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Chair: Mr. Joël Lightbound



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● (1100)

[*Translation*]

The Chair (Mr. Joël Lightbound (Louis-Hébert, Lib.)): Good morning, everyone. I declare the meeting open.

Welcome to meeting number 114 of the House of Commons Standing Committee on Industry and Technology.

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

Pursuant to the motion adopted by the committee on Tuesday, September 26, 2023, as well as the motion adopted on Monday, February 5, 2024, the committee today resumes its study on the accessibility and affordability of wireless and broadband services in Canada.

I'd like to welcome the witnesses who are joining us today and thank them for being with us. We welcome Mirko Bibic, president and chief executive officer of BCE Inc. We also welcome Tony Staffieri, president and chief executive officer of Rogers Communications Inc., who is accompanied by Phil Hartling, president of the Wireless Division. Finally, we welcome Darren Entwistle, president and chief executive officer of TELUS Communications.

Without further ado, I'll turn the floor over to Mr. Bibic for five minutes.

Mr. Mirko Bibic (President and Chief Executive Officer, BCE Inc.): Thank you, Mr. Chair.

I also thank the members of the committee.

I would like to begin by recognizing that I am joining you from unceded indigenous lands. The Kanien'kehá:ka Nation is recognized as the steward of the lands and waters from which I'm speaking to you today.

At Bell, our purpose is to advance how Canadians connect with each other and the world. To fulfil our purpose, we offer our customers access to the best networks at attractive prices, prices that are now significantly lower than in the United States.

At the end of this year, since 2020, Bell will have invested \$23 billion—that's right, \$23 billion—to expand our pure fibre Internet and 5G networks. While many other companies scaled back their investments during COVID-19, we built more.

Earlier this month, Bell was the only business in Canada recognized by OpenSignal as a global leader in network speed experience. For the third year in a row, Global Wireless Solutions ranked Bell 5G Canada's fastest 5G network. And Bell's pure fibre Internet

offers the world's best Internet technology and is recognized as the fastest Internet and Wi-Fi in the country.

We have invested in building these networks to serve our customers not just in Montreal, Toronto, Quebec City and Halifax, but also in places like Churchill, Happy Valley-Goose Bay, Lac-Beauport, Trois-Pistoles and Welland.

Meanwhile, we remain relentlessly focused on improving the customer experience. According to the Commission for Complaints for Telecom-television Services, Bell outperformed all our competitors, with a 6% reduction in the overall share of complaints. This is the eighth consecutive year that our share has decreased.

We continue to improve our service and provide customers with greater flexibility through digital tools. Our award-winning MyBell app makes it easier for our customers to manage their services online. Our virtual repair tool fixes common issues from within the MyBell app.

What's more, our investments in fibre from Manitoba to Newfoundland have brought more competition to cable companies that have dominated the Internet market for far too long. In Quebec, for example, we have deployed fibre to 2.7 million locations—bringing reliable fibre connectivity to customers who previously had little or no competitive choice.

● (1105)

[*English*]

With this increased competition comes lower prices for Canadians. StatsCan's own data shows that Canadians pay much lower prices for wireless Internet today than they did just a short time ago.

From 2019 to January 2024, wireless service prices declined over 47%, while Internet prices dropped by almost 8%. In contrast, since 2019, Canadians have paid up to 18.5% more for all items, including gas, energy and shelter.

As prices have fallen, Bell has significantly increased how much data customers receive each month. For an average Canadian using between five and seven gigabytes of wireless data per month, prices have fallen nearly 30%—that's \$13 per month—on our Virgin Plus brand since 2020. Instead of just five gigabytes of data back then, that user is now getting 10 times more: 50 gigabytes.

In the last five years, wireless prices have gone down in Canada, have stayed more or less flat in the U.S. and have gone up 24% in the U.K. Today, Canadians pay less for wireless than in the U.S. Virgin's \$34 for 50-gigabytes plan is \$7 less than a 10-gigabyte plan on AT&T's Cricket brand. That's \$7 less, but five times more data.

On the Internet side, Virgin Plus offers 300-megabytes-per-second residential Internet for \$55. That same plan would cost \$74 in the U.S.

[Translation]

Prices in Canada are falling, despite government-imposed spectrum prices that rank among the highest in the world. Most recently, Canadian providers paid the federal government \$8.9 billion for their 3.5 GHz band spectrum licences, while in Australia, providers paid one tenth that amount.

If government-imposed spectrum prices in Canada followed the global average, every Canadian's wireless bills would be \$5 per month lower. World-leading networks, a focus on customer experience and globally competitive prices. That is how we are delivering for Canadians.

[English]

You hear the term “shrinkflation” a lot these days. Increasingly, Canadians are paying more but feel like they're getting less. With Bell, as the data shows, Canadians are paying less and getting more.

Thank you.

[Translation]

The Chair: Thank you very much.

I now give the floor to Mr. Staffieri, from Rogers.

[English]

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

Good morning, committee members. My name is Tony Staffieri. I'm the president and CEO of Rogers. Thank you for the invitation today.

With me is Phil Hartling, president of [Technical difficulty—Editor]

The Chair: We've lost the video signal for Mr. Staffieri.

While we try to figure that out, we'll move to our next witness.

Mr. Entwistle from Telus, the floor is yours for five minutes.

Mr. Darren Entwistle (President and Chief Executive Officer, Telus Communications Inc.): Good morning, Mr. Chair and honourable members.

[Translation]

Good morning, everyone.

[English]

Today I will illustrate that wireless prices have decreased significantly as our telecom industry delivers more value for Canadians, and we do so despite the escalating cost factors of production that our industry is experiencing. Additionally, I will emphasize the critical role our industry plays in Canada's economy and societies.

First, according to StatsCan, the price of wireless services decreased 50.4% between 2018 and 2023. During that same period, average data consumption increased by 200%, according to the CRTC. Notably, during the 2023 holiday season, prices were 97% lower than in 2020. Moreover, when compared to the G7 countries and Australia, Canada offers the best wireless value proposition, with prices that are almost 5% lower than the average price that foreign carriers would charge for the same service.

Second, as wireless prices decrease, the prices for other goods in Canada are increasing. Between 2018 and 2023 the cost of rent, transportation, energy, housing and food increased between 22% and 27%. In that same period, our Canadian government confirmed that prices for wireless services declined faster than in any other category of consumer goods and services.

Third, as wireless prices decrease, the costs of building and operating wireless networks are rising markedly. The cost of telecom equipment, paid for mostly in U.S. dollars, has risen over 24% from 2020 to 2023, and price increases from suppliers are accelerating. Canadian labour costs have increased 17%. Utilities and electricity have grown from 15% whilst fuel prices have skyrocketed 54%. Furthermore, Canadian carriers are already paying the highest spectrum costs across the OECD. Over the last 10 years carriers have paid \$29 billion for spectrum licences. Indeed, Canada's auction of 3500 megahertz spectrum alone, so critical for 5G networks, extracted a record \$9 billion from telecom operators. In contrast, in Japan and South Korea, they gave away the spectrum so that operators could concentrate their spend on deployment. In 2021 alone these spectrum fees accounted for \$100 on the annual wireless phone bill of every Canadian.

