HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

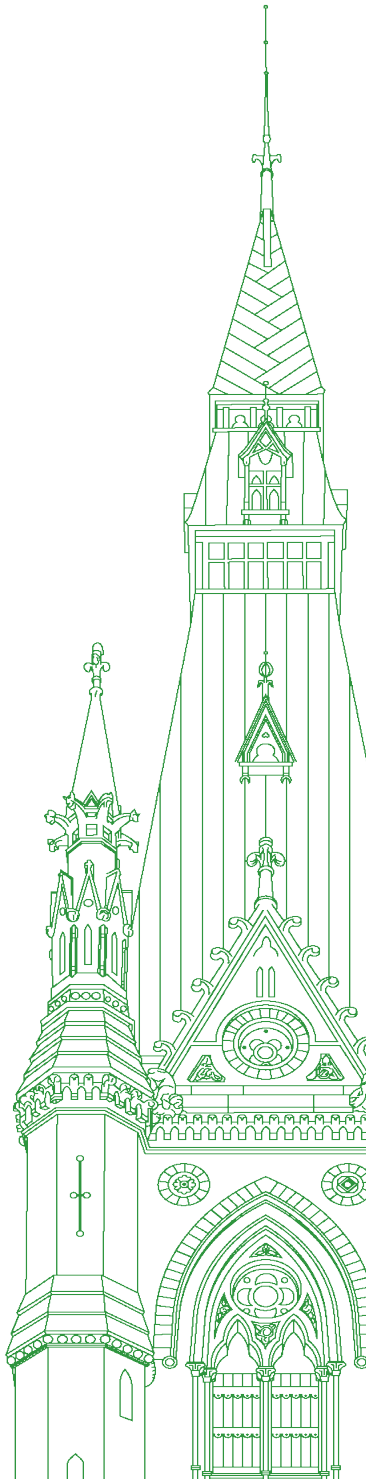
44th PARLIAMENT, 1st SESSION

Standing Committee on Industry and Technology

EVIDENCE

NUMBER 111

Wednesday, February 14, 2024



Chair: Mr. Joël Lightbound

Standing Committee on Industry and Technology

Wednesday, February 14, 2024

● (1640)

[*English*]

The Chair (Mr. Joël Lightbound (Louis-Hébert, Lib.)): Colleagues, good afternoon.

[*Translation*]

I call this meeting to order.

Welcome to meeting number 111 of the House of Commons Standing Committee on Industry and Technology.

Today's meeting is taking place in a hybrid format, pursuant to the Standing Orders.

Pursuant to the order of reference of Monday, April 24, 2023, the committee is resuming consideration of Bill C-27, An Act to enact the Consumer Privacy Protection Act, the Personal Information and Data Protection Tribunal Act and the Artificial Intelligence and Data Act and to make consequential and related amendments to other Acts.

I would like to welcome our witnesses.

We're meeting with Momin Malik, Ph.D. and data science researcher. He is speaking as an individual and is joining us by video conference.

We're also meeting with Christelle Tessono, a technology policy researcher at the University of Toronto. She too is joining us by video conference.

Lastly, we're meeting with Jim Balsillie, who is here in person and whom I would like to thank for coming to speak to the committee again.

I'll now give the floor to Mr. Malik for five minutes.

[*English*]

Dr. Momin M. Malik (Ph.D., Data Science Researcher, As an Individual): Mr. Chair and members of the committee, thank you for the opportunity to address you this afternoon.

My name is Momin Malik. I am a researcher working in health care AI, a lecturer at the University of Pennsylvania and a senior investigator in the Institute in Critical Quantitative, Computational, & Mixed Methodologies.

I did my Ph.D. at Carnegie Mellon University's School of Computer Science, where I focused on connecting machine learning and social science. Following that, I did a post-doctoral fellowship at the Berkman Klein Center for Internet & Society at Harvard University on the ethics and governance of AI.

My current research involves statistically valid AI fairness auditing, reproducibility in machine learning and translation from health care research to clinical practice.

For comments specifically on the current form, content and issues of the AI and data act, I will defer to my colleague Christelle Tessono, who was the lead author of the report submitted to the committee last year, to which I contributed. I will be able answer questions related to technical and definitional issues around AI, on which I will focus my comments here.

In my work, I argue for understanding AI not in terms of what it appears to do, nor what it aspires to do, but rather how it does what it does. Thus, I propose talking about AI as the instrumental use of statistical correlations. For example, language models are built on how words occur together in sequences. Such correlations between words are the core of all such technologies and large language models.

We all know the adage “correlation is not causation”. The innovation of AI that goes beyond what statistics have historically done is not to try to use correlations towards understanding and intervention, but instead use them to try to automate processes. We now have models that can use these observed correlations between words to generate synthetic text.

Incidentally, curating the huge volumes of text needed to do this convincingly requires huge amounts of human curation, which companies have largely outsourced to poorly paid and exploitatively managed workers in the global south.

In this sense, AI systems can be like a stage illusion. They can impress us like a stage magician might by seemingly levitating, teleporting or conjuring a rabbit. However, if we look from a different angle, we see the support pole, the body double and the hidden compartment. If we look at AI models in extreme cases—things far from average—we similarly see them breaking down, not working and not being appropriate for the task.

The harms from the instrumental use of correlations as per AI have an important historical precedent in insurance and credit. For more than a century, the actuarial science industry has gathered huge amounts of data, dividing populations by age, gender, race, wealth, geography, marital status and so on, taking average lifespans and, on that basis, making decisions to offer, for example, life insurance policies and at what rates.

There is a long history. I am aware of the U.S. context most strongly. For example, in the 1890s, insurance companies in Massachusetts were not offering life insurance policies to Black citizens, citing shorter lifespans. This was directly after emancipation. This was rejected at the time, and, later on, race became illegal to use. However, correlates of race, like a postal code, are still valid uses and are still legal in the U.S.—and from what I understand, in Canada as well—and thus end up disadvantaging people who can often least afford to pay.

In general, those who are marginalized are most likely to have bad outcomes. We risk optimizing for a status quo that is unjust and further solidifying inequality when using correlations in this way.

Canada's health care system is a distinct contrast to that of the U.S.—something for which the country is justifiably proud. That is an example of collectivizing risk rather than, as private industry does, optimizing in ways that benefit it best but that may not benefit the public at large.

I encourage the committee to take this historical perspective and to reason out the ways in which AI can fail and can cause harm and, on that basis, make planning for regulation.

● (1645)

Just as in areas critical to life, dignity and happiness—like health care, criminal justice and other areas—government regulation has a crucial role to play. Determining what problems exist and how regulation might address them will stem best from listening to marginalized groups, having strong consultation with civil society and having adequate consultation with technical experts who are able to make connections in ways that are meaningful for the work of the committee.

Thank you for your time. I welcome your questions.

[*Translation*]

The Chair: Thank you.

I'll now give the floor to Ms. Tessono.

[*English*]

Ms. Christelle Tessono (Technology Policy Researcher, University of Toronto, As an Individual): Mr. Chair and members of the committee, thank you for inviting me to address you all this afternoon.

My name is Christelle Tessono, and I'm a technology policy researcher currently pursuing graduate studies at the University of Toronto. Over the course of my academic and professional career in the House of Commons, at Princeton University, and now with the Right2YourFace coalition and The Dais, I have developed expertise in a wide range of digital technology governance issues, most notably AI.

My remarks will focus on the AI and data act, and they build on the analysis submitted to INDU last year. This submission was co-authored with Yuan Stevens, Sonja Solomun, Supriya Dwivedi, Sam Andrey and Dr. Momin Malik, who is on the panel with me today. In our submission, we identify five key problems with AIDA; however, for the purposes of my remarks, I will be focusing on three.

First, AIDA does not address the human rights risks that AI systems cause, which puts it out of step with the EU AI Act. The preamble should, at a minimum, acknowledge the well-established disproportionate impact that these systems have on historically marginalized groups such as Black, indigenous, people of colour, members of the LGBTQ community, economically disadvantaged, disabled and other equity-seeking communities in the country.

While the minister's proposed amendments provide a schedule for classes of systems that may be considered in the scope of the act, that is far from enough. Instead, AIDA should be amended to have clear sets of prohibitions on systems and practices that exploit vulnerable groups and cause harms to people's safety and livelihoods, akin to the EU AI Act's prohibition on systems that cause unacceptable risks.

A second issue we highlighted is that AIDA does not create an accountable oversight and enforcement regime for the AI market. In its current iteration, AIDA lacks provisions for robust, independent oversight. Instead, it proposes self-administered audits at the discretion of the Minister of Innovation when in suspicion of act contravention.

While the act creates the position of the AI commissioner, they are not an independent actor, as they are appointed by the minister and serve at their discretion. The lack of independence of the AI commissioner creates a weak regulatory environment and thus fails to protect the Canadian population from algorithmic harms.

While the minister's proposed amendments provide investigative powers to the commissioner, that is far from enough. Instead, I believe that the commissioner should be a Governor in Council appointment and be empowered to conduct proactive audits, receive complaints, administer penalties and propose regulations and industry standards. Enforcing legislation should translate into having the ability to prohibit, restrict, withdraw or recall AI systems that do not comply with comprehensive legal requirements.

Third, AIDA did not undergo any public consultations. This is a glaring issue at the root of the many serious problems with the act. In their submission to INDU, the Assembly of First Nations reminds the committee that the federal government adopted the United Nations Declaration on the Rights of Indigenous Peoples Act action plan, which requires the government to make sure that “Respect for Indigenous rights is systematically embedded in federal laws and policies developed in consultation and cooperation with Indigenous peoples”. AIDA did not receive such consultation, which is a failure of the government in its commitment to indigenous peoples.

To ensure that public consultations are at the core of AI governance in this country, the act should ensure that a parliamentary committee is empowered to have AIDA reviewed, revised and updated whenever necessary and include public hearings conducted on a yearly basis or every few years or so, starting one year after AIDA comes into force. The Minister of Industry should be obliged to respond within 90 days to these committee reviews and include legislative and regulatory changes designed to remedy deficiencies identified by the committee.

Furthermore, I support the inclusion of provisions that expand the reporting and review duties of the AI commissioner, which could include but wouldn't be limited to, for example, the submission of annual reports to Parliament and the ability to draft special reports on urgent matters as well.

In conclusion, I believe that AI regulation needs to safeguard us against a rising number of algorithmic harms that these systems perpetuate; however, I don't think AIDA in its current state is up to that task. Instead, in line with submissions and open letters submitted to the committee by civil society, I highly recommend taking AIDA out of Bill C-27 to improve it through careful review and public consultations.

There are other problems I want to talk about, notably the exclusion of government institutions in the act.

I'm happy to answer questions regarding the proposed amendments made by the minister and expand on points I raised in my remarks.

● (1650)

[*Translation*]

Since I'm from Montreal, I'll be happy to answer your questions in French.

Thank you for your time.

The Chair: Thank you.

I'll now give the floor to Mr. Balsillie for five minutes.

● (1655)

[*English*]

Mr. Jim Balsillie (Founder, Centre for Digital Rights): Chairman Lightbound and honourable members, happy Valentine's Day.

Thank you for the opportunity to come back and expand on my previous testimony to include concerns about the artificial intelligence and data act. AIDA's flaws in both process and substance are well documented by the expert witnesses. Subsequent proposals by the minister only reinforce my core recommendation that AIDA requires a complete restart. It needs to be sent back to the drawing board, but not for ISED to draft alone. Rushing to pass legislation so seriously flawed will only deepen citizens' fears about AI, because AIDA merely proves that policy-makers can't effectively prevent current and emerging harms from emerging technologies.

Focusing on existential harms that are unquantifiable, indeterminate and unidentifiable is buying into industry's gaslighting. Existential risk narratives divert attention from current harms such as mass surveillance, misinformation, and undermining of personal autonomy and fair markets, among others. From a high-level perspective, some of the foundational flaws with AIDA are the following.

One, it's anti-democratic. The government introduced its AI regulation proposal without any consultation with the public. As Professor Andrew Clement noted at your January 31 meeting, subsequent consultations have revealed exaggerated claims of meetings that still disproportionately rely on industry feedback over civil society.

Two, claims of AI benefits are not substantiated. A recent report on Quebec's AI ecosystem shows that Canada's current AI promotion is not yielding stated economic outcomes. AIDA reiterates many of the exaggerated claims by industry that AI advancement can bring widespread societal benefits but offers no substantiation.

References to support the minister's statement that “AI offers a multitude of benefits for Canadians” come from a single source: Scale AI, a program funded by ISED and the Quebec government. Rather than showing credible reports on how the projects identified have benefited many Canadians, the reference articles claiming benefits are simply announcements of recently funded projects.

Three, AI innovation is not an excuse for rushing regulation. Not all AI innovation is beneficial, as evidenced by the creation and spread of deepfake pornographic images of not just celebrities but also children. This is an important consideration, because we are being sold AIDA as a need to balance innovation with regulation.

