around wireless resiliency, new rules and updating the rules. Were you in active conversations with the FCC? Have you been in active conversations with the FCC to take a similar approach from the CRTC's perspective?

• (1505)

Mr. Ian Scott: Our staff regularly engages. I met with the current chairperson of the FCC about six weeks ago, and we discussed a range of things, including protecting networks from cyber-attacks and overall resiliency. She did inform me of some of the measures the FCC was contemplating. Our technical staff and that of the FCC do have regular dialogue.

Mr. Nathaniel Erskine-Smith: I look forward to the CRTC report on wireless resiliency.

Thanks very much, Mr. Scott.

Mr. Ian Scott: Thank you very much, sir.

I note, Mr. Chairman, that I must apologize for my procedural manners today. I have not been directing my responses through you, and for that I do apologize.

The Vice-Chair (Mr. Michael Kram): That is certainly all right.

Thank you to the representatives from the CRTC for joining us today.

Mr. Ian Scott: Thank you for hearing us.

• (1510)

The Vice-Chair (Mr. Michael Kram): The meeting will suspend while we bring in the new group of witnesses.

• (1505)

(Pause)

• (1510)

The Vice-Chair (Mr. Michael Kram): Welcome back, everyone.

We are now joined by a new group of witnesses.

Appearing as individuals, we have Michael Geist, Canada research chair in Internet and e-commerce law, faculty of law, University of Ottawa. We have Ben Klass, Ph.D. candidate, Carleton University, senior research associate, Canadian Media Concentration Research Project; and Dwayne Winseck, professor, Carleton University, and director, Global Media & Internet Concentration Project. These three individuals are appearing online.

Joining us in person, from the Public Interest Advocacy Centre, we have John Lawford, executive director and general counsel.

First we have Michael Geist.

Mr. Geist, the floor is yours for five minutes.

Dr. Michael Geist (Canada Research Chair in Internet and E-Commerce Law, Faculty of Law, University of Ottawa, As an Individual): Thank you very much, Chair.

Good afternoon. My name is Michael Geist. I'm a law professor at the University of Ottawa, where I hold the Canada research chair in Internet and e-commerce law, and I'm a member of the Centre

for Law, Technology and Society. I appear in a personal capacity representing only my own views.

I have to begin by noting how discouraged I've been by what I've heard for the past three hours of hearings. We need more than tough talk and references to ministerial demands of CEOs. It's about far more than who called whom or solely about the failure of one company.

I think we have to recognize that private phone calls or beers among companies, legislators or regulators aren't the answer. It can't be about saying "I'm sorry" but then evading questions on key issues such as essential services, as if it's hard to acknowledge directly that 911 calls should be an essential service, or about a regulator who blithely dismisses the role that competition played in this event or that new regulations could play.

Today's inescapable takeaway is that much more needs to be done and it needs to come through a legislative framing. To that end, I'd like to highlight the following seven measures.

First, the investigation should extend beyond the CRTC's initial round of questions in today's hearing. Organizations such as Interac, governments and health care providers need to explain how they found themselves without redundancy plans and an appropriate backup system to address wide-scale network outages. Assuming some of these questions are outside of the CRTC's remit or it's unwilling to extend what is itself an uncertain process further, it falls to this committee to expand the study and ask those questions in a public forum.

Second, there must be greater transparency with respect to the outages. Rogers can't claim to support transparency and simultaneously request wide-scale redactions in its submissions to the CRTC. The commission should reject the request for redactions where it's in the public interest, which seems to apply here given that public safety is involved. Furthermore, there is a need for a consistently transparent approach to network outages and extended downtime. These should be filed with the regulator on a regular basis and disclosed to the public.

Third, consumer compensation requires more than a company simply saying it considered the matter and decided what it thinks is appropriate. There should be regulations that establish clear parameters for compensation, including mandated payments for downtime that are automatically applied to customers' monthly bills.

Fourth, the communications standards on outages should also not be left to the carriers alone. Outage maps, estimated times to address problems and consistent, widely accessible communications have become standard for other utilities such as hydro. The same should be true for communications services, with penalties levied for failure to meet the requisite standard.

Fifth, competition concerns with Canada's communications sector must be met with real policy reforms. While the Rogers CEO tried to claim otherwise with a straight face, few dispute the competition problems that leave Canada's broadband and wireless pricing among the most expensive in the world. The carriers, as we just heard in one exchange, have often touted the link between high prices and network quality. However, the latest outage confirms that the networks often fail to live up to the industry hype. Instead, high prices mean consumers gravitate to riskier bundled options in order to reduce monthly bills. Canada needs real competition that draws on both facilities-based and services-based competitors.

Sixth, the Rogers-Shaw merger should be regarded as dead in the water. The last thing Canadians need is an even more concentrated market. This committee has already recommended that the merger not proceed, but left an out in the event that it does. It should adopt an even stronger position in opposing the merger now.

Seventh, the next chair of the CRTC is scheduled to be appointed in the coming weeks. In the aftermath of the Rogers outage, a former CRTC chair posted about a commission investigation, saying, "I don't think the CRTC is the body to run such an inquiry. They have become captive to the big players and the current membership are not trustworthy truth seekers."