Fourth, despite these cost factors in Canada being 103% higher than in the G7 and Australia, we continue to invest in and operate the best-quality networks in the world. Telus has invested \$259 billion in network infrastructure and operations over the past 24 years. This has contributed to Canada's wireless networks consistently ranking among the best globally—the best for speed, quality, user experience and coverage, according to the OECD. The telecom sector has also rapidly advanced 5G coverage, reaching 90% of our population and continuing to grow.

Next, Telus provides low-income Canadians with highly subsidized access to vital high-speed connectivity. Through Telus's “connecting for good” program, we offer extremely low-cost Internet and wireless services to 1.1 million Canadian families and seniors who are underserved.

Indeed, our industry should be a source of national pride, given that it is powering Canada's digital economies and our digital societies. From 2009 to 2019, broadband connectivity enabled almost 20% of Canada's labour productivity growth. According to StatsCan and PricewaterhouseCoopers, our industry generated almost \$77 billion in direct GDP for Canada in 2022 alone. Moreover, our industry supports 724,000 jobs, with wages 42% higher than in other service industries.

• (1110)

At Telus, our charitable and social support for Canadians is truly unmatched.

Since 2000, we have contributed \$1.7 billion in philanthropy to our communities and citizens in need. This includes volunteering 2.2 million days of service, which is more than any other company in the world.

Through Telus Health and Telus Agriculture, we are leveraging broadband technologies to answer society's most pressing challenges in health care transformation and food security.

Importantly, we're also supporting the prosperity and livelihoods of millions of Canadians who own Telus shares. This includes seniors who rely on our dividends for their incomes that support their lives. Of course, it includes our Telus team members, who collectively represent our fourth largest shareholder overall.

Clearly, the telecom industry is delivering enhanced value and lower prices for Canadians, and it is playing a vital role in strengthening our nation's economy.

Thank you.

• (1115)

[*Translation*]

The Chair: Thank you very much.

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

[*English*]

Mr. Tony Staffieri: Thank you, Mr. Chair, and good morning, committee members. Thank you for the invitation today.

With me is Phil Hartling, president of our wireless division.

I've been following the work of this committee, and I am pleased to provide facts and correct some inaccurate assumptions.

Affordability is an issue in Canada, one that is real and felt by many Canadians. Other industries are using Canada's inflation trend to offer Canadians the same or less at higher prices. Rogers is doing the exact opposite. We're lowering our prices, and offering Canadians more. Companies in other sectors simply can't say the same.

I believe our discussion today needs to be based on facts, and here are some of them.

Our wireless network reaches 99% of the population, but only covers 12% of our land mass. We're investing in satellite-to-mobile technology to connect every corner of our country. Our Internet footprint reaches 60% of households today. We're investing to reach every household.

In the last decade alone, Rogers has invested over \$40 billion in our networks. To put this into context, that's more than the federal government's \$39 billion in announced funding commitments for Canada's national housing strategy. Last year, that included investing over \$1 billion just to manage the huge increase in wireless data usage.

Every year we reinvest 90% of our profits back into Canada. That's investment in Canadian infrastructure, Canadian jobs and the Canadian economy. We're making these record investments while inflation drives up our cost of raw materials and labour.

On top of that, the federal government imposes more costs on wireless carriers than many other countries. We paid seven times as much as U.S. carriers for 3500 megahertz spectrum. For low-band, five-gigabyte spectrum, we paid over 50% more. Annual spectrum fees in Canada are some of the highest in the world. They're up 15% in three years. Despite all of this, we are lowering prices for Canadians.

The federal government's own data from Statistics Canada shows wireless prices are down nearly 50% over the last five years. In the last year alone, they're down 16%.

Rogers has been the leader in driving this trend. We've cut the cost of data on our most popular five-gigabyte plan by over 70%. We led the industry and dropped our five-gigabyte entry price by over 40% to \$50. We introduced the national “connected for success” wireless program with a free five-gigabyte smartphone, and a \$25 five-gigabyte plan for over 2.5 million eligible low-income Canadians. We're offering 50 gigabytes for \$34 on our Fido brand, all in the last year since coming together with Shaw.

Customers are getting more for less, both in absolute terms, and on a per gig basis.

There are few industries today where you see record investments and consumers receiving more, often at a lower cost. This is the outcome of rigorous competition. Last year, there were about 3,000 price plans in the market, and 4.9 million Canadians switched providers.

What does this mean? It means there's more choice.

The same can't be said about the U.K. or the U.S. The wireless consumer price index in the U.K. is up 24% over the past five years. In the U.S., it's up 1.5%. Wireless prices are higher in the U.S. than Canada.

I'm looking forward to our discussion today, but I want to make sure that we're grounded in the facts.

Thank you.

• (1120)

The Chair: Thank you very much.

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

Mr. Ryan Williams (Bay of Quinte, CPC): Thank you, Mr. Chair.

We're here because Canadians are telling us different stats from some of the ones we're hearing today. They're telling us that they're still paying some of the highest cellphone prices in the world. After eight years under this Liberal government, we've had the cost of almost everything go up, which has been mentioned already by our witnesses. When we looked at grocery prices, we looked at the Toronto Daily Bread Food Bank, and there are 300,000 people visiting that food bank. Cellphones are not a luxury anymore. Cellphones are essential.

When we look at some of the facts, we see that cars are being stolen, and that's up 300% in Toronto alone. People use cellphones now to put Apple AirTags in their cars to track where their cars are going. They have doorbell cams because they're looking to prevent home invasions. People are using cellphones to find coupons to go to the grocery store.

Cellphones aren't a luxury. They're essential, and what happens when Canadians use more and more cellphones? They're using more data. When we look at the facts, by 2026 Canadians are going to need an average of about 50 gigabytes a month just to use the essentials on their cellphones, and we're not even talking about social media and other uses.

We look at other countries, and we compare prices with other countries. We have found that there's more competition in the U.S. There's more competition in Australia. What happens is that prices have gone down. We heard from Mr. Staffieri and Mr. Hartling that the prices at Rogers were lower than those in the U.S. and Australia.

Do you stand by that statement at this point?

Mr. Tony Staffieri: It's important that we are clear on the facts, and the facts are twofold. One, prices are coming down in Canada by the government's own measure, according to Stats Canada. As I said in my opening comments, they are down 16% in the last—

Mr. Ryan Williams: I'm sorry. I have limited time here. I asked you a direct question. Are prices in Canada lower than in the U.S. and Australia, as Mr. Hartling stated the other day? Yes or no?

Mr. Tony Staffieri: When you look at our price plans here in Canada, they are lower. Undeniably, that's what the facts say, relative to the U.S. I encourage you to look at information that Rogers submitted to this committee after—

Mr. Ryan Williams: Mr. Staffieri, thank you so much.

I'm going to compare some prices from Fido. Fido is owned by Rogers. It's your lowest-priced plan. We looked at Canadians struggling to survive. They're looking for the lowest price for the most data. We looked at Fido, which is about \$34 a month. We compared that to the Americans. They have Mint Mobile and the Australians have a great one called Moose. They're both lower than that price, but more importantly, I think, Canadians need to know that they both offer a 5G plan.