Four, by contrast, the risk of harms is well documented yet unaddressed in the current proposal. AI systems, among other features, have been shown to facilitate housing discrimination, make racist associations, exclude women from seeking job listings visible to men, recommend longer prison sentences for visible minorities, and fail to accurately recognize the faces of dark-skinned women. There are countless additional incidents of harm, thousands of which are catalogued in the AI incident database.

Five, the use of AI in AIDA focuses excessively on risk of harms to individuals rather than harms to groups or communities. AI-enabled misinformation and disinformation pose serious risks to election integrity and democracy.

Six, ISED is in a conflict of interest situation, and AIDA is its regulatory blank cheque. The ministry is advancing legislation and regulations intended to address the potentially serious multiple harms from technical developments in AI while it is investing in and vigorously promoting AI, including the funds of AI projects for champions of AIDA such as Professor Bengio. As Professor Teresa Scassa has shown in her research, the current proposal is not about agility but lack of substance and credibility.

Here are my recommendations.

Sever AIDA from Bill C-27 and start consultation in a transparent, democratically accountable process. Serious AI regulation requires policy proposals and an inclusive, genuine public consultation informed by independent, expert background reporting.

Give individuals the right to contest and object to AI affecting them, not just a right to algorithmic transparency.

The AI and data commissioner needs to be independent from the minister, an independent officer of Parliament with appropriate powers and adequate funding. Such an office would require a more serious commitment than how our current Competition Bureau and privacy regulators are set up.

● (1700)

There are many more flawed parts of AIDA, all detailed in our Centre for Digital Rights submission to the committee, entitled “Not Fit for Purpose”. The inexplicable rush by the minister to ram through this proposal should be of utmost concern. Canada is at risk of being the first in the world to create the worst AI regulation.

With regard to large language models, current leading-edge LLMs incorporate hundreds of billions of parameters in their models, based on training data with trillions of tokens. Their behaviour is often unreliable and unpredictable, as AI expert Gary Marcus is documenting well.

The cost and the compute power of LLMs are very intensive, and the field is dominated by big tech: Microsoft, Google, Meta, etc. There is no transparency in how these companies build their models, nor in the risks they pose. Explainability of LLMs is an unsolved problem, and it gets worse with the size of the models built. The claimed benefits of LLMs are speculative, but the harms and risks are well documented.

My advice for this committee is to take the time to study LLMs and to support that study with appropriate expertise. I am happy to help organize study forums, as I have strong industry and civil society networks. As with AIDA, understanding the full spectrum of technology's impacts is critical to a sovereign approach to crafting regulation that supports Canada's economy and protects our rights and freedoms.

Speaking of sovereign capacity, I would be remiss if I didn't say I was disappointed to see Minister Champagne court and offer support to Nvidia. Imagine if we had a ministry that throws its weight behind Canadian cloud and semi companies so that we can advance Canada's economy and sovereignty.

Canadians deserve an approach to AI that builds trust in the digital economy, supports Canadian prosperity and innovation and protects Canadians, not only as consumers but also as citizens.

Thank you.

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

To start the discussion, I'll turn it over to Mr. Perkins for six minutes.

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

Thank you, witnesses.

I'd like to start my questions with Mr. Balsillie.

You're a unique—in my mind—successful entrepreneur who's in this space, the technology space. Everyone, I think, knows what you created, invented and built with BlackBerry, but you're not unusual because of that, although that was amazing; you're unusual because you actually put your capital into trying to improve public policy, with a lot of time and effort to do that. I want to thank you for that.

You've been talking about the surveillance economy and personal privacy data breaches by big tech—Facebook, for example, on numerous occasions—for quite a while. When did you start talking about this?

Mr. Jim Balsillie: I've been doing digital framework since I started commercializing ideas globally, generally, because I learned globally that the game is won and lost on the intersection of the public policy frameworks and the private firms' activities. It's the marriage of those two things.

More specifically, on the surveillance economy, I wrote a large piece for The Globe and Mail in 2015 that really turned on and turned the narrative away from what I would call our outdated approaches that cost us that, and then more publicly on the Sidewalk Labs project to privatize government in Toronto in 2017, so specifically on surveillance, 2015 and 2017, but on intangibles, it's been 25 years.

Mr. Rick Perkins: When you appeared before, it was at the ethics committee a Parliament or two ago on this issue about either the Toronto initiative or a major data breach by Facebook, wasn't it? I can't remember which it was.

Mr. Jim Balsillie: Yes, and I give real credit to Bob Zimmer, Nate Erskine-Smith and Charlie Angus, who led a cross-partisan approach in saying that if we don't address these issues, we're going to pay a security price, a social price and an economic price. I found that a very constructive interplay with the committee in being able to participate as a witness.

Mr. Rick Perkins: You were doing this at a time when you were chairing a Crown foundation known as SDTC. Is that correct?

Mr. Jim Balsillie: Yes.

Mr. Rick Perkins: Did the government ever push back on you personally for doing that, either the minister or his staff, while you were in that Governor in Council appointment role?

Mr. Jim Balsillie: I only got it indirectly. I didn't have anyone address me directly on these issues. I was trying to explain that the initiative not only would undermine civil liberties but was foundationally undermining the opportunity for our domestic smart city companies at a time when the priority was to transition to the green economy. You need these companies to grow, and your policy apparatus would undermine their prospects, as well as civil liberties.

● (1705)

Mr. Rick Perkins: Were you unaware when Leah Lawrence, before this committee, testified that the government had asked her to see if you could stop speaking publicly on this, and then you ended up removed as the chair of SDTC?

Mr. Jim Balsillie: Leah Lawrence never said that to me. Nobody ever told me directly to stop.

Mr. Rick Perkins: So you saw her testimony.

Mr. Jim Balsillie: I did, yes. That's the first I heard that they had been telling her, "Get him to quit it."

Mr. Rick Perkins: That surprised you, obviously, I would think.

Mr. Jim Balsillie: Yes.

Mr. Rick Perkins: If you saw some of that testimony and how it related to the digital economy and what you were trying to achieve in cleaning up SDTC and our technology thing, with regard to that, could you table with this committee a written summary of your experience and what happened through SDTC on that?

Mr. Jim Balsillie: I'd be happy to.

Mr. Rick Perkins: Okay.

In your statement, you said—

Mr. Ryan Turnbull (Whitby, Lib.): I have a point of order, Chair.

I'm sorry, but I have to interrupt.

The Chair: Go ahead, Mr. Turnbull, on a point of order.

Mr. Ryan Turnbull: I know we're studying Bill C-27. I'm just not sure of the relevance. I know that SDTC is another topic this committee is studying, but I don't understand how Mr. Perkins' line of questioning and request for documentation are related to the current work we're doing on today's agenda. It's not to say that Mr. Balsillie wouldn't be able to do that in future meetings on SDTC, but this is not the time or the place, in my opinion.

The Chair: I tend to agree, Mr. Turnbull, and I will ask Mr. Perkins to focus on the matter at hand before this committee, which is Bill C-27. However, I'll note that Mr. Balsillie is free to communicate with the committee, as he wishes, the information he feels is relevant to our studies, by and large.

Go ahead, Mr. Perkins.

Mr. Rick Perkins: I appreciate that, but I was establishing the fact that Mr. Balsillie has had a long period of advocacy in this area, which is relevant to this bill.

You said in your opening statement, in one of your recommendations, that we need to "Give individuals the right to contest and object to AI". That's an important element. I am also aware that when the scientist for Microsoft, Mr. Rashid, developed this early learning model, he made the technology widely available. Mark Zuckerberg has also said that with the next generation of AI he will make that available.

What do you think is the result of making this technology widely available for anyone to use?

Mr. Jim Balsillie: Well, be careful of the contrast between algorithms very broadly and learning models narrowly. There is the open source that they are doing with the Facebook account case and how that locks you into needing their tools. So those are open or sort of open, but the algorithms that manipulate our children or do the other forms of biasing are long-standing and have been around since the beginning of the surveillance capitalism model some 20 years ago.

I think AIDA's job is a broad one, and LLMs are a subset of that. Again, you received notice, and it was mentioned in previous testimony, that first nations haven't been consulted on this, and they're going to contest this in the courts, and there are many other aspects of civil society. This is complex, multi-faceted stuff. The consequences are high. There are incompatibilities with what certain provinces are doing and who trumps whom, and it looks as though the federal legislation trumps the provincial. This is a place where you have to get it right in a complex zone.

So, yes, LLMs are tricky, and Canada's approach on this, which I commented on, goes beyond AIDA. You cannot think of this stuff independently of computing power and sovereign infrastructure and how we're going to approach those properly to be a sovereign, safe and prosperous country. If you're in for a penny, you're in for a pound.

Mr. Rick Perkins: So there's no advantage to being first on this.

Mr. Jim Balsillie: There isn't, not if the legislation is wrong. Also, we should not squander the scarce resources we have to try to build on the kind of country we inherited.

The Chair: Thank you very much.

Mr. Turnbull, the floor is yours.

Mr. Ryan Turnbull: Okay.

Thank you to all the witnesses for being here today. I really appreciate your contributions.

Mr. Balsillie, welcome back to committee. I know it's your second time here for this study. I appreciate your contributions.

I just want to say something off the top here, which is that we've had 86 witnesses, 20 meetings at INDU and 59 written briefs; the department and ministry have conducted over 300 meetings and consultations on Bill C-27, and the regulations that will be forthcoming will involve two years' worth of extensive consultations before they are released. I think there has been consultation. I understand that some witnesses today feel as though there needs to be more, and I value their perspective, but I just want to correct the record. When people say no consultation has been done, I think the evidence or the facts substantiate a different claim.

I just wanted to start with that.

● (1710)

Mr. Brad Vis (Mission—Matsqui—Fraser Canyon, CPC): I have a point of order, Mr. Chair.

The Chair: Mr. Turnbull, wait just one second. We have a point of order.

Mr. Brad Vis: I just have to interrupt. The witnesses have not said that there has not been consultation, but that consultation has not been sufficient, just to clarify for the record.

Thank you.

The Chair: Okay. That's not a point of order, Mr. Vis. I would appreciate no further interruptions.

That is not taking away from your time, Mr. Turnbull. Go ahead.

Mr. Ryan Turnbull: Thank you.

I've taken the time, Mr. Malik and Ms. Tessono, to read the report you two worked on, called "AI Oversight, Accountability and Protecting Human Rights", which I thought was quite provocative, interesting and, I think, really well done. In that report, in the summary of recommendations, the fourth recommendation says, "Bill C-27 Needs Consistent, Technologically Neutral and Future-Proof Definitions".

I want to ask both of the panellists who are joining us remotely today, how do you make definitions future-proof when AI is evolving so quickly? Mr. Malik, maybe you could start, and then I can go to Ms. Tessono.

Dr. Momin M. Malik: Absolutely. The specific models and trends are evolving quickly, but I think there have been about 20 or 30 years of statistical machine learning as the core of everything we see AI having success with. That, in turn, is—at least as I talk about it—an instrumental use of correlations. Historian Matt Jones and data scientist Chris Wiggins have a fantastic book about this, *How Data Happened*, which details this shift.

I think we can focus on thinking of this like insurance: How do we regulate what insurance does? In the sense that it is addressing the goals, the outcomes and the processes, it is going to persist whatever new model comes out, if it is indeed based on correlations, as everything has been for the past 30 years and as everything currently is as well.

Now I'll pass it over.

Mr. Ryan Turnbull: Thank you.

Ms. Tessono, would you weigh in on that? It's a recommendation from one of the reports that you co-authored. Can you share with us your perspective?

Ms. Christelle Tessono: Yes. By technology being "neutral and future-proof", we also mean definitions that are narrow and specific to current trends in artificial intelligence. For example, in clause 5 of the bill, there's a definition of "biased output", but it focuses too much on the outputs that systems generate, when harms emerge throughout the AI life cycle. We should be having definitions that are more inclusive of the development, design and deployment of technologies, rather than focusing too much on the output.

As a reminder, I would also like to say that the contexts don't really change when we use technology—that is, education, health care and government—so we should be focusing on regulating the contexts in which they're used as well. Prohibitions on systems that process biometric data are a way to be technologically neutral, in my opinion, and future-proof as well.

Mr. Ryan Turnbull: Yes, I think we've heard testimony from several witnesses I can recall—and this was from the industry partners or big players who were here a short time ago—who said that the use case for or the application of AI and the context really mattered for assessing the risk and defining whether it would be a high-impact system or not. I found that at least interesting to think about, but I thought it was impractical in terms of building a legislative framework. If the government had to predict every single use case and every single context, I think that would be quite challenging for the government to do.

Would you agree with that, Ms. Tessono?

● (1715)

Ms. Christelle Tessono: No, I don't think so.