This cannot stand. It's essential that the chair prioritize Canada's communications infrastructure and its impact on consumers and business as the single most important policy issue faced by the CRTC. That person must be independent, with knowledge of the sector. While there's been an emphasis on cultural policy in recent months, CanCon policies don't matter if Canadians can't access the content or the network. Since communications is job one, a truly independent digital and network-focused chair of the CRTC is essential.

I look forward to your questions.

• (15:15)

The Vice-Chair (Mr. Michael Kram): Thank you, Mr. Geist.

Next we have Mr. Klass for five minutes.

Mr. Ben Klass (Ph.D. Candidate, Carleton University, Senior Research Associate, Canadian Media Concentration Research Project, As an Individual): Thank you, Mr. Chair and members, for inviting me to appear today.

I'm joining you from Treaty 3, the traditional land of the Anishinabe nation at the border of Manitoba and Ontario.

I should note that I'm a director of the Internet Society, Canada Chapter as well as the Public Interest Advocacy Centre. These views I express here today are mine alone and do not necessarily represent those of the organizations to which I belong.

The outage that we collectively experienced several weeks ago was incredibly disruptive and, as a result, people across the country are justifiably upset. I think the best way to proceed from an event like this is to take it as a learning opportunity and to reflect upon how to improve our situation.

Millions of people rely upon Rogers' services for their communication needs, and most of us tend to take ubiquitous connectivity

for granted when it's working as it should. The majority of the time things do run smoothly, thanks to a lot of behind-the-scenes hard work and dedication from people who work at companies like Rogers. However, when these systems do break down, which is inevitable from time to time, they suddenly become visible in ways that highlight how deeply embedded communications infrastructure is in our lives.

For those of us who normally take access to telecommunications as a given, being unexpectedly disconnected provides a glimpse into what it's like for those who live with limited or otherwise inadequate access to that service in the first place. This outage reminds us not only of the need to improve the reliability of our networks, but the urgent requirement to expand the benefits of communication systems to all.

The challenges facing our communications environment are not new. Communication markets around the country are highly concentrated. We're told that this has been permitted because large, powerful companies can deliver the goods in ways that smaller businesses cannot. This is a common refrain in discussions on communication policy in our country.

Earlier this month, this story was given a reality check. The Rogers outage has revealed the significant shortcomings of a system that encourages too much control by corporate behemoths. The harms in this outage were magnified because of a system that prioritizes bigness. When we place all of our faith on a small number of corporate giants, we put too many eggs in one basket. When one company's technical glitch can cause millions across the country to be knocked off-line, we can see that bigger is not always better.

When managing large technical systems, the question is not whether there will be a failure but rather when one will occur. Efforts must be taken to prevent foreseeable errors, but we must also recognize that failures will inevitably take place and we must be prepared to mitigate their impact. We can think about solutions in terms of both immediate measures that should be taken and broader environmental changes that shape the conditions in which we're operating as well.

First, there needs to be a process in place to ensure that when people suddenly find themselves disconnected, they're informed of the situation in a timely manner and provided with the necessary information they need to arrange their affairs accordingly. When the hydro goes out, power companies provide outage maps and communicate regularly about estimated time of repair. In short, better communication during outages should be a no-brainer for a company like Rogers.

Second, decentralization is a fundamental to ensuring communication networks will function in an emergency. This means that Rogers does not bear the sole responsibility for ensuring things like 911 will always be available. The CRTC already facilitates the technical implementation of its policy through collaborative industry working groups, as we've heard, but despite this, 911 was simply not available for people on July 8. The regulator therefore bears some responsibility for this failure. Its processes must be improved, and perhaps it should be required to rethink its relatively permissive approach to regulating critical services.

We shouldn't just rely on these companies and the regulator to do better. At the root of the problem is that we're relying on a handful of companies that have become too big to fail. This is a systemic problem. However, we can approach things differently.

First, we should say no to the Rogers-Shaw merger. This committee as well as the heritage committee have already expressed grave reservations about this merger. Further expanding one company's control over the country's communications infrastructure would be a mistake.

Second, resilience can be improved by bolstering the CRTC's existing framework for competition. There are ways that this regime for competitor access to incumbent networks can be configured that improves reliability. Maximizing the independence of the competitors who rely on access to incumbent facilities using technical means is one way to make our system more robust. It's also something that the Competition Bureau has endorsed in the past.

Finally, there are other ways to structure our communication markets than what we have today. Encouraging smaller and more community-oriented networks would contribute to a system that is more resilient and responsive to users. Public companies like Sask-Tel and Tbaytel, and smaller outfits like National Capital FreeNet and first nations-owned K-Net in northern Ontario are examples of companies that operate today and prioritize delivering robust, accountable communication solutions to the communities they serve.

• (1520)

Thinking about how to carve out a different structure for our communications market should form a part of our long-term plan for solving the problems that face us today.

Thank you.

The Vice-Chair (Mr. Michael Kram): Thank you, Mr. Klass.