When we talk about Canada, I know Rogers, Telus and Bell all talk about the fact that we have 5G almost everywhere across Canada. We're one of the most built-up networks, but Fido is only offered on 4G.

When we look at comparisons, I think, if we had competition in Canada such as Mint Mobile in the U.S., we would have lower prices on 5G networks. Australia has several MVNOs on 5G networks at lower prices. With Fido in mind, do we have enough competition? If we had competition, would Fido offer 5G?

Mr. Tony Staffieri: This country has very robust and healthy competition. Consumers have choice. If you were to look at last year alone, 4.9 million Canadians switched their provider. If you were to look at Rogers, 20% of our customers switched plans. There is choice for Canadians and there's very robust competition in the marketplace.

As you looked at our prices relative to those in the U.S., you used the example of Fido at \$34. We have other plans on our Chatr brand that are as low as \$19. When you look at our price points relative to having the best networks in the world, the value for money certainly ranks at or near the top and is definitely higher than in the U.S.

Mr. Ryan Williams: Mr. Staffieri, I've just listed some competitors in the U.S. and Australia that offer those price points at 5G; you're offering that on 4G. When we look at comparators across the U.S. and Australia, 3G is outdated. It's being taken off the networks in the U.S. because there's more competition.

To go back to why we're here, you said you were going to increase your prices by \$9.

I'd like to go now to the witnesses from Bell and Telus. Are you going to follow suit and increase your prices by up to \$9 for cellphone plans?

• (1125)

Mr. Mirko Bibic: Our focus is on lowering prices for Canadians and delivering the very best services to as many Canadians as possible. I followed pretty closely your exchange with Mr. Staffieri. Just to compare prices, Virgin is a Bell brand, and we offer Virgin Plus on 5G and our prices are undeniably lower than in the U.S.

Mr. Ryan Williams: Thank you, sir. I appreciate that.

I asked you a direct question, though. Are you going to be following Rogers and increasing those prices by up to \$9, yes or no?

Mr. Mirko Bibic: Our focus is on lowering prices. That's why our 50-gigabyte plan—which is the one you referred to in your exchange with Mr. Staffieri—is available for \$34 on the Virgin Plus brand, which is on the 5G network. That's lower than in the U.S., U.K., Australia and France.

Mr. Ryan Williams: Thank you. That did not answer my question.

Mr. Entwistle, could you answer that question with a yes or no? Are you going to increase prices by up to \$9 a month?

Mr. Darren Entwistle: We've done over 400 price changes over the last 12 months. Ninety per cent of those price changes were price decreases. Only 10% were price increases.

I'm not going to talk about price setting in a forum with my two competitors sitting right here.

To answer your question directly, I'm highly confident that the average price per gigabit is going to decline for the benefit of Canadians.

The Chair: Thank you very much.

Mr. Sorbara, the floor is yours.

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

Welcome, gentlemen, to this panel and to our committee.

The first thing I want to say is to each of the CEOs.

Many of the comments we've heard here within the room on the competitive dynamics within the Canadian wireless or telecommunications market have been met with some skepticism and maybe a few chuckles. I do want to get that on the record.

We can debate about the competitive dynamics and how they've evolved in the Canadian wireless market over the last 20 or 30 years. I was a research analyst for many years. I covered many of your companies. I understand the dynamics well.

My first question will be for Rogers. It's on the announcement of the price hike, whether it's \$7, \$9, \$10 or whichever number you want to have. In an affordability crisis that many Canadians are feeling, would you admit that the timing was not great? If I could use the term "tone deaf", to customers and the Canadian populace, it was probably not the right thing to announce at this time.

This is for Mr. Staffieri.

Mr. Tony Staffieri: Thank you.

We made price plan amendments in January of this year. Those changes were to a small percentage of our customer base. The average was \$5. For most of those customers it was \$4 or less. I should reiterate that it was a small percentage of our total base.

The other item to note that's of importance is that these are customers who are on legacy plans that were out of contract. It was important to us to make sure that these customers had choice. The customers could go online—with two clicks they could get onto a plan that was in market and gave them the best value for money for their circumstance—or they could call in and we could work with those customers. That was really the important part for us.

Having said that, it's against the backdrop of price plans that are in market that continue to come down month over month and year over year. I mentioned earlier that, on average, 3,000 price plans and promotions were in market last year. That's more than 250 per month.

We see quite a number—over 20% in fact—of our customer base continually looking at trying to get the best value for money. Our competitive environment drives us to put plans and offers out there that are going to earn the business of Canadians.

Mr. Francesco Sorbara: Thank you, Mr. Staffieri for those comments.

I'm going over to Mr. Bibic at Bell.

I could have done this for each of the entities. I just chose Bell this morning. I pulled up your 20-F and your annual information form. I was looking at some of the numbers on the mobile division. You enjoy a 40% EBITDA margin. All of you folks enjoy a healthy margin on your EBITDA with regard to your wireless businesses.

Yes, there's been some churn on Bell specifically. I haven't looked at Rogers and Telus this morning. I'm assuming it's the same direction.

Your average revenue per user, ARPU, measurements are continuing to increase. I'm assuming that's about the data plans that people are using. They're moving up the value chains, which is a little more expensive.

If you folks are so adamant that prices have come down, why is there so much skepticism in the marketplace that they have not? Is it that you're not communicating properly? Is it that the statistical facts aren't correct? Why is there so much healthy skepticism out there?

I'll start with the president of BCE and then go over to Mr. Entwistle of Telus, please.

• (1130)

Mr. Mirko Bibic: It's an excellent question. Conversations like these are very important. We can have a robust dialogue grounded in the facts, and we can communicate. In fact, we should use the opportunity here to communicate in a better way with Canadians. Also, it's a serious discussion. Canadians are concerned about affordability. This study is also about accessibility. The study is about both affordability and accessibility.

Our commitment to Canadians over the last five years, certainly, has been to invest massive amounts of money so we can deliver better networks, better customer service and undeniably lower prices. As I shared in answer to the previous question, the prices have come down. They are lower than those in the U.S., the U.K., Australia and France.

I gave you the Virgin Plus example on 5G. Also, you can compare 2019 with 2024 alone in Canada. We're offering, in some cases, 10 times more data for \$40 less a month. In 2019, we were offering six gigabytes for \$90. Now, in 5G, we're offering 60 gigabytes for \$50. You can see the massive drop. I could give you a wide variety of data on 4G and 5G. You'll see the prices come down. It's so clear.

Mr. Francesco Sorbara: Thank you.

I'm pretty sure I'm out of time here.

I will say to any of the CEOs that, if the committee can have any of that information you're speaking about with regard to price comparisons, I would love to take a look at that data, unless there's some proprietary competitive stuff that we can't see. It would be great to have that information you're referencing.

Mr. Mirko Bibic: I appreciate that. We'll make sure to do that.

Thank you.

The Chair: You can answer, Mr. Entwistle. I'll give you some time.

Mr. Darren Entwistle: I think what you're seeing is a massive increase in data consumption. Canadians are among the highest data consumers in the world. Canadians consume almost twice as much data as German people and more than twice as much as Italians. That is reflective of the fact that wireless provides a tremendous amount of value in people's lives and allows them to manage their lifestyle logistics more efficiently and effectively. That constitutes significant value for Canadians.