Mr. Ryan Turnbull: I'm sorry. Can you say that again?

Ms. Christelle Tessono: No, I wouldn't agree with that, because we already have systems being deployed actively, and we can build on the existence of their application to build frameworks that are flexible as well. I think it's really a question of building an infrastructure of regulation that is flexible and also inclusive of the different stakeholders who are present in the deployment, development and design of the AI systems.

Mr. Ryan Turnbull: Thank you for that.

I'm going to jump to a slightly different topic.

Recommendation number 5 is about addressing the human rights implications of algorithmic systems. Mr. Balsillie mentioned as well the right to object to the automated processing of personal data.

Doesn't Bill C-27 currently already address this through both the requirement for record keeping and the easy identification of an AI-generated output, which has to be watermarked or identifiable? Also, biometric information is technically protected, so you would have to have express informed consent in order to use that.

Isn't that already addressed in this bill in some very real respects? Maybe you think we should go further.

I will ask Mr. Malik first, and then Ms. Tessono.

Dr. Momin M. Malik: I would defer to my colleague, but I think it's also about what happens with some of those things that are recorded. Again, if AI is not defined flexibly enough, somebody could just call the product “not AI”, and then it might not be covered.

I'll defer to my colleague for everything else.

Mr. Ryan Turnbull: Ms. Tessono, could you weigh in on this?

Thank you.

Ms. Christelle Tessono: Thank you.

Transparency reporting requirements are very useful to policymakers, researchers and journalists who understand systems and how to better address them, but for the everyday person who is facing these systems, I am reminded of this expression in French:

[*Translation*]

an ounce of prevention is worth a pound of cure.

[*English*]

It is better to avoid situations in which someone would be facing an unacceptable risk from AI. That's why prohibitions on systems that create unacceptable risks are the best way to ensure that human rights are operationalized in the bill. That is what the EU AI Act does by establishing different sets of requirements and prohibitions. It's not only about unacceptable risks; it's also for high-risk, low-risk and general-purpose AI systems.

I think that being clear will safeguard Canadians from harm.

Mr. Ryan Turnbull: I'm out of time.

Thanks, Mr. Chair.

[*Translation*]

The Chair: Thank you, Mr. Turnbull. I'm sorry, but your time is up.

Mr. Garon, the floor is yours.

Mr. Jean-Denis Garon (Mirabel, BQ): Thank you, Mr. Chair.

I want to thank the witnesses for joining us.

Mr. Balsillie, I may have misunderstood you. I think that you said that it could be challenging for a government to regulate new and emerging technology and that it could be difficult—perhaps impossible—for a government to identify existential threats, particularly when faced with high-risk or high-impact artificial intelligence algorithms.

Suppose we remove part 3 of the bill, which concerns artificial intelligence, and hold further consultations. You said that there was a lack of consultation. What difference would that make to the government's ability to properly regulate this technology?

[*English*]

Mr. Jim Balsillie: Thank you for the question.

First of all, I would say it doesn't have democratic legitimacy if it hasn't involved all stakeholders, and that hasn't happened yet.

The second thing about this is that, as I said, the existential risk is gaslighting to take you away from the near-term risks, which the other witnesses are drawing us to, and that's a real tactic.

I would say—and this is most critical and has been part of my journey in learning this—that you'll notice there's been a tremendous effort to stay away from rights by those who don't want effectiveness. We are in a new era and if we were writing our charter of rights, we would incorporate these kinds of rights in an information age: the rights to dignity, privacy and thought, and the rights to not have misinformation or manipulation.

I think you have to get the core pieces right, and those involve determining which human rights matter up front, how we work with those within the context of real harm that is happening, and how not to be gaslit on things that take us away from what the real issue is. Businesses use the tactic of gaslighting and confusing people to keep them away from the root issues.

● (1720)

[*Translation*]

Mr. Jean-Denis Garon: In recent decades, we've seen the globalization of culture and the faster flow of information. This has been a cultural issue for Quebec, for example. Culture is becoming more homogenous around the world. I think that, here in Ottawa, artificial intelligence regulation is being treated as a strictly regulatory and technological issue. It's as if the federal government alone were responsible for regulating modernity. Yet cultural issues, at least in Quebec, play a key role at the provincial level, which we refer to as the national level.

What role should the provinces and Quebec play in regulating artificial intelligence? Shouldn't there be more consultation and greater involvement of Quebec, for example, in this regulatory exercise?

[*English*]

Mr. Jim Balsillie: Yes. I've always taken a crosscutting effects and rights approach to it, not a technological one, so I agree with those who frame it that way. Beware of those who think the answer to technology issues is more technology.

I think the place that is going to be hurt the most by far by AIDA and Bill C-27 is Quebec. They have by far the most to lose, because they've set a higher bar—an appropriate bar—with law 25, yet clearly this law is lower. Which one is in charge? Also, if you notice, it's ambiguous, and you know the federal is going to win, but corporations are going to arbitrage away from Quebec. It's like pollution laws are easier on one side of the river than the other, so you just move across the river. I think you'll lose. If you don't do strong laws, we all lose, but Quebec will lose the most.

Absolutely, social, cultural, economic, security, this is the mediation realm of the contemporary. It's extremely important, and I think the provinces should be given tremendous accord on this, and that should be clarified in this bill. However, your primary protection is raising the standard of this bill so that, as a minimum, it meets law 25.

[*Translation*]

Mr. Jean-Denis Garon: We must avoid a race to the bottom. I understand.

You spoke about transparency. The committee has often discussed transparency, such as a person's right to know that they're dealing with an artificial intelligence image or algorithm, for example. However, if I understood you correctly, transparency isn't enough. It shows only our powerlessness against an algorithm. You said something that I found intriguing. If I understood you correctly, individuals must have the opportunity to challenge the fact that they're dealing with an artificial intelligence model.

What individual has the technological and financial ability to challenge these types of models? Is this proposal realistic for the average person, for example?

[*English*]

Mr. Jim Balsillie: Well, I think that can apply to everything, but as an example, the CCLA challenged elements of recent government actions and was successful. If you don't even have the window to do it, then it can never happen. It's to have not only transparency but contestability. Yes, then there's an issue of resources to do it, but that's where we can ask the question of a strong civil society for Canada to deal with this.

I will say again that we will be playing whack-a-mole forever in this if we do not get the fundamental rights up front, because that's going to frame what is the moral imperative here. You could have rights to protect culture as a fundamental right: put it in there, make it explicit and have it referenced throughout the document. Then it's unambiguous what trumps here, but if you notice, those things are transactional and are not really addressed.

[*Translation*]

Mr. Jean-Denis Garon: I'll ask you a question that I put to another witness. I would like to hear your answer.

High-risk and high-impact models have been defined as models that threaten the health, safety or integrity of individuals. These definitions seem to overlook models that threaten the integrity of minority cultures or cultural diversity, for example. If I understood you correctly, this may fall under the definition of a high-impact or high-risk artificial intelligence model.

● (1725)

[*English*]

Mr. Jim Balsillie: Sure, you can go at communities. That was one of my comments—communities and groups, first nations, visible minorities—but again, if you get the human rights and a right not to be discriminated against, it gets it right up front, and then, when it happens downstream, that becomes the inalienable reference point of the courts, so be careful.

My strong advice is to focus on the root cause rather than the effects, because the effects are always going to move, but fundamental rights are fundamental rights. I like this idea of culture and sovereign culture being a fundamental right. Otherwise, Quebec is at risk of homogenization and steamroll unless you enshrine it. This is your chance.

[*Translation*]

The Chair: Thank you, Mr. Garon.

Mr. Masse, the floor is yours.

[*English*]

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

Thank you to our witnesses.

I'm going to spend the first part of my time addressing a document that I'm getting from the public record. It came to our attention today. It's from the Assembly of First Nations. In it, they talk about the process:

> The first problem with the legislation is the way it has come to stand before the Committee. The legislation was crafted without the due "consultation and cooperation" of First Nations as is the minimum requirement outlined in Article 19 of UNDRIP, which reads in full,
>
> States shall consult and cooperate in good faith with the [I]ndigenous peoples concerned through their own representative institutions in order to obtain their free, prior and informed consent before adopting and implementing legislative or administrative measures that may affect them.

Then, in the conclusion—hopefully, we'll get a response to this committee about this, Mr. Chair, because I would like a formal response from the minister—they say that the minister has not consulted with first nations specifically for that.

I would like to move a motion that this committee write the minister to confirm whether or not first nations—and which first nations—have been consulted in this process. I would hope that the motion would be supported by my colleagues.

The Chair: Sure, Mr. Masse.

Mr. Brian Masse: I move that the committee write the Minister of Innovation and request confirmation of whether or not first nations, including the Assembly of First Nations, have been consulted about this legislation, and other first nations that may have been consulted as well.

The Chair: Okay, everybody has heard the terms of the motion. It's relatively straightforward.

I'm looking around the room to see if we have consent.

(Motion agreed to [*See Minutes of Proceedings*])

The Chair: There seems to be no disagreement on that, so thank you, Mr. Masse.

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

I appreciate my colleagues for that.

I'll move to my questioning. I'll start with Mr. Balsillie.

I want to thank you for the work that you've done on this and many other files. I've been here for a while, and you've appeared several times in front of committees. It has been helpful.

With regard to some of the concerns that you've expressed, I do want to understand the difference that you might want for the data commissioner to be independent from the Privacy Commissioner and the Competition Bureau.

There is work being done with regard to the Privacy Commissioner in this legislation. My concern is that if we don't get that right, then there's no point in doing the second part. Maybe you can add a little bit of information there about how we make the data commissioner much more independent or robust, because you are correct that the challenges that the Privacy Commissioner and the Competition Bureau face are because the legislation they have to work under is not sufficient, in my opinion.

Mr. Jim Balsillie: Yes, thank you for that.

What I was trying to say is that this commissioner needs to be independent of ISED and have more powers than the competition commissioner or the Privacy Commissioner, who have been asking for more power. They do not set the standard; they themselves want a higher standard. As I've also said, who came up with this idea of a tribunal? Who pulled that out, and what the heck is that for? It just weakens the courts and creates a middle process.

Also, I think it's worth having a discussion about whether AI should be integrated with the Privacy Commissioner. That question has never been asked. Data and AI hang out together. They're not separate. Privacy is always at play there, and we have an existing regulator who wants to have that authority and whom we have the ability to build with.

If I was designing this, I would start the consultation again on AIDA. I would not include the tribunal. I would ask if this commissioner should be within the Office of the Privacy Commissioner, with enhanced powers and resources. We already have a running system, and we just need to fix the text of Bill C-27, including the consultation with the first nations.

We have a winning path here that isn't expensive and delayed, yet it was all just thrown out there without really thinking.

● (1730)

Mr. Brian Masse: Let's make sure I got this right. You're suggesting that there's nothing stopping us right now—I never thought of it this way—from actually creating an AI commissioner now and then having that almost be part of the process going forward on how to do AI. We could actually have the AI commissioner's office set up and running, and then finish this part of the legislation.

Mr. Jim Balsillie: Well, put it within.... There's nothing saying that you can't run it within the Office of the Privacy Commissioner and extend its mandate and resources. It has parliamentary direct reporting that is well established and well respected.

By the way, all of these issues of adequacy and so on that we're looking for build upon the Privacy Commissioner's work, so this idea of adequacy in Europe is a living document that's actually contextualized on case decisions, principally from our courts and our Privacy Commissioner. The idea that these are separate structures and that you want parallel, fragmented...never did make sense to me. I don't know what.... Just give the powers to the Privacy Commissioner. Get rid of that silly tribunal. Fix the provisions of Bill C-27 so that they're actually like the GDPR. Have proper consultations on AIDA. If you do that, you're on your way.

I have an expression that I use: Life's hard enough, so don't make the easy things hard.

Mr. Brian Masse: Do I have any more time, Mr. Chair? I think I'm out.

The Chair: I think so, too. Thank you. I forgot to start the timer, so I'm glad you're so respectful of the rules, Mr. Masse. I appreciate that.

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

Mr. Brad Vis: Thank you, Mr. Chair.

In your testimony, Ms. Tessono, you referenced the European Union's approach, which is different from the Canadian approach, and you talked about prohibitions based on thresholds. Can you clarify for this committee the difference between the approach being taken by the European Union and the high-impact systems outlined by the minister in his letter to the committee on November 28?

Ms. Christelle Tessono: Thank you for your question.

The amendment to AIDA proposed by the minister would call for a class of systems that would be considered high-impact, and the class of systems would be subject to a schedule, which would be updated through regulations, if my memory is correct.

The European Union, in contrast, has, in its law, explicit systems that are considered unacceptable. These include social scoring, the use of biometric identification systems in real time, adoption of facial recognition databases compiled through scraped information online, emotional recognition systems and so on.