Next we have Mr. Winseck for five minutes.

Dr. Dwayne Winseck (Professor, Carleton University, Director, Global Media and Internet Concentration Project, As an Individual): Thank you very much to the committee chair, members of the committee and fellow panellists for coming together on this very important meeting.

The Rogers Communications service outage underscores the risk of so many essential public services relying on a tight oligopoly of players. Communication services underpin the economy, society and people's daily lives. Typically, such things are taken for granted until they break down, as was illustrated so powerfully when the Rogers Communications outage on July 8 took place. With it, it disabled access to 911 services, financial services payment systems

like Interac, and the ability of businesses, health, law enforcement and citizens to go about their daily activities.

The Rogers Communications service outage raises significant questions about how we approach communications and Internet regulation. The idea that communications services are essential public services and that people must have access to universal, affordable and secure communications is a bedrock principle of telecommunications policy in the Telecommunications Act, and it has been since communications regulation first emerged in this country in the early 1900s. Those principles must be updated and reinforced for the 21st century. The undue emphasis on market forces in the 2006 telecommunications policy directive, alongside the companies' rhetoric and regulatory hesitance within the CRTC, ISED and the Competition Bureau since, must change.

Excessive dependence on one or a small number of essential communication service providers is risky. As of 2021, the big five communications and Internet conglomerates in Canada—Bell, Rogers, Telus, Shaw and Videotron—accounted for roughly 87% of the 71 million mobile wireless and wireline connections in Canada that support mobile phone, Internet service, television distribution and POTS, plain old telephone service.

Rogers accounts for close to a quarter of all such connections, or 16.5 million connections, on its own. It is already the second-largest communications conglomerate in this country. If its proposed deal to acquire Shaw Communications, the fourth-largest such company in this country, is approved, its share would grow to a third of the market, or 23.5 million connections, in service. This is too much control over essential communication services to rest with one firm. It is risky; it is a bad idea, and I urge policy-makers to block this deal or carefully consider the alternative options I will lay out.

The scale, scope and significance of essential service providers means that they must have public obligations to match their importance as the gateways through which society's communications must pass. Some recent steps by the Competition Bureau and a few murmurs at ISED have recognized this, although the role of the CRTC under its current chair has been entirely inadequate. The appointment of a new chair must reflect such realities rather than give in to those who want to put someone in charge from the broadcast industries.

I think it's also important to move away from what we heard far too much of this morning, this mother-may-I approach where the minister speaks toughly and ISED and regulators treat the tight oligopoly of players who control Canada's communication infrastructure with kid gloves and undue deference. It is time to use the legislative measures at the minister's disposal and impose more stringent regulatory mandates on the carriers with respect to network quality, information disclosure requirements and measures to be adopted when network outages or disruptions occur. This means, for example, that instead of the minister and the CRTC jawboning and requesting that the major communication providers come up with a plan within 60 days to mitigate the impacts of future outages, they need to take a number of steps. Here are five quick ones.

First, use order in council powers under section 8 of the Telecommunications Act to order the companies to devise a plan that meets policy-makers' and the public's expectations.

Second, impose tougher conditions of licence during spectrum auctions or transfers with respect to network quality standards, information disclosure and disruption reporting.

Third, require temporary network switching in the case of network outages governed by mandatory rules that allow institutional users to fall back on secondary contracts for services or allow everyday users to temporarily switch service providers using a web-based application with a daily cap on fees for the duration of the problem.

Fourth, the proposed Rogers-Shaw deal should be a dead letter, with the risks and vulnerabilities of the recent outage adding to the already long list of why this deal is bad for Canadians.

- (1525)

Fifth, if we need to think of an imaginative alternative, if this deal should be approved, require that Shaw's wireless assets be spun off into a confederation of publicly, community and independently owned communications enterprises that offer mobile wireless and Internet access to underserved and unserved Canadians from coast to coast to coast. Elsewhere I've dubbed this the great Canadian communications corporation, and we may need to think about something like that for today.

Thank you very much.

The Vice-Chair (Mr. Michael Kram): Thank you, Mr. Winseck.

Finally, we have Mr. Lawford for five minutes.

Mr. John Lawford (Executive Director and General Counsel, Public Interest Advocacy Centre): Thank you, Mr. Chair and members of the committee.

My name is John Lawford. I'm the executive director and general counsel at the Public Interest Advocacy Centre.

PIAC is a national non-profit organization and registered charity that provides legal and research services on behalf of consumers, and in particular, vulnerable consumers. PIAC has been active in the field of communications law and policy for over 40 years.

Unlike previous quality-of-service regimes for wireline telephone, now all but abandoned by the CRTC, there have never been

quality-of-service requirements imposed on companies for wireless or Internet retail service. This is why the commission, from whom you have just heard, has a hard time describing just what it is doing to both inquire into Rogers' outage and ensure that it will not happen again, not only to Rogers but to any other telecommunications service provider.