I won't repeat the comment on low prices. I will just refer you to the studies done by Stats Canada, the Wall report done for ISED and what we're seeing from the OECD.

The other element that I think is missing is the cost of devices. This is a part of our service offering where we do not control the economics. At the end of the day, those economics are determined by the device manufacturers and represent a significant component of the cost factor for Canadian consumers.

Lastly, as it relates to profitability and the comment the member was making, I would say that's one of our core responsibilities, among others, to our stakeholders. It is key, because we recycle those profits into the construction of the world-leading broadband networks that Canadians significantly benefit from. We also recycle those profits into paying down the debt we incurred to build those broadband networks. Debt for the industry is up by 50%. Those profits return to Canadians in the form of taxes. Telus has paid over \$57 billion in taxes and spectrum remittances during my tenure with the organization. As well, of course, those profits help subsidize "connecting for good" programs. Telus provides underserved Canadians with highly subsidized, low-cost programs that reach 1.1 million people in the country.

There's a symmetry, then, to profit that I think is important to understand.

• (1135)

The Chair: Thank you, Mr. Entwistle.

[*Translation*]

I now yield the floor to Mr. Garon for six minutes.

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

First, I'd like to apologize to the witnesses, as I'm going to ask my colleagues to debate an urgent motion I tabled on March 14 regarding Rio Tinto. I hope we'll be able to pass it quickly. It deals with an event that has caused a major shockwave in the Saguenay—Lac-Saint-Jean region and could jeopardize a significant number of jobs over the next few years. I'll read you the motion, the text of which my colleagues have received:

Whereas, in May 2018 and June 2021, the Minister of Innovation, Science and Industry provided \$80 million in funding to Rio Tinto and Alcoa for the development and deployment of ELYSIS technology in the industry's existing aluminum smelters for the production of carbon-neutral aluminum;

Whereas, in addition to greening this production sector, this investment was intended to create and retain thousands of jobs, particularly in the Saguenay—Lac-Saint-Jean region of Quebec;

Whereas work on commercializing the process was expected to begin in 2024, but the company recently announced that ELYSIS technology would not be available until the mid-2030s and that it anticipated cost overruns on the initial budget of \$240 million;

That, pursuant to Standing Order 108(2), the committee invite to appear, first, Jérôme Pécresse, Chief Executive Aluminium with Rio Tinto, and then François-Philippe Champagne, Minister of Innovation, Science and Industry, for two hours each, on the feasibility and expected timeline for the implementation of ELYSIS technology at the company's facilities, the anticipated additional costs and the estimated economic benefits.

I have two items to add by way of context. First, the future of this industry in Saguenay—Lac-Saint-Jean is at stake. We know the importance of reducing carbon emissions and of this industry in Saguenay—Lac-Saint-Jean. Rio Tinto Alcan's announcement that it will be postponing the deployment of this technology for a very long time has caused a major shockwave in the region.

Secondly, regardless of some of the elements in the election platforms of all the parties here regarding the environment, whether it's carbon pricing or something else, we all agree on the need to reduce carbon emissions and to use new technologies to do so. Therefore, we should be able to quickly pass this motion, which is fundamental for Quebec.

The Chair: Thank you for introducing the motion, Mr. Garon.

Mr. Turnbull, you have the floor.

[English]

Mr. Ryan Turnbull (Whitby, Lib.): Thank you to Mr. Garon for moving this motion. Certainly I think it's an important issue to study.

I wanted to clarify two quick things.

One is that the intention of this motion is not to delay Bill C-27, but would follow any work we have left on Bill C-27.

The other very small change, which I would like to propose, is just to remove the word “each” in the last paragraph in the English version, which would suggest we have one two-hour meeting on this. Right now, the way I read it, it looks like it's two hours each, which makes it four hours, as far as I interpret it.

If Mr. Garon would be amenable to those small changes and the clarification that this is to come after the work on C-27, I would certainly be supportive. I think we could probably say he would have the support of all the members on this side.

Thank you.

The Chair: On that question from Mr. Turnbull, before I turn it over to you, Mr. Masse, I'll just check whether there is a consensus around the room or not. Otherwise, it's an amendment that's being proposed.

[Translation]

Mr. Garon, you have the floor.

• (1140)

Mr. Jean-Denis Garon: The important thing is that we not delay the study of Bill C-27, but that we hear from these people in short order. I can accept that we meet the Rio Tinto people for an hour and the minister for an hour, but we'd prefer it to be during the same meeting. We can then assess the need for an additional meeting, but we have to respect the timetable we've given ourselves for studying Bill C-27. I therefore suggest that we convene all these people as soon as possible, ideally for April 8, when we return, which will also give them time to prepare.

The Chair: If I understand correctly, there is a consensus to remove the word “each”. So it would be a two-hour meeting, during which we would have the president of Rio Tinto for an hour and the minister for an hour.

Is everyone in agreement?

Some hon. members: Agreed.

(Motion agreed to)

The Chair: We will now debate the amended motion.

Mr. Masse, you have the floor.

[English]

Mr. Brian Masse (Windsor West, NDP): I want to get clarification on something. Usually the history of this committee has been to introduce motions that don't affect other parties' time during critical interventions like this, so I want to ensure I'm not going to lose any of my time at committee today related to this. Otherwise, it's something that is of great concern.

I want to confirm with you this Bloc motion will not take away from the time of other members on the committee today.

The Chair: That depends on the committee. If we deal with this matter quickly, then we can resume questioning, but I can't guarantee that.

I'm hopeful, Mr. Masse, that you'll have your time as allocated.

Mr. Brian Masse: Okay, I appreciate that, because this is a serious issue and I want to support the member, but not at the expense of me doing the right thing.

The Chair: Agreed.

Are there any other comments on the motion presented by Mr. Garon as amended? Do we need a vote, or do I have consensus?

(Motion as amended agreed to [See Minutes of Proceedings])

The Chair: Monsieur Garon, you still have about four minutes.

[Translation]

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

I want to assure my colleague that my goal was not to cut into his speaking time. Being a new member of the committee, I take good note of the tradition and thank him for his comment.

Mr. Bibic, in Canada, the major telecommunications companies own the infrastructure, such as cell towers. In this context, low roaming charges, ideally, and access by rival companies to these infrastructures are essential to guaranteeing a minimum of competition. According to Bell, why are roaming charges so high? I'd like a fairly succinct answer.

Mr. Mirko Bibic: Personally, I rather believe that the regulatory framework and Bell's actions have allowed competition to develop. That's why, in Canada, there are now four national players competing, which means that prices have been reduced considerably—we've been discussing this since the start of the meeting at 11.

In passing, I'd like to say that Australia, Finland, Germany, Ireland, South Korea and the U.S. don't have four national wireless providers. So there has been progress.

Mr. Jean-Denis Garon: I understand the bad habit we have of comparing ourselves to the worst. I dislike it, but I understand it's a habit among the big players.

Let's take Videotron as an example. Representatives came to testify publicly before the committee, and they told us that they were trying to negotiate lower roaming charges in order to break into certain markets. They also told us that they don't have the necessary infrastructure, particularly in western Canada.