We don't have that level of specificity in the proposed amendments, even though we have a class. To me, the thresholds that are created by the European Union are stronger because they create requirements for systems that are not considered high-impact in Canada.

Just to clarify, in Canada there are systems that could cause harm and that are excluded. Those systems are in the scope of the EU AI Act, and they will be subject to requirements. Europeans will have stronger protections with respect to systems that are not in scope in Canada.

Mr. Brad Vis: During our last panel, some of the witnesses from the big tech companies criticized the high-impact systems being used in Canada with respect to the moderation of content and the obligations this might put on various companies operating in the AI sphere.

Do you have any comments on that?

Ms. Christelle Tessono: Yes. I think this is an issue that reflects the lack of conversations between Canadian Heritage and Justice, which is handling the online harms bill, and the people who are handling AIDA. I don't know if they're talking to each other, but the fact that there are already concerns with industry actors speaks to the importance of having collaboration among different departments in the country.

I cannot speak in too much detail with respect to the previous situations of the online harms bill, but what I can say is that we need infrastructure whereby collaboration across departments is fostered.

● (1735)

Mr. Brad Vis: In the November 28 letter from the minister and his proposed amendments, in one of his bullets he talked about creating clearer obligations across the AI value chain, establishing data governance measures and establishing measures to assess and mitigate the risk of having biased output. You already mentioned the definition. My assessment is that, as we are having this broader discussion on governance in respect to AI, the government and the officials at Industry Canada don't really know what they're doing right now, so they're providing themselves, in this bill, massive and broad regulatory powers.

I'm personally having a debate about whether in fact we need this law: whether we should be voting in favour of this aspect of Bill C-27 on artificial intelligence or whether the government could simply do this through their regulatory capacity right now. I don't know.

Do you have any comments on that? Is it even necessary to grant industry so many regulatory powers and so much oversight in legislation? Would it make any difference if we just did that through GIC regulation?

Ms. Christelle Tessono: That's a really good question.

I would say that it is important to have in place legislation on artificial intelligence in the country, and I think that legislation should work towards facilitating collaboration across different sectors and departments.

What is happening right now in the country is that we have departments working on their own guidelines and their own standards without being able to speak to other experts in other departments—

Mr. Brad Vis: I'm sorry to interrupt you. I do really value your testimony right now.

Do you think we need to take an approach similar to that of the United States, where I believe the White House has instructed various departments to be looking at AI regulation with respect to their spheres of influence?

Ms. Christelle Tessono: It is my understanding that departments in Canada are doing similar work; it's just that they don't have the same powers that agencies and commissions in the United States have. The FTC, for example, can issue orders and fines and penalties and such, but I don't think that is the case for Canada.

That's why it would be important to have a regulator that would be independent and that would be able to impose fines while also working with departments.

Mr. Brad Vis: I definitely agree with you on the regulator.

I believe I'm out of time now.

Thank you so much.

The Chair: You are. Thank you very much.

Mr. Van Bynen, the floor is yours.

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

This has been a real learning experience. I think a lot of differing concepts have been brought forward. It will be a challenge for us to land on some common ground in terms of bringing this legislation forward.

There's an additional document that I'd like to have some thoughts on. On September 27, the government unveiled the voluntary code of conduct on the responsible development and management of advanced generative AI systems. What are the strengths and weaknesses of the code of conduct?

I'll start with Mr. Malik and then to go Ms. Tessono.

Dr. Momin M. Malik: I have not read this, so I will defer to my colleague.

Ms. Christelle Tessono: With the code of conduct, the main flaw is that it is voluntary. Companies can choose to adopt it, but it doesn't mean they're obliged to. In order to protect Canadians against harms caused by generative AI, things need to be enforceable.

Mr. Tony Van Bynen: Do you believe the publication of the code of conduct provided sufficient information on how the code, the legislation and the regulations would interact?

Ms. Christelle Tessono: Personally, as a researcher, I don't think so. I think the code of conduct is something that industry would have a lot more to say about.

What I'll say is that the code of conduct is part of a bigger puzzle on the regulation of artificial intelligence. It's not the only piece needed in order to safeguard Canadians against harms.

Mr. Tony Van Bynen: We talked earlier, in a previous discussion, about how Bill C-27 in part appears to be at least based on the European Union's model. How would you compare those two pieces of legislation? More importantly, can you highlight some of the elements of the European proposal that are not included in the AIDA and should be?

Then I'll pass it over to my colleague.

● (1740)

Ms. Christelle Tessono: The EU act creates different thresholds of reporting and transparency requirements for companies deploying different types of AI systems. In Canada, we have reporting and transparency requirements for only a specific class of systems. It means we're more exclusionary. The EU includes more systems within its scope. It also has a list of unacceptable risks and systems that should be prohibited if they pose unacceptable risks. This makes stronger regulation and protects people against harm.

Mr. Tony Van Bynen: Thank you.

Go ahead, Mr. Turnbull.

Mr. Ryan Turnbull: Thanks.

I just wanted to go back to my line of questioning earlier, which was about the right to object to automated processing of personal data. I really feel like Bill C-27 has dealt with this through express consent for using biometric data. I can just withhold my consent if I don't want someone to use that data. If they contravene that requirement, they would be breaking the law, because they wouldn't have sought my express consent.

I don't understand why in your paper you're recommending that we do something that is actually, I feel, included in the bill. Can you maybe speak to that, Ms. Tessono, from your perspective?

Ms. Christelle Tessono: Yes. I think rights are certainly very important to have, but in order to act on rights, it creates an unfair burden on the everyday person.

For example, I contested the use of my data. It was a financially, emotionally and physically exhausting process. I did that when I was living in the U.S. as a researcher at Princeton. It was not easy to do. Even with my expertise and access to resources and privileges, it wasn't an easy process. I can only imagine how very hard it would be for one of your constituents—a single mother or a teenager or a minor—to contest the use of an AI system and to ensure that their consent is respected.

Mr. Ryan Turnbull: Just to clarify that, though, if the company has not sought their consent, they have broken the law. They would be subject to enforcement and penalties that are included in the law, would they not? So I don't understand what you're saying. I agree with what you're saying, but I feel like the bill is dealing with this. I don't see the deficiency that maybe you're seeing.

I'm just trying to understand your perspective on this. Could you clarify a little bit further?

Do you understand what I'm saying? Because—

Ms. Christelle Tessono: I understand what you're saying. The deficiency arises when there's not an independent commissioner who is empowered to proactively investigate situations and commission audits. Yes, it would be illegal, but it would be dealt with at the courts, and that would take a lot of time and resources. Again, this is for something seen at scale, but if it's an individual case, it will be even harder for someone to go through the legal process at the courts.

[*Translation*]

The Chair: Thank you.

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

Mr. Jean-Denis Garon: Thank you, Mr. Chair.

Ms. Tessono, I'll let you respond in French.

Your resumé and research show that you have studied the interactions between technology and racial inequalities. You also talked about bias. We know that algorithms reproduce what they feed on. If the data that they feed on includes racial inequalities, the algorithms can reproduce these inequalities.

For the sake of clarity, I would like a specific real-world example of an artificial intelligence application currently in use that has generated these types of biases in people's daily lives.

Ms. Christelle Tessono: Excellent question. I'm happy to respond in French.

I know that, so far in Canada, we have six cases involving Black people who were misidentified by facial recognition systems and who lost their refugee status as a result. These cases are currently before the Supreme Court of Canada. These are specific cases where the use of facial recognition systems can cause people to lose their status...

● (1745)

Mr. Jean-Denis Garon: Thank you. I'm interrupting you because time is running out, not because this isn't relevant—quite the contrary.

We understand this aspect. We've heard of cases involving Clearview AI, for example. These cases have also been addressed in other committees. That said, artificial intelligence technology is often harmless. It helps us find our way around—I'm thinking of Google Maps, for instance—and do all sorts of things on a daily basis.

Are there any other specific examples involving applications that I could have on my telephone, for instance? This isn't a trick question. I'm really struggling to find specific examples. We hear a great deal about bias. I'm trying to get a clear picture of what it involves.

Think of the applications that we use on a daily basis. What could it be, for example?

Ms. Christelle Tessono: The applications that we use on a daily basis include social media, for example. Companies use recommendation and moderation systems that categorize users to sell them products or show them content knowing that it will interest them. For children, this creates mental health issues. Children are exposed to explicit or mentally harmful content, for example.

Mr. Jean-Denis Garon: Thank you.

The Chair: Thank you.

Mr. Masse had to leave briefly, so I'll give the floor to Mr. Williams.

[*English*]

Mr. Ryan Williams (Bay of Quinte, CPC): That sounds good. Thank you.

Mr. Balsillie, I'm going to start with you.

Just as a broad topic of discussion, if AIDA didn't exist, if it didn't pass, if we didn't have this come through Parliament, what would that mean for Canada and the industry?

Mr. Jim Balsillie: No legislation is better than bad legislation; however, you do need to regulate this realm, and I think it needs to be done expeditiously but thoughtfully.

We will be harmed if we don't regulate this properly—privacy and algorithms together—but they need to be done so that they're effective and not just an exercise in theatre.

Mr. Ryan Williams: In terms of what that regulation will mean, there was a first generation of AIDA. It did protect from high-impact AI. There were obviously different flaws with putting that power into the minister's office instead of having an independent commissioner.

Are there amendments that you could live with if we needed to have any regulation on AIDA as it stands?

Mr. Jim Balsillie: Sure, you could do a comprehensive set of amendments to make it proper, but you will always deal with the democratic integrity issue, and the first nations have said that they're going to litigate on Bill C-27 and AIDA. You're always going to have an integrity issue. You could do sufficient amendments to make it appropriate, from my point of view, but how do you have legitimacy from the stakeholders?

On the earlier comment, overwhelmingly the consultations were with industry after it was presented. It's a very dangerous move, and I don't see the math in it.

Mr. Ryan Williams: To your point, we haven't had a lot of the businesses here in front of committee yet. We haven't heard from the industry as a whole, except for the big players. We've had Google, Meta and Amazon Web Services here.

With consultation, from what you've heard from members in your circle and groups, whom should we have in front of the committee to talk about the impact AI and the legislation will have on them?

Mr. Jim Balsillie: I think you need to have civil society properly represented.

You need to have those who reflect the domestic economy and not the foreign economy. Domestic companies that trade globally and will drive up our GDP per capita need to be weighted here, not those that drive up foreign countries' GDP per capita. Otherwise, you're just going to make foreign countries richer, and Canadians' security and social fabric weaker.

Mr. Ryan Williams: Canada seems to have missed the boat on AI. A lot of our IP has gone. I know you were part of another study that talked about IP commercialization. We've lost a lot of that. Your phrase is always that we should have planted a tree three years ago. If we plant one now, we may be able to hold on to that.

When it comes to AI and keeping IP in Canada, we think perhaps it's gone its way. What can we do with legislation that looks at building that back up over many years?

● (1750)

Mr. Jim Balsillie: I think there are many things that can be done.

First of all, if you look at the policy for Mila, in Quebec, for its AI institute, it says, “we do not write patents for anything we do, and we publish our research.”

You have to start saying these are critical assets that we need to appropriate for the benefit of Canada, because we have to get it through our heads that nobody's going to look after Canada but Canadians—economically, on security and socially. Our orientation for this intangibles world is not to corral those for our benefit. Nobody else follows our playbook. That's why our productivity and prosperity are eroding. It's a direct consequence of inattention to where the money is.

Mr. Ryan Williams: The EU seems to have something in place. It seems the EU leads legislation when it comes to privacy. We talk about the GDPR as the gold standard.

Should we be looking at any parts of the EU's projected legislation to say, “We need that in Canada,” or should we be doing our own?

Mr. Jim Balsillie: Sure. The EU had comprehensive consultations on its Digital Markets Act, Digital Services Act and the recent AI Act. I would encourage this committee to consider what the EU has done, both on the sovereign cloud, in Gaia-X, and on its high-performance computing environment, because Canada has some standing with the horizons project in that we could back into it. We could be part of a federated high-performance computing.

Again, you need to approach these things to say, “How can we leverage what we get, and get the benefit out of it?”, rather than inventing something and giving it away, or trying to spend on these investments that don't work out. I see it as mismanagement of the opportunities that we have or that we've built along the way.

[*Translation*]

The Chair: Thank you...

[*English*]

Mr. Jim Balsillie: You have to look at all of these things. Europe's doing all of these things. It has a very federated partnership approach. Canada has lots of linkages there, but we don't seem to be exploiting them.

We're neither fish nor fowl, which puts us in a very dangerous spot. If we double down on that approach—evidence the efforts to build a whole new supercomputer in one of the superclusters—I think it's very misguided, very premature and very dangerous.

The Chair: Thank you, Mr. Balsillie.

We'll go back to Mr. Masse for two and a half minutes.