I could bore you with details about regulation by competition under changes from the 1993 Telecommunications Act and talk of forbearance from regulation, but the result is the same: Canadians are at risk of going digitally dark at any time. Frankly, there are no rules for how the telco involved must communicate the outage and to whom, not what services are impacted, when service will be restored, whether customers will get a rebate, nor whether emergency connectivity can or will be restored. In short, there is nothing.

Rogers says, "Trust us," "Sorry," and "We will fix it," after it has happened at least twice. We say, "We don't trust you." The regulator should say, "Trust but verify, inform, compensate and become resilient," but we have no faith the CRTC has said that or will ensure that.

PIAC filed a letter on the day of the Rogers outage requesting that the CRTC first, conduct a CRTC-led inquiry under section 48 of the Telecommunications Act to inquire into the Rogers outage and, second, initiate a notice of consultation involving all Internet and wireless providers to set a baseline of service resumption, notification, compensation, interconnection and emergency response.

These two formal processes would ensure that the CRTC could ensure that Rogers made necessary corrections and, more importantly, that all consumers taking service from all telecommunications service providers would be protected going forward in a similar manner.

The CRTC then announced it would ask Rogers questions and by implication, I believe, not undertake the two more thorough public and open complete investigations. This means we think the CRTC will do nothing more. It is sweeping this under the rug and yet it has a lot of power and tons of jurisdiction to do it.

We have reviewed Rogers' responses filed Friday. They are predictably redacted and effectively useless and opaque. The minister's request for a mutual assistance agreement between major telcos for emergency coverage and limited roaming is only a tiny portion of the answer.

Parliament can act when the CRTC refuses to do so. It can make changes to the Telecommunications Act. In 2014, Parliament, tired of waiting for the CRTC to issue a wireless roaming tariff to make roaming more affordable and available, amended the Telecommunications Act to add section 27.1, temporarily setting a rate until the CRTC moved itself to replace the legislated rate with a regulated one. It did so relatively quickly.

Similarly, here Parliament can legislate. It can legislate the base-line protections that PIAC and retail customers are demanding and dare the CRTC to actually replace those requirements with a holistic, regulatory regime for outages. We ask you to do it.

Those are our comments, and we welcome your questions.

Thank you.

• (1530)

The Vice-Chair (Mr. Michael Kram): Thank you, Mr. Lawford and all of our witnesses.

Moving on to questions, first we have Ms. Gray from the Conservatives for six minutes.

Mrs. Tracy Gray: Thank you, Mr. Chair.

Thank you to all of the witnesses for being here today.

My first few questions are for Dr. Geist.

We heard today how the CRTC, as the regulator of telecommunications, has not taken risk assessment or oversight seriously, unlike other regulators that do. Would you agree with this, and do you think that it should be?

Dr. Michael Geist: Oh, absolutely, and Mr. Lawford, I think, just pointed to this as well.

It was, I thought, remarkable and exceptionally discouraging to watch the chair of the CRTC kind of give a virtual shrug when asked questions about the role that new regulations could play, about the role that penalties could play and about the role the competition could play, as if all of this is just inevitable and it's just there for the CRTC after the fact to engage in a bit of fact-finding.

If the regulator is to mean anything, surely it has to do more than just that.

Mrs. Tracy Gray: Listening to the answers from the executives at the CRTC, I felt like I was questioning senior telecom executives, not the regulator. On that note, would you agree that the CRTC is not fulfilling their mandate as regulator and that the minister is not holding the CRTC accountable?

Dr. Michael Geist: I think you do make a compelling case on both of those fronts.

There's been an enormous amount of concern and frustration about the way the CRTC has conducted itself. There have been allegations of bias with the current CRTC chair and the industry itself, so your observation about thinking that you're listening to a telecom executive can be forgiven, given the way some people have perceived the way the CRTC has conducted itself.

It shifted from an approach that tried to put consumers and the public interest at the centre to one in which they seem to be missing

altogether, so we have a real problem in that the government has been willing to do so little in terms of becoming more aggressive.

Even this recent policy direction from the minister felt like more of the same. It's one of the reasons I really emphasized that the identity of the next CRTC chair is mission critical to the future of Canada's communications infrastructure.

Mrs. Tracy Gray: We heard today from Rogers, and part of the testimony that became clear was that Rogers does not have a chief risk officer or someone in that type of role in a senior executive position overseeing risk at the company. This was quite surprising, considering the complexity and how large the organization is.

Do you have any thoughts on that or on how they might view risk assessment within their own organization based on the results that you've seen?

• (1535)

Dr. Michael Geist: Based on the hearing, I think their primary view is that the biggest risk they face is a regulatory risk. When they were asked repeated questions about essential services, they punted on the question and refused to answer it. When asked questions about the merger, they tried to avoid that question, and ultimately even just talked about how 25,000 employees work hard every day as opposed to addressing some of the core concerns that people have.

I'm sure people do work hard, but it can't be that your primary focus, it would seem at times, is whether or not legislators and the regulator are going to do their job on these issues. That was, to me, the primary take-away from many of the comments that came from the CEO today.

Mrs. Tracy Gray: Going back to the CRTC, it's clear they're already having trouble meeting their current mandate. This, of course, has to do with the 911 services and the alerting system services that went down. With that, do you feel that adding further responsibilities will further dilute their ability to do their work? One good example might be Bill C-11.