Unless I'm mistaken, I believe Bell has appealed an arbitration decision. Indeed, as you said, you've invested heavily in infrastructure, which we recognize, so you have world-class infrastructure. However, it seems to me that there is underutilized capacity. What's more, according to your competitors, notably Videotron, any manoeuvre is good to keep these competitors out. How do you respond to this?

Mr. Mirko Bibic: Thank you for the question.

I'd like to make two brief comments.

Firstly, South Korea, the United States, Germany and Australia are leaders, but Canada is better.

Secondly, Bell has not appealed the arbitration decision involving roaming charges. The Canadian Radio-television and Telecommunications Commission ruled on these costs at Bell and Quebecor, and we have not appealed that decision.

• (1145)

Mr. Jean-Denis Garon: Okay.

The major cellphone providers have told us that their prices have come down over the years, and that's true. My Conservative colleague alluded to this earlier. However, the prices have gone down in all developed countries, as is the case once any technology is adopted by a large number of people.

When we heard from representatives of the Competition Bureau and the Canadian Radio-television and Telecommunications Commission, or CRTC, we asked them whether prices had dropped more in Canada than in the other countries you mentioned. Although prices have come down in Canada, we are still doing a poor job, since prices have come down more in those other countries.

I understand that competition may not be ideal and that regulatory bodies are trying to increase the level of competition. That said, do you think that in the next few years, prices will have to continue to come down so that the percentages of these price reductions are higher than those of the major countries you are comparing yourselves with?

Mr. Mirko Bibic: In Canada, as I pointed out in my presentation, prices have fallen by 47.1% over the past five years. At the same time, as I think Mr. Staffieri mentioned, prices have increased by 1.5% in the United States and by 24.4% in England. Prices are coming down significantly here and going up elsewhere. This morning, we have repeatedly compared current prices in Canada with those in the United States, England, Australia and elsewhere, and our prices are lower.

Our prices are dropping in terms of percentages, and absolute prices today are lower than in a number of countries. As I said, we want to invest even more in Canada to better serve Quebecers and Canadians. We want to do more, but we need a predictable regulatory framework and federal public policies that encourage investment. Unfortunately, regulatory decisions are making it difficult to invest these days.

The Chair: Thank you, Mr. Garon.

Mr. Masse, you have the floor.

[English]

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

I appreciate the witnesses for being here. I wish they were here in person, but we do have to note that this was conducted after their resistance to even appearing before this committee. I think that says a lot with regard to Canadians. We didn't have the same problem with another witness who came here earlier.

I do want to focus a bit, though, on something important that Mr. Entwistle said. It's that successive Conservative and Liberal governments have taken over \$25 billion in spectrum auction costs into their pockets, and we haven't seen the revenue go back to consumers. We actually have had pricing issues that are significant.

Mr. Entwistle, you noted that \$100 per year is what you're financing for this. Would this be a fee that you would say is across the board or is this a fee for your particular company?

Mr. Darren Entwistle: That fee is across the board. That fee reflects the fact that Canadian wireless operators have historically paid the highest prices in the world for spectrum, through successive spectrum auctions. That is a significant part of our cost base, and I would argue that it's inconsistent with a policy of trying to improve affordability.

Mr. Brian Masse: Yes, and that is important to note, because we've baked in a cost there that has no doubt burdened Canadians who are paying for that. We've seen ministers from Maxime Bernier to our current minister benefit from these revenues and there is not have proper consumer protection in place. I don't want that point to be lost.

I do want to move to you, Mr. Staffieri. You were receiving \$31.5 million in compensation. Is that an accurate figure? That's what I've been told and what is reported in the media. That is significantly higher than your employees'. Is there a breaking point? I've had the opportunity to work with Ted Rogers in the past. I don't believe that he ever received \$31.5 million per year. What can you say to the employees you represent when that figure is quite significantly higher than that of the average person working at Rogers?

• (1150)

Mr. Tony Staffieri: The compensation of our named executive officers, as with any public company, is transparently disclosed in our proxy circular, so the number is public and, importantly, the manner in which the board determines compensation for the named executive officers is included in that document.

Mr. Brian Masse: On that \$100 per person for the spectrum auction costs, would you agree with that argument in terms of Mr. Entwistle? Is that what Rogers passes on to its customer base per year?

Mr. Tony Staffieri: I'll reiterate the points made by Mr. Entwistle, in that we pay amongst the highest spectrum fees in the world, which is going to be an increasing concern as we look to have more and more spectrum to improve network quality.

Mr. Brian Masse: I just asked simply whether that was the case for you—apparently not. Could you put that in context in terms of how much of the cost of your salary is based on the cost per person per year? I guess I would like to hear what warrants that, especially when your salary is basically 164 times more than the average telco worker's.

Mr. Tony Staffieri: I'm not sure I understand the question, but let me clarify.

As I said, the board determines my compensation, as well as the compensation for named executive officers. As we look at compensation for our employees generally, we always look to be competitive to attract and retain the best so that our employees can continue to do the best for our customers and for Canadians.

Mr. Brian Masse: I want to move to Mr. Bibic then.

With regard to the investments you've made, you also recently cut nearly 5,000 Canadians from a job. Can you explain your record profits and your market share, as well as your commitment to your employees and their families, when you laid off 5,000 Canadians just recently?

You are obviously concerned about your shareholders. However, you have 5,000 people who received the hatchet most recently, during a time when, as you actually just talked about, many costs are going up for Canadians. Some 5,000 people lost their jobs at Bell during a time of struggle.

How do you justify that?

Mr. Mirko Bibic: This was a very difficult beginning of the year at Bell. We certainly did not make that decision lightly.

First and foremost, I want to thank the folks at Bell who were asked to leave for their significant contributions over the years. We made sure that each employee had a fair and reasonable severance package, and we supported them with career transition services.

We're not the only ones, unfortunately, who had to take these very tough decisions. In fact, my competitors had to make similar decisions in the recent past, as have other companies, like Quebecor, TVA, Corus and CBC/Radio-Canada. They're all direct competitors of ours. If you look to the U.S., Meta, Google and Microsoft—again, all direct competitors of ours—made massive decisions in the same vein.

I didn't take it lightly. We had to make these decisions—

Mr. Brian Masse: I appreciate that, but you also reduced your investment in the London, Ontario, region recently because of the CRTC decision. Would you care to explain that?

Why, after the CRTC decision, did you decide to alter your business plan at the expense of consumers in the London region?

Mr. Mirko Bibic: Combining the two questions the members asked, this is a hugely important issue.

As I mentioned earlier in response to a question from Monsieur Garon, we're faced right now with a very unsupportive public policy and regulatory environment, so that had an impact. We have a very difficult economy in Canada. Let's not hide the fact that this economy is struggling. Productivity is among the lowest in the world—

Mr. Brian Masse: Are you losing money as a corporation right now or do you actually have profit margin increases? Have profits stabilized?

Mr. Mirko Bibic: I'd like to be able to answer the question.

Mr. Brian Masse: Are you losing money?