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

We haven't heard the word “supercluster” around here very often lately. There's a study, as my colleague Mr. Williams says. We'll leave that be.

I want to ask Ms. Tessono a question.

At a couple of conferences in the United States this past summer for Canada-U.S. stuff, there were a couple of corporations that are doing data input for artificial intelligence right now. They admitted they have racial and other biases from their inputs, because they don't have the right people building the AI properly so that it's balanced, so it's also producing results that are not balanced.

I wonder if you have any commentary about that in Canada. These were some of the companies that were here the other week that presented at a couple of conferences in the U.S.

Do you have any thoughts on that? Our AI development right now is a bit behind with regard to equity and balance.

Ms. Christelle Tessono: I cannot speak to specific examples, but I will say that representation is certainly a problem across the AI life cycle—in the data collection, in the data creation, and all the way to how models are tested, on which groups they are tested and how they are deployed.

Mr. Brian Masse: Thank you for that.

Mr. Balsillie, you made a distinction, which I do want to hear again in terms of a bit more development, regarding the individual right to object versus what's in the bill. I think that's one thing we're hearing quite a bit from groups and organizations. Can you highlight that struggle a little bit more?

Mr. Jim Balsillie: Yes. This idea that you have the right to see what they're doing, and contest it, is not there.

Mr. Brian Masse: Right now collective action is not always what people want to do, or companies as well.

Mr. Jim Balsillie: The companies certainly don't want transparency. Why would they? They want it voluntary and opaque. How do you know what the problem is, and how do you contest it, even if you somehow find out—which you really can't, because they have no duty to notify?

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

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

● (1755)

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

Welcome, everyone.

These are the last five minutes I'll be able to comment with regard to Bill C-27. Obviously, a lot of work has gone into this bill. I just want to say congratulations to everyone involved and to thank all the witnesses who have come. It is well needed. Artificial intelligence is impacting and will impact every single person in Canada and across the world, in their lives and their livelihoods, in everything we do, from using Google Maps to the health care sector and any other aspect of our daily lives.

I would say it is good, to use a very simple term, that our government is working with and consulting with and listening to a number of stakeholders, who came forth in the dozens to be heard on Bill C-27. Obviously, not everyone will agree on legislation. That is part of our democracy. That is an individual's right. I get that, having been in Parliament for a number of years. Not everyone agrees, but we must work, we must take action and we must legislate, because that's what we are—legislators.

Since joining this committee several months ago and coming on board and looking at the privacy aspects of the bill, which I think are parts 1 and 2, and then part 3 is AIDA, I know there is a lot of stuff in here. We know that other jurisdictions are moving, with Europe and the U.K. and the United States and us. I do agree on one aspect, that a voluntary code is good, but we need legislation. I think that's a part of capitalism. Voluntary codes for business are voluntary, but you need teeth. That's why you need to legislate.

I want to start off there and turn to the individual who works at the Mayo Clinic, because I believe one of the powerful tools of AI will be in the health care sector. As we move toward more specialized medicine and specialized screening and specialized diagnoses, AI will continue to play a greater role.

Mr. Malik, could you comment on AI's role within the health care sector from your point of view, please?

Dr. Momin M. Malik: Yes. Just to be clear, I am here as an individual and not on behalf of Mayo, although that is where I work.

My own view of this, from being on the inside, is that there is a lot more claim-making and hopes than tangible and concrete results. Sometimes, whatever ends up working is much more following the steps of biostatistical rigour, which have been known or worked out over the past 50, 60 or 70 years, to get to an effective intervention that improves things in some ways. A ton of things that people are proposing may or may not fit what the actual health care needs are.

I would say that more biostatistics, and thinking of that as what ought to transform health care rather than labelling it as AI, is maybe a more helpful frame. There are works about this. I'd have to look them up. For example, a paper found that a lot of the AI tools for COVID were totally useless in the end. I think that's the case in a lot of studies that go back and look at it: Here's the AI that has been claimed to do something, and here's what actually happened. There is also a report from Data & Society talking about a successful implementation that was as much about the qualitative aspect and stakeholder engagement as it was about the actual model.

I would say that is where I am working and that is what I am working towards, but I would offer a lot of caution within that rhetoric.

Mr. Francesco Sorbara: I just want to say thank you to the chair for being such a great chair. I will end it there.

How's that?

The Chair: That's a good segue for me to say thank you to our witnesses.

This concludes our portion on Bill C-27, where we have heard from a lot of witnesses. That's going to instruct us as we go through clause-by-clause in April.

Colleagues, before we suspend, I want to let you know—and also for the people watching at home who might be tempted to submit to us a brief on Bill C-27—that we would like to receive that by March 1.

Colleagues, we need amendments, if possible, by March 14, so we have the time to study the amendments proposed and have discussions. If you can do it earlier, that would also be ideal.

● (1800)

[*Translation*]

I would also like to thank our analyst, Ms. Savoie, who is attending her last meeting with us today.

Thank you, Ms. Savoie.

Thank you, colleagues.

I want to thank the witnesses again.

The meeting is suspended.

● (1800)

_____(Pause)_____

● (1805)

The Chair: I call this meeting back to order.

We'll now to turn to the second portion of today's meeting. Pursuant to the motion adopted by the committee on Tuesday, September 26, 2023, and the motion adopted on Monday, February 5, 2024, the committee is starting its study on the accessibility and affordability of wireless and broadband services in Canada.

I would like to welcome the witnesses to the first meeting of this study.

We're meeting with Pierre Karl Péladeau, president and chief executive officer of Quebecor. He is joined by Peggy Tabet, vice-president of regulatory affairs.

We're also meeting with Jean-François Lescadres, vice-president of finance at Videotron.

Thank you for joining us.

I'll now give the floor to Mr. Péladeau. You have five minutes.

Mr. Pierre Karl Péladeau (President and Chief Executive Officer, Quebecor Media Inc.): Thank you, Mr. Chair.

Thank you for the invitation. My colleagues and I are pleased to have the opportunity to discuss the price of wireless services, a key issue for Canadians.

A little over a year ago, I stood before this committee to show you that Quebecor was ready to repeat in Canada the success achieved by its Videotron subsidiary in the wireless sector in Quebec. We've been involved in this business since 2006.

We knew that Canadians would be the first to reap the benefits of the increased competition resulting from Videotron's acquisition of Freedom Mobile. The solid expansion plan implemented since then has paid off.

Freedom Mobile has become a driving force for positive change in the Canadian wireless market. In just a few months, we began rolling out our 5G technology and made significant network enhancements to improve the customer experience. We also introduced offers never before seen in the country. These offers include the first Canada—United States 5G mobile plans priced under $35, and Roam Beyond, an affordable and high-capacity mobile plan that lets you roam at no extra charge in over 70 international destinations.

Inflation is undermining the ability of Canadians to pay. However, these new and ultra-competitive offers have driven prices down throughout the Canadian wireless market. The Freedom effect means that Statistics Canada's consumer price index for wireless services has dropped by 26.8% over the past year, compared with a 3.4% increase for all products and services over the same period.

● (1810)

[*English*]

These lower prices translate into more money for Canadian families. The yearly savings can easily amount to one thousand dollars: money that can go to buying groceries or helping to pay the mortgage.

Moreover, unlike some of our competitors, Quebecor's three telecom brands—Freedom, Fizz and Videotron—have wireless price freeze policies. Customers can keep the same monthly rate for as long as they keep their mobile plan.

[*Translation*]

The commitment of various governments to establish healthy and sustainable competition has contributed to this progress. However, work remains to be done. For example, roaming charges are still at least six times higher in Canada than in Europe. These charges must be lowered so that prices keep falling as mobile data use soars.

The constant opposition of national incumbents to any initiative designed to promote competition remains an issue. Here are some examples regarding the establishment of rates for mobile virtual network operators, or MVNOs. These rates will give Videotron the chance to offer wireless services outside its network footprint. Rogers is challenging in court the outcome of the arbitration process that it requested. Bell refuses to accept the start date for the marketing of our MVNO activities, even though our companies clearly agreed on this date beforehand. Telus's intransigence and delaying tactics are forcing us into another lengthy arbitration process to set rates for access to its network.

These examples of obstruction are also seen in other areas, such as Internet access. On top of appealing a CRTC decision concerning access to its fibre optic network, Bell recently asked the government to overturn this decision. The decision stemmed from the government's instructions to the CRTC to adopt new rules encouraging competition, improved service and affordability.

[*English*]

These are a few examples of the headwinds facing new players like Quebecor as we seek to provide Canadians with better telecommunication services at better prices. The incumbents will do anything to protect their monopoly for as long as possible, in defiance of government policy.

[*Translation*]

All measures must be implemented to serve the public interest and make telecommunications services more affordable. As Freedom Mobile fulfills its commitment to lower wireless prices, national incumbents must now follow the rules of the game imposed on them to achieve these goals.

Thank you for your attention.

● (1815)

The Chair: Thank you, Mr. Péladeau.

To launch the discussion, I'll give the floor to Mr. Williams for six minutes.

[*English*]

Mr. Ryan Williams: Thank you, Mr. Chair.

Thank you very much to you, Mr. Péladeau, and to the rest of the witnesses for being here today.

You come here as a very famous man, not just from your reputation, but also from the minister, who talked about you being the "fourth player", who was going to solve all our problems in wireless here in Canada, which was great. Of course, I'm already hearing that some of the problems you're facing are what Canadians have faced all along, not just across your industry but in all of the oligopolies we have across Canada.

You have 2.3 million customers right now and about 6% of market share. However, if you're really going to be a fourth carrier in Canada, you need, based on a lot of research we've done, to get to at least 10%. That means massively growing up. We know what conditions the minister put on the Rogers-Shaw sale. Part of it was that you were going to be developing 5G. How many years is it going to take to develop 5G for Freedom across all of Canada?

Mr. Pierre Karl Péladeau: Just to make sure we have the same numbers, you mentioned 2.3 million customers. We have 3.8 million when you combine Videotron and Freedom, and we're growing every day.

We look forward to continuing to make sure that we'll be able to serve Canadians as best as possible with, again, the best prices. I guess that seeing those numbers shows that, at the end of the day, money talks, and when we're able to offer better prices, Canadians will get new services. This has been our experience since taking over Freedom.

We mentioned 5G. It's certainly something of importance. We're growing our network. We're considering that we will continue to grow. In the meantime, what we need to have...and this is something where, again, the incumbents are always delaying. These are the strategies that we have been facing for so many years. Instead of having access to MVNO with the price we need to get and then to build after the policy, this is what the CRTC said: "You'll buy spectrum." As you'll probably remember, the price is very expensive.

If you are a telecom operator, you have the right to buy spectrum. Once you buy the spectrum, you have the obligation to build, and the time frame to do this is seven years, so we're in this window. We think we should start with MVNO. This is what the thinking of the CRTC was, because you cannot build your network in two days or a weekend. You need to build day after day, week after week and month after month. In fact, it's like we did in Quebec, because when we started, we had nothing. We started building our network, and today we have full-fledged 5G across the province.

We look forward, again, to continuing the same strategy we've been able to have in Quebec, and we started with MVNO, with those operators—

Mr. Ryan Williams: I'm sorry. I don't want to interrupt you. I only have so much time here.

You're saying it takes about seven years to develop that network across Canada, which is going to be a significant amount of time.

We're here today because Rogers is going to increase its prices. It's something that happens when you talk about the monopolistic and oligipolistic practices of these companies. They will raise prices. Rogers is not playing ball with you when it comes to the MVNOs and sharing networks, and they're also going to be raising prices for Canadians.

To ensure we have that competition, we need to have you in as many places in Canada as possible, developing 5G to be a viable fourth player. Do you think you can be a viable competitor? Do you think you have enough time to compete against a big company like Rogers, and others like Bell and Telus, or is it just going to take too long?

Mr. Pierre Karl Péladeau: We do. However, as I mentioned, we need some help. There's no doubt there is desire and will. We should tell Parliament, and not only the government, to make sure that Canada is not going to be the country in which citizens pay the highest prices in the world. This is not acceptable. To make sure we'll be able to get this result, we need to have proper regulations in order to enhance competition.

We think—and this is what we're experiencing now, other than seeing the incumbents delaying our strategy to move forward—what we're seeing right now is the right thing. The CRTC is certainly pro-competition. We think it will continue to be such. As you know, there's an audience tomorrow.

On wireless, we believe the policies in front of Canadians are good. The problem is with the delays by the incumbents. Tomorrow we'll be in front of the CRTC regarding conditions for the Internet, the wired-line Internet on fibre. As a cable operator, we've been offering cable for 20 years. We are obliged to offer our network to competitors, what we call TPIA, at a decent price. We have been doing it. Again, we see Bell and Telus refusing to do it.

The wireless policy is good, and we look forward to moving in this direction and seeing the industry minister being favourable to that competition and that policy.