Dr. Michael Geist: Yes, I think it would be.

I think the CRTC has really struggled to meet its mandate and do what I think Canadians would expect. Frankly, the way in which it de-emphasizes competition.... It's just something, well, it might happen, and it would be nice if it did, as opposed to one of its top priorities leading to the kind of affordability and resiliency that we've heard talked about over the course of the day. That really ought to be job one.

It's an organization that has little experience dealing with some of these Internet-related issues, and the notion of taking Bill C-11 and Bill C-18, potentially some of the online harms issues, and vesting in the commission all of those additional responsibilities I think leaves us all pretty concerned.

Mrs. Tracy Gray: My next couple of questions will be for Mr. Klass.

One of the statements you made previously was that the outage occurred on such a wide scale and that it would have been worse had Rogers already taken Shaw over. Can you explain that for us?

Mr. Ben Klass: Yes, absolutely. Dismissing competition is something that's implicated in this issue. I've heard many people say that if you have more competitors in the market, some of them are going to be relying on the big telecoms, and they would have gone down as well.

We heard that some of the resellers or the wholesale-based providers who are on Rogers, their customers were all still out, and maybe people who live in rural areas—I'm one of them right now—wouldn't have a choice anyway, but that misses the issue that we've put a lot of eggs in one basket. As I said, Rogers has over 10 million mobile customers. They have two and half million people on their home Internet service. I don't know how many commercial customers they have, but there are obviously some important ones, most notably Interac.

I think the core concern there is that if we had more competition here, if we had a more decentralized environment, the impacts of these types of things would be contained. You wouldn't be seeing 10 million people all of a sudden dropping off the network across the country.

Mrs. Tracy Gray: Thank you.

I have one more question. You mentioned in your testimony that the regulator bears some responsibility, and you also used the word "permissive". Can you quickly explain what you meant by that?

• (1540)

Mr. Ben Klass: The CRTC has forborne from a lot of their responsibilities. They have the legislative power to forebear from regulation when they find that markets are sufficiently competitive to protect the interests of users. What this has looked like in practice is that the CRTC has refrained from regulating on the assumption that things are going to work just fine based on the behaviour of market players. This has been the overarching trend that the regulator has pursued for the last 30 years. We see examples, numerous ones having been listed today, where on its face it's clearly not the case that users' interests are being protected. The high prices are one of the main ones we're used to hearing about, but this network outage is another one.

We heard Chairperson Scott tell us about the ESWG. The CRTC sets policies and then hands off the implementation of those policies to these working groups that are made up of CRTC representatives and people from industry, who then periodically report back. I don't mean to downplay the hard work the people in those groups do, but if the CRTC is just putting this on autopilot, letting the industry sort things out and assuming it's going to work, we have a pretty good example here in front of us where we might need them to start looking behind the curtain and making sure these types of groups are actually doing their job.

The Vice-Chair (Mr. Michael Kram): Thank you, Mr. Klass and Ms. Gray.

Next we have Ms. Lapointe for six minutes.

Ms. Viviane Lapointe (Sudbury, Lib.): Thank you, Chair. I will be sharing my time with MP Erskine-Smith today.

My first question is for Mr. Winseck.

We've heard a lot of people today tell us that this outage was unprecedented. In your opinion, could this system failure have been anticipated by Rogers, especially given that they have experienced widespread network issues in the past?

Dr. Dwayne Winseck: I think MP Gray has stressed the importance of a risk assessment officer with senior responsibilities. That's somebody who can keep their eyes open for these kinds of things, and it means having a proper contingency plan in place so we don't see the kind of response that was put into motion by Rogers when this problem started to erupt.

These problems, in a very complicated system like the telecommunications system that exists across this country, are going to emerge from time to time. The idea that they are inevitable is true. The question, though, is how to minimize and quarantine the risk when they do occur and how to properly put in measures that are going to prevent them from happening in the beginning.

Ms. Viviane Lapointe: Thank you.

My next question is for Dr. Geist.

Earlier, Mr. Scott from the CRTC indicated that one cannot guarantee that a system failure will never happen again. He said that the CRTC is focused more on contingency planning, or what must be in place should an outage occur again.

Do you agree with this position?

Dr. Dwayne Winseck: No, I don't. We have a set-up in this country where the premise—and it's a faulty premise—is that we have sufficient competition and that the marketplace will deliver the goods. In the past, when we've had even less competition before the transition to competition, there was a greater premium put on network reliability. Now we have this illusion that we have enough competition in place that the regulator and policy-makers can basically take their hands off the wheel and leave industry alone.

I think we've fallen between the legs of the stool and have neither a monopoly, as we had in the past, nor competition today. That's why I referred to a tight oligopoly. The problem, however, is that we don't have a policy or regulatory framework set-up in place to ensure regulators are going to deal honestly and candidly with the reality that this market will never be fully competitive. Companies' feet need to be held to the fire to ensure that essential public services are reliable, affordable and universally accessible so we can try to push competition as far as possible. However, right now we have regulators expressing undue deference to the industry, an extraordinary reluctance to actually regulate the industry, which has the kind of gatekeeper and market power that these companies have in this country, and a minister who is leaning on this mother-may-I approach versus reaching into the legislative tool kit he has, applying it and asking sharp questions about what more is needed.