Mr. Mirko Bibic: Inflation is up, interest rates are up and competition is increasing, which is an undeniably good thing for consumers and we support it. If you put these things together—technological change, lowering prices, a difficult macroeconomic environment and a wholly unsupportive public policy environment—companies have to transform and make adjustments, and this is what we've been doing.

The Chair: Thank you.

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

• (1155)

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

I, too, would like to express my disappointment that you're not here in person. I'm sure you could have gotten on your private jets to get here without too much trouble.

I'm glad, Mr. Staffieri, you got your Wi-Fi fixed so that you could be here. I'd like to start by asking you a question.

During your acquisition of Shaw, one of the whistle-blowers from your transition team told me—I think it was also in the media—that you were laying off 5,000 people in bringing these two companies together. How many people have you laid off?

Mr. Tony Staffieri: In our coming together with Shaw, we were very transparent from the outset that there would be a duplication of roles. As we work through the integration, we're very thoughtful about the way we handle that duplication of roles. We launched a voluntary departure program so that our employees had the choice—

Mr. Rick Perkins: I'm looking for a number. I have limited time. I'm sorry.

Can you just give me a number?

Mr. Tony Staffieri: As we work through that duplication of roles, we work through them. There isn't a number that we've disclosed externally, but what I will say is that Rogers is a net-growth—

Mr. Rick Perkins: You had a number of conditions that the minister put on this acquisition, which included creating jobs, yet your own transition team said you were cutting 5,000 jobs.

Please answer the question.

Mr. Tony Staffieri: Rogers is a net-growth company. We made commitments in writing with respect to the Shaw merger, and we are on track to those commitments that we made—

Mr. Rick Perkins: So you won't answer the question.

Mr. Tony Staffieri: —and you'll see in our annual disclosure that we are on track to meet—

Mr. Rick Perkins: You won't answer the question. I'm going to move on then.

You also brag in your analysts' reports, your investor relations reports and your quarterly reports to shareholders about your average revenue per user going up every year. That's why Canadians feel they're paying more, because you're charging them more.

Can you comment about why you brag to your investors about the average cost per user going up while here you make claims about your Black Friday sale being what we should judge you by on your cellphone rates?

Mr. Tony Staffieri: It's important to clarify at the outset that average revenue per user does not equal price. RPU, or average revenue per user, is an accounting metric that is total revenue divided by number of customers, and it includes services—

Mr. Rick Perkins: We can do math.

Mr. Tony Staffieri: —that the customer can choose to add on, like device protection. It also—

Mr. Rick Perkins: Yours has gone up from \$50.75 in 2020 to almost \$60 now in only four years.

I will ask you again: Isn't that why Canadians feel that their prices are going up and they're paying more, not less?

Mr. Tony Staffieri: As I said, the calculation of RPU includes additional services, but it also includes enterprise revenues like Tesla, which is one of our customers, so the revenues from there are included in the total revenues. You have those business accounts, which have been growing for us, that have been supporting some of the increase that you see in RPU.

Mr. Rick Perkins: Mr. Entwistle, I have a question for you.

The carbon tax is going up 23% on April 1. You run, as Rogers and Bell do, quite large retail networks and quite large fleets to manage all of your businesses. You also have to maintain diesel fuel for your cellphone towers being brought up. Is the 23% increase in the carbon tax going to result in increased costs for cellphone rates and wire line users?

Mr. Darren Entwistle: I don't envisage that particular cost flowing through to cellphone users.

Second, Telus is an organization that leverages our technology to bridge time and distance and reduce the carbon footprint. Our goal is to be not just carbon neutral but nature created by 2027.

Mr. Rick Perkins: So you're going to be altruistic and eat those costs. You don't pass on increased taxes to your customers.

Mr. Darren Entwistle: I think, as an industry, that we've shown ourselves to be significantly proficient at eating costs.

Again, if you go back to my remarks, compared to the G7 plus Australia, costs—

Mr. Rick Perkins: I can see that, Mr. Entwistle. With the 60% operating gross margin, you're very generous on your eating of costs.

I have a quick question for Mr. Staffieri, please.

Mr. Darren Entwistle: I would like to highlight that is not our operating margin. That's an—

Mr. Rick Perkins: Mr. Staffieri, you claim that you have lower prices than the United States. I think your all-in, North American plan standard, not Black Friday sale, is \$125 for a single line to have unlimited data and text for North America. I have here a friend's bill who gets five lines in the United States, everything around the world included for those five lines, and it costs \$280. Now, that's a family plan. On an individual plan, I have a friend who went across to Rochester, not far from Ottawa, and paid \$60 for the same global plan.

You're charging twice as much as I can get from AT&T in the United States, which is not a small company. How can you claim that your rates are lower when AT&T is charging half of what you are?

• (1200)

Mr. Tony Staffieri: I think it's important that we stick to the facts and that we compare apples to apples, not apples to oranges. In your example, you took a single line and compared it to an AT&T customer with five lines.

What you'll find, and the data is very clear, is that ISED's own study showed that Canadian prices in virtually every bucket were 25% lower in Canada than in the U.S.

Again, I refer you to the information that Rogers submitted to this committee showing very clear comparisons of Canadian to U.S. pricing.

[*Translation*]

The Chair: Thank you.

I give the floor to Mr. Turnbull for five minutes.

[*English*]

Mr. Ryan Turnbull: Thanks, Chair.

Thanks to the witnesses for being here today.

What spurred this study on was that Rogers announced a seven-to-nine dollar increase for customers who were rolling off contract, and the Conservatives jumped on this as an opportunity to claim that cellphone prices were increasing when we know from Stats Canada—and with your testimony today it has been corroborated—that those prices on average are actually decreasing.

What is useful to me in this conversation is to be informed by facts and evidence. I want to ask each one of the witnesses if they would table for the committee information that backs up the claim they've made today, which is that their basic plans are decreasing in price.

Mr. Staffieri, would you table documents with this committee that demonstrate a year-over-year downward trend in the prices for your plans from 10 gigabytes to 60 gigabytes over the last five to seven years?

Mr. Tony Staffieri: Rogers would be pleased to provide the factual data on our price plan changes to demonstrate price declines.

Mr. Ryan Turnbull: Thank you.

Mr. Bibic, would you be willing to do the same on behalf of Bell?

Mr. Mirko Bibic: Yes, absolutely.

Mr. Ryan Turnbull: Mr. Entwistle, would you be willing to do the same on behalf of Telus?

Mr. Darren Entwistle: Yes, we would be pleased to do so—both our information and also third party independent assessments.

Mr. Ryan Turnbull: Thanks.

If possible, it would be great to have an average price per gigabyte year over year, which I think is probably a useful measure to show that downward trend as well.

Can you also table data on the rate at which users are consuming data today? I understand from some of your testimony that the consumption rate of data is increasing quite dramatically as well—I think someone said up to 200%—which may explain some of the misperceptions that are out there when we factor in prices of basic packages versus what bills people pay. Would each one of you be willing to table any data you have on the increased rate of data consumption?

Mr. Entwistle.

Mr. Darren Entwistle: Yes, we'll table again our information plus independent third party information as it relates to data consumption, and do it on a relative basis to show Canada versus other G7 countries.

Mr. Ryan Turnbull: Thank you.