● (1820)

Mr. Ryan Williams: As a small player coming into where we have big fish, you see what happens. Would you be okay with more competitors besides you coming into the Canadian market, more competitors fighting against the big three?

Mr. Pierre Karl Péladeau: We are totally for competition. From our standpoint, competition is good. Competition brings innovation. Competition brings the capacity to serve your customers better. Without competition, the economy does badly. This is not the kind of culture we have in our company. We've always been in a competitive environment and we look forward to changing this.

In fact, for us as a media company originally in the newspaper business and the printing business and the pulp and paper business, this is what we were facing. There was not only local competition; we were also competing internationally. Pulp and paper was really international. When we arrived in the telecom business, we found monopoly everywhere. Do you know what? We like it, because we want to change things. I think we've been able to do that for a while.

Mr. Ryan Williams: Thank you, Mr. Péladeau. You're speaking our language.

The Chair: Thank you very much.

[*Translation*]

Mr. Gaheer, the floor is yours.

[*English*]

Mr. Iqwinder Gaheer (Mississauga—Malton, Lib.): Thank you, Chair.

Thank you to the witnesses, especially Mr. Péladeau, for appearing before the committee.

We know that telecom prices tend to be lower in parts of the country where there are other service providers outside of the big three, especially in Quebec.

I'll give you an anecdote. Recently, I was looking to switch my plan. I was doing it in Ottawa on my cellphone. I thought it was such a great plan. It was offered by one of the big three. I went to the checkout and once I entered my postal code, it actually corrected me and said that plan was offered only in Quebec, and I would instead have to switch to the Ontario one. As soon as I shifted it to Ontario, the price jumped up considerably. I was very disappointed.

If the big three are truly invested in providing all Canadians with competitive prices, why does it take a regional fourth player to drive those prices down?

Mr. Pierre Karl Péladeau: You know, I'm not the Competition Bureau. If I were, I would open an inquiry. Would I be successful? That is another question.

This is the kind of environment we've been seeing for so long. With the competition brought in by the fourth operator that we have in Quebec, historically prices in Quebec have been the lowest in Canada. When the Minister of Industry and the Competition Tribunal and other people involved in the Shaw-Rogers transaction considered that it would be a good thing for Canada to spin off the Freedom Mobile asset, obviously we were there at the beginning to raise our hand.

Do you know what? We were not invited to the party at the beginning. Why was that? I guess it was because the experience of seeing competition was not something that Rogers appreciated. For whatever reason, at the end of the day, in the public interest of Canadians, we were finally able to buy Freedom, to operate it and to introduce a very competitive environment, a real one.

Mr. Iqwinder Gaheer: On that, why did the deal impact the prices that you offer? Can you share any stats on that?

Mr. Jean-François Lescadres (Vice-President, Finance, Vidéotron ltée): I can answer that, absolutely.

Basically—

Mr. Pierre Karl Péladeau: Jean-François is our numbers guy. He knows everything.

Mr. Jean-François Lescadres: That's my job.

Basically, when we took over the Freedom side, there were two things. First of all, there was the current price that Freedom was putting in front. I'll give you an example. We were selling about 50 gigabytes for $65 on a non-5G network with non-nationwide coverage. A few weeks after we took over, we implemented 5G nationwide everywhere, and we increased the competitive package by a large margin.

Now, if you compare it to the promise that we made, basically, to the department when we took over the transaction.... I'll give you an example. We swore that we would never sell a package of 25 gigabytes for over $68. Today we sell that same package with twice the data—so 50 gigabytes instead of 25 gigabytes—for $34. That's half the price that we promised in our commitment. We also offer roaming in the U.S. in that same price.

This is what Canadians have access to right now. They can get much lower prices than, honestly, have ever happened in Canada before.

● (1825)

Mr. Iqwinder Gaheer: We do know that the numbers have come down for telecom prices. StatsCan gives us that data. I have numbers here. For example, for one of the big three, 10 gigabytes in 2017 was $145. Today it's about $39 per month, so we know the numbers have come down.

However, Canadians still remain very concerned about the prices that telecoms offer and the competition in the industry. How would you address the concerns that Canadians have?

Mr. Pierre Karl Péladeau: We already addressed this, and I talked about it in my speech.

The roaming factor is of importance. The CRTC is already aware of all this. It opened an inquiry to figure out what the roaming aspect is.

In the European Union, as you know, because of the many countries and because a lot of operators are present there, they were having 60 or 70 roaming prices. The European Commission decided to legislate on this. Today, you have a set schedule of prices, and this is public so that you have something to compare. Now the CRTC will go there and it will be easier to compare the prices of roaming in Canada, which we said are six times more expensive. If you were to reduce this, obviously, the reduction would be a very important factor for seeing the prices go even lower.

This is of importance, and we look forward to the CRTC going in this direction.

[*Translation*]

The Chair: Thank you, Mr. Gaheer.

Mr. Garon, the floor is yours.

Mr. Jean-Denis Garon: Thank you, Mr. Chair.

I want to thank the witnesses for being here today.

Mr. Péladeau, I want to talk more about roaming. We live in a sparsely populated country with large geographical areas. The fixed costs for installing towers, for example, are substantial. This naturally creates monopoly situations. This situation may be even more of an issue than the situation in other countries.

For example, Europe is densely populated. Towers can be profitable when installed next to each other, so...

Mr. Pierre Karl Péladeau: There are radios on top of each other, on the same tower.

Mr. Jean-Denis Garon: You see, that's why we're asking you questions. You know these things better than we do.

You can probably see what I'm getting at. You spoke about roaming charges, which are six times higher in Canada than in Europe. What are roaming charges like in the United States?

You also spoke about your conflicts with certain competitors over roaming contracts. Should we be even less tolerant of this interference than other countries, given its significance in Canada?

Mr. Pierre Karl Péladeau: To answer your question, I'll quickly summarize the history of the introduction of competition in wireless.

At the time, the late Jim Prentice was Minister of Industry when there was an auction process in which we participated. He ensured that spectrum licences were reserved so that competition could be introduced. There were also other conditions, including infrastructure sharing. Indeed, why would we build three towers next to each other—one for Bell, one for Telus and one for Rogers—plus another for a new player entering the industry, when we'd be able to set up shop on the same tower?

In the United States, this is actually a business model. Towers are no longer owned by operators, but by tower companies, known as “towercos”. It is noteworthy that on these towers, there are radios from all the companies.

Here in Canada, we decided to do things differently. We were forced, for the most part, to build towers or install radios on buildings. It is certainly not ideal.

Then came mandatory roaming. In effect, when you left one territory, you had to be able to access another territory. We negotiated this with Rogers. Freedom Mobile, on the other hand, didn't have that privilege, if I can put it that way. Every time you changed territories, you lost your connection and had to call back. It was an extremely bad customer experience.

However, all that has evolved. Conditions have contributed to this. I think the CRTC understood the challenges. Sometimes you have to get into the details, and there's a lot at stake. As the saying goes, the devil is in the details. Things evolve as this explanation unfolds. Now, the CRTC and the Department of Industry are well aware of these challenges and are committed to their resolution.

On the other hand, we always face the same problems: relentless delays, legal challenges, regulatory challenges. We're forced to take legal action. For example, Quebecor had to sue Bell.

● (1830)

Mr. Jean-Denis Garon: I have a question for you, just out of curiosity.

You referred to an appeal concerning the result of an arbitration process with Rogers. By definition, is arbitration not a process that cannot be appealed?

Mr. Pierre Karl Péladeau: I cannot disagree with that. The point of arbitration is precisely to avoid having to turn to the courts.

I'm going to ask Ms. Tabet to answer you, Mr. Garon. This is her daily bread. Mr. Lescadres deals with numbers; Ms. Tabet deals with regulation.

Mr. Jean-Denis Garon: In fact, I think you've answered, because...

Mr. Pierre Karl Péladeau: What Ms. Tabet will have to say will be very interesting.

Ms. Peggy Tabet (Vice-President, Regulatory Affairs, Quebecor Media Inc.): I'll answer quickly.

In fact, an arbitration decision cannot be reviewed by the CRTC, precisely because it is binding. It can only be appealed in court.

As you said, it is not the normal course of events to appeal an arbitration decision. And it is impossible for the CRTC to be seized with such.

Mr. Jean-Denis Garon: When you said that, I was a bit startled. It seems somewhat unnatural to me.

The Rogers-Shaw deal has been the talk of the town. It allowed you to pick up Freedom Mobile. A University of Toronto professor described the transaction as a bit like rearranging the seats aboard the *Titanic*. The iceberg is still up ahead. For the market as a whole, competition will still be lacking for a long time.

It has been said that since the Canadian competitive environment left very little room for new players—you're an anomaly in that, and I mean that in a positive way—one day foreign competitors would have to enter Canada.

Is it inevitable that foreign competitors, for example American companies, will come into our market, if we want Canadians to one day stop paying the highest prices in the world for their cellular services?

Mr. Pierre Karl Péladeau: As I said a little earlier, we are in no way against competition. If American or European companies want to set up here, the regulatory framework might even seem favourable to them, in a way.

Despite everything, there is competition. Videotron has been in Quebec for many years. There's also Eastlink Mobile in the Maritimes. Freedom Mobile is coming. In fact, it could have set up sooner, but there was a maze of problems with the ownership of Wind Mobile, which went from Egyptian to Russian interests. There was even an appeal to cabinet at one point, because the conditions of Canadian ownership had not been met. Today, Wind Mobile is in good hands. Sorry, I'm talking about Freedom Mobile, formerly Wind Mobile. It's a Canadian operator that wants to remain in telecommunications. It's not a company that's going to do a buy-sell transaction of this asset in six months or three years.

I have a lot of respect for American institutional funds, like Blackstone, but their mission is not to be a telecom operator. Their mission is to buy assets and sell them. But that's not our mission. Our fundamental and unique mission is to be a telecommunications operator.

As time goes by, we intend to expand our network. In fact, today we're already in British Columbia and Alberta. We've bought spectrum to be in Manitoba. We recently launched our Fizz brand in Winnipeg, which is entirely digital. Today, we launched a new offering; Mr. Lescadres might review the details for you.

● (1835)

Mr. Jean-François Lescadres: Actually, we've launched an international package with Freedom Mobile, which is the “Roam Beyond” package.

There was a lot of talk about international roaming charges, which were described as insane. People were afraid to use their mobile phones abroad. So today we've introduced a Videotron package at a very competitive price that allows people to go to more than 25 countries without worrying about unpleasant surprises like those that have unfortunately tainted the experience of many customers in the past.

Mr. Pierre Karl Péladeau: We're talking about countries like the United Kingdom, France, Germany, Cuba, so countries where Canadians and Quebeckers travel. We're not talking about Southeast Asian countries. Of course, there are some who travel to this region. However, depending on our customer base, we focus on these countries when it comes to our packages that allow you to take advantage of roaming service and data downloads.

The Chair: Thank you.

Mr. Masse, you have the floor.

[*English*]

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

Thank you, Mr. Péladeau and your team, for being here. I know two things will happen when you come to committee: You'll be direct and the committee's entertainment value will go up. I mean that as a compliment in terms of getting some good information.

Mr. Pierre Karl Péladeau: We always appreciate your questions too.

Mr. Brian Masse: It is important. I've always been a critic of our spectrum auction policy. I won't get into the details of why, but Canadians.... Some $25 billion has been collected by successive governments for it. Spectrum has been transferred. Sometimes it has not been used. Sometimes it's been sold again.

On this deal with Freedom's spectrum, I want to go through some of the conditions, because they're pretty interesting. Maybe you can give us a ballpark as to where you are.

When you got Freedom's spectrum to Videotron, you were supposed to offer mobile plans in B.C., Alberta and Ontario. Over the next 10 years, they have to be 20% more affordable than equivalent plans. What's interesting about this is that you're also on the hook. There could be fines and penalties if you don't make those plans, but at the same time, you have to challenge the industry incumbents in those environments. It's a curious aspect.

Where are you in that process right now?

Mr. Pierre Karl Péladeau: We met all our conditions in seven months. It's in our best interests. We're doing it because we consider it to be the best business plan for the corporation. At the end of the day, it also helps Canadians to see their prices reduced.

Mr. Brian Masse: You mentioned regulation. This case is really interesting. The fact is that you had a carrot-and-stick approach. The carrot was that Videotron got the spectrum, but the stick was that if you didn't get there and didn't do what you were supposed to do, you would get fines and penalties. Those could also be imposed on people who actually get spectrum. What are you thoughts on that?

That's a pretty challenging thing you had to do, not only in terms of rolling out money and capital to do this, but also in terms of having fines and penalties that your competitors knew about. This is public information that I'm talking about here. These are terms and conditions that they're quite aware of.

What do you think about fines and penalties and other conditions of rolling out spectrum, especially to rural and remote areas, where Canadians don't have the same supports?