Ms. Viviane Lapointe: Thank you.

MP Erskine-Smith, the floor is yours.

Mr. Nathaniel Erskine-Smith: Thanks, Viviane.

Mr. Geist, I want to pick up on where you commented around the CRTC chair being mission critical employment. Do you share the view that the overriding consideration for that appointment has to be the best interest of consumers, with some knowledge of the communications marketplace?

Dr. Michael Geist: I would say that the number one priority needs to be a regulator that acts in the public interest, and I don't think that's something we've seen out of the commission.

I think the way you achieve that policy objective of acting in the best interest of the public is with someone who puts consumers and competition at the very centre of its regulatory process, not one that comes across as apologizing for the inadequacies that might exist amongst the dominant players and simply suggesting that, well, that's just the way it is.

• (1545)

Mr. Nathaniel Erskine-Smith: “That's just the way it is, and oh, by the way, I just happen to be the CRTC chair.”

You list off seven points. Some seem straightforward and obvious to me, for example, that you would have consumer compensation in the way we do with airlines. I indicated earlier that you have communication standards with respect to outages. Undoubtedly there are some lessons to be learned in collaboration with the FCC around resiliency.

When you speak to competition concerns, though, and the need for real policy reforms, it is felt that CRTC has played around the edges. I mean, they have major powers here. They can order companies to provide services. They can order connections to be made. They can set rates to be charged and impose just and reasonable rates. They tend to do none of these things, from what I've seen.

When you look at additional substantive reform, we've looked at structural separation at this committee. There are any number of commentators who have called for opening up the sector to trusted but foreign competition.

Should we be embracing these ideas, and what else should we be embracing?

Dr. Michael Geist: The committee in particular has a pretty good track record when it comes to conducting hearings in this sector and coming forward with recommendations. The frustration has been that they haven't always been adopted by the government of the day or the CRTC.

The MVNO issue, on the wireless side, is a classic example of where there was an opportunity for, and there still is an opportunity, to try to ensure that we get more service-based competition into the wireless sector. We saw both the CRTC and the government deeply reluctant, I think, to move in that direction. The minister came out with what he promoted as a new policy direction. While it was a good thing to sort of wipe the slate clean and come up with something new, I think many took a look at some of those recommendations and felt it was by and large business as usual.

There's been a real reluctance to shake things up in the way that's needed.

Mr. Nathaniel Erskine-Smith: We tend to forget that countries like Australia exist. I want to take a look at it.

Thanks very much.

The Vice-Chair (Mr. Michael Kram): Thank you, Mr. Erskine-Smith and Ms. Lapointe.

Next we have Monsieur Lemire for six minutes.

[*Translation*]

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

I'm curious to know what the experts here today think of Quebecor's takeover of Freedom Mobile. Rogers provided that information to us earlier.

Do you think Quebecor can act as a credible fourth player in the telecommunications network?

Mr. Lawford, you seem to want to answer quickly. I'll give you the floor.

Mr. John Lawford: I don't have any comment on the impact of competition, because I'd rather talk about what the CRTC can do.

Mr. Sébastien Lemire: Mr. Winseck, can you comment on Quebecor's acquisition of Freedom Mobile?

[*English*]

Dr. Dwayne Winseck: I'm sorry; I didn't have the translation on, so I didn't hear the question.

The quick question is, with Freedom Mobile being acquired by Quebecor, is that an adequate solution? Is that helpful in this situation? I think the answer is no. I don't believe that Freedom Mobile is the linchpin in this deal. I believe that this is a lowball kind of offer. We see that basically Rogers and Shaw are not even agreeing to divest all of the wireless assets here. They're just trying to take three-quarters of a loaf and spin that off—Freedom Mobile to Quebecor—as if that's good enough. I think this is the way in which the companies have hubristically approached this transaction from day one, as if it was a slam dunk and they could lowball their offers to appease regulators.

That, I think, speaks to some of the things that Ben, John and Michael have also pointed to here all along, this idea that the regulators have struck a very weak stance in the face of intransigent market power, concentrated markets, and they're used to getting what they want. The divestiture of Freedom to Quebecor, I think, should not be given serious consideration.

[*Translation*]

Mr. Sébastien Lemire: Mr. Klass, do you have any comment on the matter?

[English]

Mr. Ben Klass: Yes, I largely share Dr. Winseck's views. My take on the situation is that on the basis of the arguments the Competition Bureau has made, to allow Quebecor to take over Freedom Mobile would be very risky. I think we need to be valuing the bird in the hand over the one that might appear in the bush, in this particular case.

We've seen Xplore Mobile offered as a remedy in the past. This is a company that was supposed to make up for the loss of competition in Manitoba. With it having failed despite the fact that it had the potential to access the tremendous capitalization through the American hedge fund that owns its parent company, Manitoba is now left with less competition than anywhere else.