Mr. Bibic, would you do the same?

Mr. Mirko Bibic: Yes.

Mr. Ryan Turnbull: Mr. Staffieri.

Mr. Tony Staffieri: Yes, Rogers will do the same.

Mr. Ryan Turnbull: Thanks.

You also said that you have made significant increases in investments in infrastructure, which I understand are very large amounts of money and large commitments. Would each one of you do the same, year over year, for the last five years on your infrastructure spends or investments?

I'll accept a nodding of the head if you're willing to do that—I think you probably will be.

That's great. I think that will help inform our committee report here with some facts and evidence.

Mr. Staffieri, I wanted to ask you about the Rogers-Shaw merger. We've heard Conservatives claim over and over again that that merger has increased prices. My understanding is that since that merger happened, prices have fallen and Rogers packages are less expensive. Is that true, Mr. Staffieri?

• (1205)

Mr. Tony Staffieri: It is very much true. Since we concluded the Shaw merger, prices have come down in both wireless as well as wireline services across the country, but in particular in the west.

Mr. Ryan Turnbull: How much have prices fallen since the merger, Mr. Staffieri?

Mr. Tony Staffieri: If you were to look at wireless pricing—I'll refer back to StatsCan, since it's an official, credible data point—you would see that it's come down 16% in the last year alone for the industry. If you were to look at some of the price plan changes that we made, you'd see that they've been significant. I mentioned the lowering of our 5G wireless entry point down to \$50. That's a 40% reduction in terms of an entry to a 5G plan, and our most popular 75-gigabyte plan is down 70% year over year. If you were to look at home Internet services, you'd find that those have come down significantly as well, again, against the backdrop of inflation in other sectors that Canadians are experiencing.

Mr. Ryan Turnbull: Thank you.

I understand we've heard testimony time and time again—and I've experienced this in talking to residents in my riding of Whitby—that the average customer does not perceive that their bills and prices—mainly their bills—are coming down as quickly as the data shows. There's a prevalent misperception out there. We know the data from StatsCan is telling us that prices are coming down. The consumer price index shows that lots of prices for almost all goods that Canadians pay for are going up; at the same time wireless prices are coming down. You've said that today. What explains the prevalent misperception out there?

Mr. Entwistle, I'll go to you. Can you explain why Canadians are not recognizing the dramatic price decreases that seem to be the case, the fact?

Mr. Darren Entwistle: I'd say, first, that I don't think the industry has done a very good job of communicating with the general public in terms of the value that we provide and the cost of the service.

Second, if you mathematically cut the cost in half but the user uses twice as much data as they did historically, the cost is going to look the same to the user from a nominal bill point of view.

Third, as it relates to the device component, that's an area where we do not control the economics. We are price-takers, not price-makers, on that front, and that's a significant component of the overall costs, sometimes making up close to 50% of the overall bill.

I think those three factors have had an impact on Canadian psychology.

The other thing that has not been made clear is that the value that we bring through that increased data is significant. In my remarks, I talked about how our move on technology and our deployment of infrastructure and services has created \$77 billion in GDP for Canada alone in just the 2022 year. I think that connecting the dots in terms of the value that this creates for our economy and our society with consumer understanding is something that the industry has not been particularly adept at. It's something that we need to move forward on.

Lastly, we do great things on the affordability front for underserved Canadians—at scale, by the way. There are 1.1 million Canadians—from kids who are aging out of foster care to indigenous women, low-income families, low-income seniors and new immigrants supported by the Canadian government—who have services from Telus that are highly subsidized, below our cost base, to support the affordability agenda. I think we need to do a better job of communicating those things, and that's on us.

The Chair: Thank you.

[*Translation*]

Mr. Garon, you have the floor.

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

Mr. Staffieri, I find it very interesting that you told my fellow members that we should compare apples to apples. Our Conservative colleagues have been getting all excited about apples for some time now.

Now I'm going to ask you a question about roaming rates. Earlier, I made the honest mistake of saying that Bell had appealed the arbitration decision on roaming rates with Videotron. It was actually you who appealed the decision. I understand that it's a business decision that raises legal issues and that you don't necessarily want to discuss all those details at committee today.

That said, do you understand that from an outside point of view—from the point of view of consumers, parliamentarians and competitors—this may be perceived as a desire on your part to significantly reduce competition and drive a rival company out of your markets?

• (1210)

[*English*]

Mr. Tony Staffieri: Respectfully, when it comes to roaming amongst competitors' networks, there's a process in Canada through the CRTC, and we've been going through that process. I think it's important to note that roaming fees have been coming down, but as we made public in our filing when we appealed that decision, having roaming rates that are less than the actual cost of the network—

[*Translation*]

Mr. Jean-Denis Garon: I understand. However, I'm going to interrupt you, Mr. Staffieri, because I don't have much time left. I don't want you to think I'm being rude.

I'm going to ask you a very factual question: How often does a company the size of yours appeal an arbitration decision like this? How often does that happen?

[*English*]

Mr. Tony Staffieri: It's important that we preserve the economics of the investment we make, and when there are roaming rates that are decided that are below cost, that goes against a fundamental policy of this government of encouraging facility-based investment.

[*Translation*]

Mr. Jean-Denis Garon: With all due respect, Mr. Staffieri, I have to interrupt you again because we have 30 seconds left.

I will repeat my question. By definition, an arbitration decision is not appealed. It must be a very unusual practice. Does it often happen that a company the size of yours appeals an arbitration decision? Please answer yes or no.

[*English*]

Mr. Tony Staffieri: We appealed the decision in this case because the result just did not make economic sense for Rogers and for the industry long term. A competitor is more than welcome to invest in their own network in the event that they're not happy with the decision on roaming.

[*Translation*]

The Chair: Thank you, Mr. Garon and Mr. Staffieri.

Mr. Masse, you have the floor.

[*English*]

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

Well, let's talk about economic sense here, Mr. Staffieri. Twelve dollars per day is what you charge people to have access to their phone when they go into the United States. If you turn the phone on and it's not in airplane mode, you get that charge right away. Then, later on, if you find out, you can actually get a monthly plan at \$25.

How do you justify charging people \$12 per day just to turn on their phone to be accessed when they go into the United States, especially when we have so many families that have to cross over for health and medical reasons? Without even giving them a chance to say yes or no, you charge them \$12. Why is it \$12 per day just to have your phone on to get a text in the United States?

Mr. Tony Staffieri: We have plans depending on how the customer intends to use it, and if the customer is an infrequent user, then we look at coming up with a price point that takes into account [*Inaudible—Editor*]

Mr. Brian Masse: I'm telling you right now, my wife, my partner, has had this happen, where she turned on her phone and it charged \$12, no matter what, right away. How do you explain \$12 just to turn on your phone? This is what happens every day. We have doctors, nurses and others who commute into Detroit, thousands of people every single day. How do you justify \$12 just to turn on your phone? Meanwhile, if you want to pay \$25 per month, you have that. But imagine paying \$12 times 30—which, by the way, is never advertised, you have to go into the store and find that out—versus the \$25.

Mr. Tony Staffieri: Our pricing plans are clearly promoted and advertised on our websites, and our in-store reps are very transparent about the options with respect to roaming outside Canada.