Mr. Pierre Karl Péladeau: My understanding is that those fines and penalties are conditional to the transaction of Freedom to Videotron, and also from the industry to make sure that we will be able to introduce.... This transaction required the transfer of the licence from the industry. To get this transfer, there were conditions that would have fines and penalties.

Mr. Brian Masse: Let me be a little more direct. I kind of messed it up a little bit in terms of questioning.

If we had other circumstances, putting fines, conditions and penalties like this for other types of commitments from incumbents for rollouts in other areas, would you agree or disagree with that position?

Mr. Pierre Karl Péladeau: We would completely agree, because what we have been facing—I will repeat—are strategies that have been used by the incumbents to slow down, delay, move forward to contest, go in front of the court, go back to the CRTC, and even go to the government. The Privy Council is now looking at the Bell decision and saying, “We don't like this. We need to call it back.”

We are used to that. There is nothing for them to stop, because there are no penalties. There are no fines. They will continue. They have a regulatory department of I don't know how many people there. It's an industry in itself.

Mr. Brian Masse: Fair enough.

As a New Democrat, I'm really interested in one of the terms and conditions. It was to maintain an equivalent number of direct and indirect jobs for skilled workers. Can you speak to that, whether it has been sustained, whether it has been improved, or whether you have met that? I think you did meet it, but I want to confirm.

● (1840)

Mr. Pierre Karl Péladeau: As we continue to grow, we will continue with our people to make sure that our network is well maintained, because you need to maintain a network every day, every week, every month. We will continue to build, so people will build the network and install new equipment. Our experience in the past has been.... The cable business is now a declining business. We've been able to compensate two or three times more, because our wireless business is growing.

In fact, we're basically the only company, other than Eastlink in the Maritimes, that has been a new entrant in the wireless business. Again, because of a strategy that we have deployed, what we will lose in the cable business—as will all the other cable operators in North America—we will be able to gain back, and even more, with wireless customers. We will continue to bundle it. We will continue to make sure that Canadians have the capacity to bundle Internet, cable, telephones, wireline, and wireless. This is something we've been doing well. That doesn't mean you cannot succeed if you are offering a single product, but we will continue to bundle.

This is what we will discuss tomorrow at the CRTC: to have access to the wireline system in order to be able to bundle wireless and Internet access with other people's networks, but at the beginning to be able to build it for the future.

The Chair: Thank you, Mr. Masse.

[*Translation*]

Mr. Généreux, you have the floor.

[*English*]

Mr. Brian Masse: Thank you.

Thank you, Mr. Chair.

[*Translation*]

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

I extend my thanks to the witnesses.

Mr. Péladeau, if I understand correctly, you are abusing Ms. Tabet's services regarding regulation, since she is alone against the hundreds of other people from the three major players in the Canadian telecommunications world who are competing with you.

Mr. Pierre Karl Péladeau: She's not alone in her department; there are two of them.

Voices: Ha, ha!

Mr. Bernard Généreux: That's what I was saying.

I imagine that the other players we'll be hearing from here over the next few days or weeks will tell us that inflation and interest rates have affected the cost of their inputs and staff, in particular.

I should say that Jad Barsoum, who is behind you and on your staff in Ottawa, sent me some information on the new package Mr. Lescadres mentioned earlier. This package seems quite exceptional and interesting to me.

How are you able to offer a product like that today, given the rising costs we're seeing everywhere, inflation and rising salaries, among other things?

Mr. Pierre Karl Péladeau: It's the culture of the company. We respect our customers and our customers respect us. We offer quality products.

For example, even before Netflix appeared a number of years ago, we had already launched a streaming service, Club illico, which featured Quebec productions.

We launched wireline telephony when in Quebec this service had always been the subject of a monopoly. The day we offered wireline telephony to Quebeckers, our phone wouldn't stop ringing. We couldn't answer all the calls, because so many people who hated Bell Canada were calling us because they wanted to do business with a provider other than Bell. It was deeply ingrained in their genes.

We gained customers through our ability to offer more competitive prices. We continue to generate strong cash flow, and we systematically reinvest it. Do other companies do the same? I don't know.

Mr. Bernard Généreux: If I'm not mistaken, you share towers with Rogers in Quebec, for example, don't you? Do you do that elsewhere in Canada as well?

For the services you offer and your new products, I imagine you have collaboration agreements with other partners. You're not going to put new towers in the west and the rest of Canada, of course.

Are these agreements favourable to you?

Mr. Pierre Karl Péladeau: We have no agreements with other Canadian operators outside Quebec.

It's true that we had an agreement with Rogers. We even had a joint project, called Teamnet, where the network was used by both companies. We could install our radios on the same tower. Unfortunately, the presidency that preceded the current one decided to unilaterally terminate this agreement.

● (1845)

Mr. Bernard Généreux: So this agreement was operative in Quebec, but as I understand it, that's no longer the case.

Mr. Pierre Karl Péladeau: That's right. There aren't any left in Quebec either.

Mr. Bernard Généreux: Do you still have unused spectrum licences? You said earlier that from the moment you bought them, you had seven years to implement the services. Do you have any spectrum licences acquired in the last auctions that remain unused right now and will allow you to go to Manitoba or Saskatchewan, for example, or elsewhere?

Mr. Pierre Karl Péladeau: We bought spectrum in Alberta, British Columbia and Ontario in the spectrum licence auction for the 3,500-megahertz band. We will begin to deploy 5G for this spectrum.

There were subsequent auctions, which were called the 3,800-megahertz band spectrum licence auctions. They're still relatively recent. We haven't even paid the full cost yet; we've paid 20%. The auction took place in November and lasted about a month. The licences acquired in these auctions will also be the subject of a service rollout in the years to come.

Spectrum is an asset, an important public good that is inescapable for telecommunications operators. Technology is deployed gradually. We can't install everything at once. This spectrum will be used for speed and throughput. I'm not an engineer, but as far as I know, some of the low-frequency spectra, such as 600 megahertz, will be used for throughput, while the high-frequency ones will be used for speed. A combination of the two enables us to transport huge amounts of digital data, that is to say gigabytes. In fact, this is increasingly the main use we make of our wireless devices. Their use for voice is declining. What's on the rise is digital data, whether for Netflix, texting, e-mail or downloads. That's the big deal.

Mr. Bernard Généreux: Mr. Lescadres, are you in a position to tell us...

The Chair: Thank you, Mr. Généreux. I'm sorry to interrupt, but we have a slightly tighter schedule today. So I have to be less liberal than usual when it comes to time management.

Ms. Lapointe, the floor is yours.

Ms. Viviane Lapointe (Sudbury, Lib.): Thank you, Mr. Chair. I will be sharing my time with my colleague, Mr. Sorbara.

Welcome, Mr. Péladeau.

My question touches somewhat on the points raised by Mr. Masse. With regard to Quebecor's purchase of Freedom Mobile, you stated the following in August 2022: “[...] we are determined to continue building on Freedom's assets”. You went on to say: “Our strong track record combined with Freedom's solid Canadian footprint will allow us to offer consumers in British Columbia, Alberta and Ontario more choice, value and affordability through discounted multiservice bundles and innovative products.”

In fact, in April 2023, Rogers CEO Tony Staffieri promised that prices would come down for customers, but Rogers recently announced price increases.

Can you tell the members of this committee what Quebecor has done to reduce prices since that statement in August 2022?

Mr. Pierre Karl Péladeau: Honourable Ms. Lapointe, it will be our pleasure to do so.

My colleague Mr. Lescadres has already talked a bit about proposals and offers that have been made to Canadians. As I mentioned, every day, hundreds of new customers are added, systematically. Just look at what we call the number transfer ratio in our industry, that is the number of customers who subscribe to services versus those who unsubscribe. I think that says a lot. As an operator, we're always losing customers, but the important thing is to gain more than we lose. It's pretty simple, isn't it? It's called a ratio. Today, we have the highest ratio we've ever seen, meaning that, every day, we're still gaining more customers than we're losing. That says it all. It means that Canadians love Freedom Mobile's deals, and are abandoning their previous plans to become Freedom Mobile customers. Why is this the case? It's because we offer 5G packages across the country at much lower rates than those offered by our competitors.

The market is extremely competitive, despite everything. There are what are called the major brands, such as Telus, Bell and Rogers. Videotron can also be considered a main brand. Then there are the defensive brands, including Koodo and Fido. The Fizz brand is another, but it's a little different, since it's entirely digital. In other words, there's no call centre at Fizz. If you want a subscription with Fizz, you take your computer, go to the website and build your offer, specifying how many gigabytes you want, whether you want voicemail, whether you want data roaming, and so on. Over time, the price will change. You pay, then we'll send you your SIM card, which will give you access to the services you've ordered.

Features like these ensure that we meet the needs and desires of Canadian citizens. The results are there: our ratio is permanently positive.

● (1850)

Ms. Viviane Lapointe: Thank you, Mr. Péladeau.

[*English*]

It's over to you, Mr. Sorbara.

[*Translation*]

Mr. Francesco Sorbara: Thank you very much, Ms. Lapointe.

Good evening, Mr. Péladeau. Welcome to the committee.

[*English*]

The August 2022 press release on the completion of the acquisition of Freedom Mobile reads, “Quebecor has shown that it is the best player to create real competition and disrupt the market.”

[*Translation*]

Mr. Péladeau, I like competition and I like innovation.

[*English*]

I was a private sector person before entering politics, on both Bay Street and Wall Street, and I like capitalism. I want more competition. I want more wealth creation. I want lower prices and innovation.

How are you doing so far, from the acquisition date to today?

Mr. Pierre Karl Péladeau: I would say we're doing pretty well and we are quite satisfied. We will release our fourth quarter numbers next week. Again, I think we'll be able to show what we were able to deliver.

I completely agree with you—and I mentioned it earlier—that innovation is certainly something of great importance. We know that, in a globalization world, we compete against other countries. We want to make sure that we will be successful at this game. This is why innovation is one of the most important factors. By introducing innovation in our own companies, we're participating in this capacity to innovate and are able to be a winner in this game.

We innovate with Fizz, which I just mentioned to you. We were the first Canadian telecom company to introduce a fully digital company. We were the first wireless company to introduce nationwide.

We look forward. Obviously, I'm not going to give you all the details, because we don't want to wake up the competition—it will wake up after the introduction of our offers—but we are far from being short of new solutions.

Mr. Francesco Sorbara: I imagine that if I looked at your financials—the ARPU or average revenue per user, your net new subscribers and where you operate—I would see extreme growth.

I have a final question, and I'll be very quick.

As Canadian consumers of a wireless product, many of us travel abroad, and we see a similar experience when we go to Europe. You can buy a SIM card and load a bunch of gigabytes of data on your phone. It's very cheap and very easy.

If you had to explain to one of your customers the differences between their experience here in Canada and in other jurisdictions, what would you say to them about their experience?

The Chair: Give a brief response, please, Mr. Péladeau.

Mr. Pierre Karl Péladeau: Well, come and see us and look at our offers, and you'll be able to understand very quickly that our proposals are better. We're now, I would say, in a better position to compete and compare with prices elsewhere, mainly in Europe and the United States.

[*Translation*]

The Chair: Thank you very much.

Mr. Garon, you have the floor.

Mr. Jean-Denis Garon: Thank you very much, Mr. Chair.

I'll make this quick, because, by his own admission, our chair is a little less liberal than usual. In fact, I think that's a very good thing and a great quality.

Voices: Ha, ha!

● (1855)

The Chair: That only applies to speaking time, Mr. Garon.

Mr. Jean-Denis Garon: Ah, I see. It's always important to make these things clear.

I'd like us to talk about roaming charges. The committee will be hearing from representatives of companies that are your competitors, such as Rogers and Bell. Obviously, we'll be asking them questions about roaming agreements and disputes. It seems to me that roaming charges are a central element in the cost of packages. These representatives will probably tell us that things are expensive, towers are expensive, construction is expensive, that the territory is big and that it's all just awful.

I'd like to know what the real cost of roaming services is for businesses. I know there are fixed costs, and variable costs are very low. Maybe there's a congestion cost. Why is it so expensive, really?

Mr. Pierre Karl Péladeau: This is a big debate. We try to establish rates and costs. To do this, there are several formulas and several scenarios.

You're right, sir, these people always say the same thing. It's all talk. They tell us that the country is big and that they need more towers. Everyone knows that. But we're not the only big country in America or on the planet. When we do comparisons, we see beyond any doubt that our prices are much higher.

It's a cash cow for these companies.

Mr. Jean-Denis Garon: You said roaming charges were six times more expensive here than in Europe. If we had the same prices as in Europe, would it still be profitable for these companies? Have you done any calculations?

Mr. Pierre Karl Péladeau: It would certainly be profitable.

It's like when these operators say they're going to stop investing. We're so used to this kind of talk, it's always the same thing. Do you think for a moment that they're going to stop investing? There isn't a company that's going to stop investing, because if they did, they'd have their market taken away by the competition.