I believe Ottawa, in fact, has the most competitive wireless market in the country, with five carriers. You can choose between Videotron, Shaw, Bell, Telus or Rogers. You'd be seeing a decrease in competition in the national capital region that wouldn't be addressed by this merger.

I think by and large historically these types of mergers in Canada have not worked out in favour of competition despite the promises that have been made and the assurances that have been given. I see very little in this present arrangement to change my mind on that.

• (1550)

[Translation]

Mr. Sébastien Lemire: Mr. Geist, do you have any comments to give?

[English]

Dr. Michael Geist: We've heard from Ben, Dwayne and John already on this. I would say that if we were serious about competition in this country, and I think this has been an ongoing concern, the idea of this merger frankly wouldn't have even gotten out of the gate at all. I think it's only because of the success of getting a merger through in Manitoba, despite what we now know to be significant implications for competition in that province, that we are even seeing it at all.

The bureau says they need more time to assess the implications of the merger. Rogers, as I understand it, is trying to oppose some of those efforts. Surely, at a minimum we need the bureau, which has already expressed concerns about this, to be able to study this effectively. We're seeing Rogers saying, no, we want to rush ahead with this. To me, that sends a bit of an alert signal that there may be real issues here.

[Translation]

Mr. Sébastien Lemire: Thank you.

Also, do you have examples of countries where network outages already occurred? Can we learn from them to find solutions and put measures in place to prevent further outages?

Is there anything that Canada can learn from, Mr. Geist?

[English]

Dr. Michael Geist: I'm in agreement with the notion that there is some inevitability to seeing some of these occur. In fact, we've seen it in Japan and we've seen it in the United States recently. You do

see it in a lot of jurisdictions. Obviously, some of the other jurisdictions have started to move towards things like emergency arrangements and roaming and those sorts of things. What you don't necessarily find in many of those jurisdictions is the reliance on such a small number of competitors in the way that we see here, nor the degree of bundling that we see here. The impact that was felt in this kind of outage is something that you wouldn't typically see in many other jurisdictions. You simply don't have consumers, that large a percentage of the population, invested in a single player in terms of their services and having so many of those services wrapped up in it.

What I think you also find in other places is both a government and a regulator where there's a greater willingness to become more actively engaged on some of these issues. I think the takeaway from today is that it's only been a couple of weeks, and there's this distinct sense of, well, we can move on as long as we throw Rogers under the bus and they say they're willing to spend enough money to fix this narrow problem.

It's not about just this narrow problem. There are bigger issues. This really needs to be the wake-up call to begin to address some of those.

[Translation]

Mr. Sébastien Lemire: Thank you.

[English]

The Vice-Chair (Mr. Michael Kram): Thank you, Mr. Lemire.

Finally, we have Mr. Masse for six minutes.

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

Thank you to the witnesses.

I've been on this committee for 17 of my 20 years in Parliament. There are almost two inevitabilities. First of all, we have summer meetings. The second thing is that when the CRTC commissioner comes to committee, I lose my stuff. The reason for that is it seems so frustrating: We have potential action that can take place but that never seems to happen.

I'll start with you, Mr. Lawford.

Is there something else that we can force cabinet to do or that cabinet might be interested in doing to review this type of a situation? I'll get to Mr. Geist and the other witnesses about the CRTC later, but are there any other paths forward for us to get a more robust examination of the failings here? At the end of the day, this is a controllable thing, in my opinion.

• (1555)

Mr. John Lawford: Sure.

Apart from a proper CRTC deep dive and the reconsideration of whether to impose quality-of-service requirements on the companies, which is our preferred way to go, cabinet can also, under section 14 of the Telecommunications Act, ask for a report. If the CRTC is not doing a report—because there's no guarantee it will—then cabinet can ask for a complete report and make the CRTC do it.

At the moment, we're not quite clear on what's going on at the CRTC. We wrote procedurally to say, "Why are you asking these questions? Are you going to do a proper hearing?" We haven't heard back yet.

Mr. Brian Masse: This is important. We heard the chair say basically that he thinks the industry can fix this and that it's in their best interests. That still, in my opinion, is kind of shrugging it off, but we can still ask for the section 14 report to cabinet. That wouldn't be made public unless cabinet makes it public—one of my other criticisms—but at least it triggers a different process. Do I have all this correct?

Mr. John Lawford: Yes. The idea is to have the CRTC get some idea of the seriousness. Now, it's saying it's serious about it, but if the chair of the CRTC is also saying that industry has an incentive to fix this, maybe it does now that there's a public issue and you're having hearings, but public attention wanes. Really, it has an incentive to not look into it because Rogers announced over the weekend that it would be having to spend another \$10 billion over the next few years to fix this. It already has to pay \$28 billion to the Shaw family. Now it has to find \$10 billion more. Where is it going to get that money? It's going to raise prices.

Mr. Brian Masse: That's an interesting point, and I might come back to it later.

I'm going to Mr. Geist and our other witnesses who are here virtually.

With regard to the CRTC, Mr. Geist, you have some good recommendations, and you're pointing out some policy theories. Is it fixable, if we appoint the right chair or if Parliament actually forces its way into the discussion and we get the right person, or do we need even more robust changes later on? Is it solid enough? Is that a start just by having the personality-type difference?

We have a former CEO from one of the majors as part of our oversight right now. That just doesn't cut it for me, especially with all these non-public meetings.

Dr. Michael Geist: I would say that certainly the link between industry and the chair has externally raised eyebrows really from the beginning of the appointment, and it has continued to do so.

I don't know that there's ever going to be perfection, and nobody's perfect, of course, but a starting point of both a clear mandate.... The chair seemed to recoil at the notion that there was a mandate as an independent regulator. However, it does seem to me fairly clear that you can establish a chair and that it is the government in its role of providing the oversight, which the chair acknowledged exists, that both can set a clear mandate in where some of those priorities lie and can certainly do so in terms of ensuring that the CRTC is mandating that it act first and foremost in the public interest by prioritizing some of the consumer- and competition-related concerns.

Part of it is who you appoint. I think it matters. There are very strong staff at the CRTC, without a doubt, but at the end of the day, there is leadership at the top, and that makes a difference. I also think there is the role the government and cabinet plays in all of this. If the CRTC kicks this a little bit back to the government to say, "Well, listen, it's the one providing oversight"—and I thought I

heard Scott sort of say that that's real oversight, that you shouldn't be dismissive of that—well, we need the government to engage in that, and we need a far more aggressive, particularly at this moment, hands-on approach from the government.

We've had the minister while in Japan say that this is a problem and that he's going to get involved, but you can't sort of just wash your hands of it and say, "Here are the three things. I'll see you in a couple of months, and we can figure out if there's anything more to do." There are systemic issues that exist here, and if the CRTC isn't going to fix them, it's up to the government to ensure that it does.

Mr. Brian Masse: I want to be fair to the minister as he's been active on a bunch of files, but I was a bit distraught when he said that basically the CRTC is in an independent position, almost like it's appointed by somebody else or some other independent body. At the end of the day, we set the terms and conditions, even how the CRTC operates and appointing the person that has to respond back to Parliament. I'm just not buying that it's completely independent. Once you appoint the person, there is influence.

Dr. Michael Geist: In fact, the government is giving itself even more power as part of Bill C-11 to overrule the CRTC.

I think there needs to be a difference between.... Obviously, once you start getting into the evidence and the decision-making, you want that independence. However, in terms of trying to ensure that you have both the right kinds of people who inspire public confidence in the commission, in ensuring that there's a clear delineation of what the policy priorities are, and an express willingness to exercise powers, both the powers that the government has as well as the powers that the CRTC has.... So much of that has gone missing, I think, in recent years. There's a desperate need to hit the reset button, in a sense, on many of those issues now as we come closer to a change in leadership.

• (1600)

Mr. Brian Masse: Mr. Chair, do I have any more time to allow Mr. Winseck and Mr. Klass to add a couple of comments?

The Vice-Chair (Mr. Michael Kram): We can have a couple of comments and then we're done.

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

Gentlemen, if you have any quick thoughts, go ahead.

Mr. Ben Klass: This might be among the stranger things you've heard today, but I'm a huge fan of the CRTC, actually, because I think it provides a venue for democratic participation, something that we all think is important. There have been improvements in the way it's been managed in recent years. You see a lot of women on the management team there, and I think that's a proven technique to getting to better decision-making. I think looking at ensuring management, as Dr. Geist has pointed out, and putting the right people in place is important.

I'll also quickly point you to something that's sort of gotten lost in the discussion of the cultural aspects of the broadcasting and telecommunications legislative review panel's recommendations. It's within the powers of Parliament to actually modernize the CRTC itself. There are some recommendations in that report that I think would be worth picking up on and I hope don't get consigned to the dustbin of history amongst the hustle and bustle of discussion of online streaming.

The Vice-Chair (Mr. Michael Kram): Mr. Winseck, I did say that you would get a minute. Be very quick, please.

Dr. Dwayne Winseck: Over a decade ago, a Harvard study pointed to regulatory hesitance at the CRTC for the source of our woes then. I think that problem has been really compounded under the current leadership. So that's one major job—getting that right.

The second thing is that the BTLR report is chockablock full of good ideas in the second chapter and the last chapter, but all attention has been on the cultural policy and broadcasting policy reforms

in chapter three. To my view, that is the weakest read in that whole report and that committee's work, but it's sucking up all the oxygen at the expense of the kinds of issues we're talking about here. I think we need to really address that.

My third and final point is that we really must insist on recognizing reality, which is that these markets will always be highly concentrated. It is dependent upon regulators and policy-makers to recognize that reality, do what they can to erect curbs on that market power, and impose mandatory public interest obligations and steps to ensure that these kinds of risks with network outages are minimized.

The Vice-Chair (Mr. Michael Kram): Thank you so much, Mr. Masse.

Thanks to our witnesses and to all of our MPs for joining us today.

The meeting is adjourned.

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