This is all the more problematic for Bell and its yesteryear technology. Bell was the last telecom operator to invest in fibre. All the other North American operators, such as AT&T, Verizon, and even Telus, had invested in fibre long before. Bell was late to the party. What prompted it? As an operator, Bell was losing significant market share. It no longer had a choice.

Today, if you stop investing in fibre, you'll lose customers, pure and simple.

The Chair: Thank you very much.

Mr. Masse, you have the floor.

[*English*]

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

I'll wait till the end, Mr. Chair, because I have some committee business and I don't want to use up other members' time.

[*Translation*]

The Chair: Thank you very much.

So I will yield the floor to Mr. Perkins.

[*English*]

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

Thank you, Mr. Masse.

Thank you very much, Mr. Péladeau, for your enthusiastic appearance before this committee. I wish the other three had been as enthusiastic. It's been a bit more of a challenge to get them here, but perhaps you have prompted new attention from them, so thank you.

Mr. Péladeau, you said that within your company you have frozen prices. At this stage, are you going to react by lowering prices at all? While our prices have come down in Canada, the prices of Rogers, Telus and Bell, anyway, have only come down by similar amounts globally and they still remain number one, two and three as the most expensive cellphone players in the world. You could drive their prices down even more by being more competitive. I know you have a business to run and a return to produce for your shareholders, but—

Mr. Pierre Karl Péladeau: I think the policy they've been proposing is bad, and it will be to their detriment. I am not going to be surprised if they change their minds and continue to compete. They have been trying all the time to increase their prices. This is the kind of mindset that the telecom business used to have in this oligopolistic environment.

This is why, again, a fourth operator is there to change things, to shake up the marketplace, to make sure that Canadians enjoy better prices, better proposals, better products and better service. It's not only about prices—it's also service. How many times have we been hearing about Bell and very poor service? We're servicing our customers the way they like to be serviced.

Mr. Rick Perkins: I get that.

I'll come back to the pricing issue if I have time.

You mentioned that roaming is six times higher. It's also, I think, that the CRTC has kept the rates up and hasn't changed them in five or six years or something.

Are there any other government policies—besides the cost of spectrum—that are keeping your prices higher than they would be to stay more competitive globally?

Mr. Pierre Karl Péladeau: Peggy would like to give you the price that we've been facing in the roaming environment.

Mr. Rick Perkins: In addition to roaming, is there anything else?

Ms. Peggy Tabet: Roaming is very high. It's a very important component for us to compete in this market.

Just to give you an idea, Bell's regulated tariff is $13.67, while in 2004, in the European Commission, it was $2.25 Canadian or 1.55 euros. When we say six times lower, it's huge. This is Bell. Telus is $14. Rogers is $14. It's really too high.

This is the biggest component.

● (1900)

Mr. Rick Perkins: Thank you.

That's the biggest component in developing a fourth national carrier.

What about other issues, like taking advantage of MVNO, backhaul policy and rates, and what your competitors use to prevent you from getting access through other means to those choices?

Mr. Pierre Karl Péladeau: You're right to mention backhaul, but we negotiated this out of the transaction with Rogers.

Jean-François, maybe you have other things to mention there.

We look forward, as I mentioned earlier, to having a regulated price that will make sense for competing on the bundled aspect. Therefore, we will be able to introduce bundled offers that will be affordable and will be competitive with what's taking place right now.

Mr. Jean-François Lescadres: If I may add, it's not a one-time thing. The industry is evolving, construction is going up and this is going to evolve each and every year as we go. Construction is going up over 25% per year right now, so when we put the roaming rate, it has to follow very quickly.

You talk about what we can do. What can be done is prevent every attempt that we talked about to delay everything right now. We're always in waiting mode. We get a decision, then it's not applied and then it's in appeal.

How can we stop those things and have a clear view on what our costs would be, so we can basically use those costs to offer lower prices to Canadians?

Mr. Rick Perkins: I appreciate that.

Two years ago, you bought 294 licences of the 3,500 megahertz for over $800 million. In November, I think, you bought another 300 licences at almost $300 million. That's a lot of money and it's a lot of spectrum. I assume you have no intention of selling any of that and you're actually deploying it.

How far along are you on deploying the spectrum from two years ago?

Mr. Pierre Karl Péladeau: I remember that Mr. Masse, in a previous committee, asked if spectrum was a factor for speculation because we've been seeing some holders selling it. The funny thing is that we sold some spectrum to Shaw, which we've now bought back. At the end of the day, we're using the spectrum. One of the companies is using it.

Today, the way the spectrum rules have been moving forward with industry, you're forced to build. You need to be a telecom operator. You cannot be a private bank or an agricultural business. You need to be a telecom operator. Once you've bought spectrum, you have seven years to build and you cannot sell it. Rules are tighter and, at the end of the day, industry listened to some of the unfavourable comments that took place regarding the spectrum acquisition or auction rules.

Mr. Rick Perkins: What percentage of the capital cost and the ongoing licensing operating costs do spectrum fees represent in your overall operating cost?

Mr. Pierre Karl Péladeau: I'm not going to be able to give you a number for that.

What I will tell you, first of all, is that there were many spectrum auctions. Some of the spectrum licences are more used than others. A spectrum auction took place in 2008 and 2012, so you have many of those. Some would be more amortized than others, so—

Mr. Rick Perkins: I'm told that it's more than 20% from other providers, smaller providers.

Mr. Pierre Karl Péladeau: Well, it also depends on the scale and size of your market and the number of customers you will serve.

Mr. Jean-François Lescadres: As well, it depends on how many years you amortize it. That's basically the biggest point to determine the effect. You talked about 3,500 megahertz. If you take that $800 million, it depends on how many years. You take it as a factor to consider, because I think that makes a big difference.

Of course, that's a major cost to operating a network. I think that's obvious. I think there was an effort, as we saw, with 3,800 megahertz as the least expensive spectrum auction, which I think was a good formula, at the end of the day, to provide a lower price to Canadians.

Mr. Pierre Karl Péladeau: The shorter the amortization schedule you use, the bigger the proportion will be. Today there is some spectrum that was given, not even paid and not even auctioned by the incumbents, in 1985. Is this fully amortized? Certainly. Is it still used? Absolutely.

So what is the proportion? Again, it depends on what spectrum you're referring to.

● (1905)

The Chair: Thank you very much.

Mr. Turnbull, go ahead on our last round of questioning.

Mr. Ryan Turnbull: Okay. Great.

It's really great to have you and your team here, Mr. Péladeau. I'm very excited by your story and the energy and passion you're bringing to this conversation today. I think you are shaking it up and disrupting the market in the best interest of Canadians, because it seems to me you're lowering prices and increasing competition.

I want to ask you what I think is just a simple question. The Minister of Industry is the one who put conditions on the Rogers-Shaw merger that resulted in Quebecor getting Freedom Mobile, and this is directly and causally connected with the increased competition. Would you not agree?

Mr. Pierre Karl Péladeau: Rogers-Shaw is more about the Internet than the cable business. They spin off the wireless business and we acquire it. The cable and Internet access will be more competitive in the future. As you know, Telus is the telecom operator on the western side. Will they force more competition? I don't know. We'll find out.

Will this factor also be a deterrent to combining wireless and wireline? It's not impossible. Certainly, what we have right now in B.C. and Alberta is a single wireless network. There is also a new technology that will come in the future, and in fact, referring to the spectrum, we will continue to need more. It's what we call fixed wireless access. Instead of having wireline Internet access, you will have towers able to deliver Internet into your home, on your computer, or for watching television. This is certainly something that technology will bring. Again, it will help Canadians to get better proposals and better innovation, and we look forward to it.

A matter that we think also needs to be fixed is what we referred to earlier, and that's to be able to have decent, regulated prices for access to the Internet or the wireline network of the incumbents Telus, Rogers and Bell, especially the fibre one, which has been under under review, for which Bell is in front of the government, to be able to say, you know, the CRTC does not have the competence to do this. Well, again, it's a matter of what we've been seeing forever, so many times.

Mr. Ryan Turnbull: Thank you for that answer.

In terms of your testimony, I have just a very general question: Is competition increasing as a result of your entrance into the market?

Mr. Pierre Karl Péladeau: There is no doubt about this.

I'll show you something that I think is interesting. Obviously, as you can imagine, we're looking at prices every day and at competitors' prices. These are promotions...well, not promotions but proposals by Bell. It started at $85 for 25 gigabytes.

Mr. Jean-François Lescadres: That was last year, basically.

Mr. Pierre Karl Péladeau: Yes. That was last year.

This year, for 75 gigabytes, it's $65. You have more gigs at a lower price. Why? It's because Freedom Mobile is there and is reducing the prices. They have no choice but to follow or lose customers.

Mr. Ryan Turnbull: We've been hearing from some political parties that prices are going up, and that's false, given your testimony today. What you've demonstrated, and what Statistics Canada has concluded on an overall basis over the Canadian market, is that prices are significantly coming down. Is that not true?

Mr. Pierre Karl Péladeau: Again, you know, it's not me. It's StatsCan. StatsCan is saying it.

Mr. Ryan Turnbull: So, from your perspective, prices are definitely coming down.

Mr. Pierre Karl Péladeau: Yes, this is what they're saying. The CRTC said the same, and the industry also. The CRTC is probably less political than industry. StatsCan, I hope, is not political at all.

● (1910)

Mr. Ryan Turnbull: That's great.

Your market share is growing as a result of your differentiating yourself in the market and offering more competitive prices, is it not?

Mr. Pierre Karl Péladeau: Absolutely.

Mr. Ryan Turnbull: So, your success is a direct result of your picking up those assets and entering the market. You're increasing competition and disrupting the market, so prices are coming down as a result.

Mr. Pierre Karl Péladeau: Absolutely.

Mr. Ryan Turnbull: Okay, that's great.

The last question I have is about Fizz. Fizz seems to be a new offering that you have, and it seems different from some of the other stuff that's out there. Can you maybe just describe how that offering is increasing competition as well and is further differentiating your brand?

Mr. Pierre Karl Péladeau: I would say that it's a product that appeals to the tech-savvy guys, to younger people who do not need a call centre. In fact, they don't like call centres. They want to take care of themselves. They go on the web. They order what they want. They can fix their problems. There is a call centre, but it's not a call centre. If you have a problem, you use your computer, or you use your phone. You ask the question, and we'll answer you.

Again, this is something I was mentioning earlier: innovation. This is something that didn't exist. It covers a clientele bracket that was not covered anymore, and it's at a more interesting price because you order what you want. If you want three gigabytes, five gigabytes or 10 gigabytes, it's not going to be the same price. Every time you increase or reduce the amount of data you want, the price will change.

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

Thank you, Mr. Péladeau.

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

Thank you, Mr. Péladeau, for your testimony tonight to kick off this study.

Before I recognize you, Mr. Masse, for your motion, I anticipate the question from my colleague, MP Perkins, so I'll just answer it right away.

As you know, we've had some scheduling issues to get the.... Yes, if you want to ask, you can, Mr. Perkins.

Mr. Rick Perkins: Thank you.

As you know, we have tabled with the clerk that motion to summon the other two CEOs, who were reluctant to come. I'd like to ask you.... I think at this time there's some indication that they might now be relenting and coming.

The Chair: Yes, I'm happy to report that when we come back from our constituency week, we'll have Rogers and Telus come before the committee, and then in March we have an agreement that Bell will also appear. So, we'll get to ask the three other big players the questions that we have on behalf of Canadians.

[*Translation*]

Mr. Péladeau, thank you for participating in our study.

That said, please wait a moment, Mr. Généreux; the meeting is not over yet.

Mr. Masse has a motion to present, so I'll yield the floor to him.

[*English*]

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

I gave up my last round so that I didn't affect any witness time, and I'll be really quick.

On February 8, I tabled a motion on auto. I won't read it entirely, but it basically calls for the auto companies to report back to this committee—so that we don't have to take any time—on what they're doing to reduce auto theft, and they would do that. The only addition is that, because I left out Tesla, we'd add Tesla to the group.

I'm just going to ask if there's consensus for that or if we have to have a vote. I don't want to interfere with committee time, but I'm hoping we can get this passed.

The Chair: I see there's agreement around the room.

(Motion agreed to [*See Minutes of Proceedings*])

Mr. Brian Masse: Thank you, colleagues. I appreciate it.

[*Translation*]

The Chair: Wait, colleagues, the meeting is not over. Mr. Garon has asked to speak.

Mr. Jean-Denis Garon: Mr. Chair, having studied the Standing Orders of the House, I think it appropriate, exceptionally, to wish you, the other members of the committee, the witnesses and my wife, who is here, an excellent Valentine's Day.

The Chair: Thank you very much. I wish everyone a happy Valentine's Day.

The meeting is adjourned.