Mr. Brian Masse: Your in-store reps are, but after you have actually been taken to the wood-house, so to speak, after years. Also, if you just turn on your phone, you're charged 12 bucks just to get an emergency call. How do you justify that?

Mr. Tony Staffieri: The pricing of our roaming plans, both in the U.S. and internationally, is based on a number of factors, including the cost of that, which is beyond our control, as we buy roaming minutes and data buckets from the operators in the various countries.

Mr. Brian Masse: Yes, but you don't go back and rebate people for having a phone on for emergency and never using it. You just take the \$12 and you run with it. That's the problem here. It's about fairness.

The Chair: Thank you, Mr. Masse.

[Translation]

Mr. G n reux, you have the floor.

Mr. Bernard G n reux (Montmagny—L'Islet—Kamouraska—Rivi re-du-Loup, CPC): Thank you, Mr. Chair.

Thank you to the witnesses.

Mr. Bibic, if I understand correctly, Bell has invested \$23 billion over the past four years and Rogers has invested about \$40 billion. I didn't get the exact figure for Telus, but I imagine that the combined amount is about \$75 billion.

However, I understand that you made the decision to withdraw from investments that you were going to make right away, and perhaps in future as well, because the government, the CRTC or both did not provide you with an environment conducive to investment. Can you explain what you mean by an environment conducive to investment?

• (1215)

Mr. Mirko Bibic: Thank you very much for this fundamentally important question.

As I mentioned at the outset, we inject \$5 billion a year into the Quebec economy. I mentioned the fibre optic network that we rolled out in Trois-Pistoles, Saint-C me, Lac-Beauport and all over Quebec, in places such as Shawinigan, Saguenay—Lac-Saint-Jean and Th r se-De Blainville. It's a very long list.

We want to do more, but the CRTC recently imposed a decision that forces us to give our competitors, even dominant ones, access to our infrastructure in Quebec and everywhere else.

In Quebec, two major cable companies dominate the Internet services market. They have by far the largest market share. What we're trying to do is put in fibre optic infrastructure to encourage competition in communities across Quebec and Canada. The CRTC tells us to invest tens of millions of dollars in community after community and then let a competitor use our network once we've set it up. That competitor is then able to compete with us without our having a single subscriber. That takes away our return on investment, and we've had to invest less as a result.

Mr. Bernard G n reux: Mr. Bibic, you are obviously talking about Videotron without naming the company. Mr. P ladeau was indeed very critical of his competitors, including you, on the issue of increasing competition. Are you afraid of competition? If I understand correctly, you are saying that you cannot get a return on those investments. However, at the end of the day, it's consumers who have to pay their cellphone bills. How is it that you are not able to continue investing despite the CRTC decision?

Mr. Mirko Bibic: We want to introduce competition, especially in Quebec. We're rolling out fibre optics. We have the best network. We're cutting prices. Bell is cutting prices for Internet services from Manitoba to Newfoundland and Labrador. We're cutting prices, especially in Quebec. Cable companies are finally facing tough competition. They need to improve their own networks. They must cut prices to compete with Bell.

We want to do more. However, when we reach the more remote communities, construction costs are very high. When the CRTC imposes a decision of this nature, the return on these investments in more remote areas, where construction costs are very high, makes it impossible for us to invest at the same pace as before.

Mr. Bernard G n reux: Mr. Bibic, have you received any government subsidies?

I'm asking you this question, but I would also like to put it to the other two witnesses. They're also presidents and chief executive officers of major Canadian companies. Have you received federal government subsidies in the past four years to make these investments?

Mr. Mirko Bibic: We're working in partnership with all levels of government to share the cost of construction in remote areas. When we received subsidies, we met expectations.

Mr. Bernard G n reux: What percentage of the subsidies have you received? What amounts can you disclose?

Mr. Mirko Bibic: I don't have the figures on hand.

Mr. Bernard G n reux: If possible, I would like you to send this information in writing to the committee. I have the same request for Mr. Staffieri and Mr. Entwistle.

Mr. Mirko Bibic: I can tell you that the information on the funding received under these subsidy programs is available in the Public Accounts of Canada.

Mr. Bernard Généreux: I would still like to hear from the companies themselves how much money they received in the past four years to make these investments. Canadians want to know how these subsidies lower prices. In particular, the subsidies are supposed to lower the cost of their cellphone bill, which isn't always noticeable. In any case, Canadians want to see these price reductions.

Mr. Staffieri and the president of Telus, I would like you to answer the same question.

• (1220)

[English]

Mr. Tony Staffieri: We do receive and have received, in particular over the last few years, subsidies and grants from the government to build out rural and indigenous communities. That's been more about accessibility than affordability. We have not received any material grants or subsidies that are focused on affordability for Canadians. We've done that as an industry through efficiency and productivity gains.

In terms of the amounts, it will depend on a region-by-region basis as we build out these communities across the nation. In some areas—in particular, we can look at some of the coverage work we've done in B.C. on Highway 16 and Highway 14—much of that is without government assistance. As an industry and certainly at Rogers, we are a net payer of taxes and fees to the government while we continue to bring down prices and improve accessibility and coverage and reach.

Mr. Bernard Généreux: How about Telus?

Mr. Darren Entwistle: Telus has done significant deployments in terms of broadband wireless and wireline within our rural communities.

Mr. Bernard Généreux: Did you get subsidies? That's my question.

Mr. Darren Entwistle: I'm getting to that. In terms of 507 rural communities that we've connected and 577 indigenous communities that we've connected, almost half a million rural households, the preponderance of that we've done of our own volition, on our own cost base, but we have collaborated as well with the Canadian government in the connecting Canadians program. We've had federal support to extend our broadband network to some of those communities.

I would be pleased to file those amounts with you. They are modest in nature relative to the overall spend.

The Chair: Thank you.

MP Gaheer, the floor is yours.

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

Thank you to the witnesses for appearing before the committee.

We know that wireless prices are going down. The data shows it. It's practically undeniable. I'd like to thank the witnesses. I believe

in giving credit where credit is due. I'll also give credit to the current industry minister and the previous industry minister for their work on this file.

My question is for Mr. Bibic with regard to Bell Media. Earlier this year, we heard that Bell Media was cutting 4,800 jobs. The company was selling 45 of its radio stations. This is on top of the cuts from last June, when 1,300 jobs were cut and I think nine different radio stations. Bell Media went on the record to say that it's blaming regulators and policy-makers for these cuts. I felt that there was a bit of scapegoating going on.

In this age of misinformation and disinformation, where we see democratic backsliding across the world, where democracies are being targeted by misinformation, wouldn't you agree, Mr. Bibic, that media companies have a role to play? You're still making billions of dollars. These companies are very profitable. Wouldn't you agree that companies have a bit of a role to play to make sure that our news infrastructure stays intact so that we can fight against that misinformation and disinformation?

Mr. Mirko Bibic: That's a great point, and it's a fundamentally important issue to have credible news in an age of disinformation.

I'd like to clarify some of the facts, though, as they relate to Bell Media. Fully less than 10% of the most recently announced job cuts were in the media division. The large majority of those unfortunate job reductions were not in media. It's the same thing with the reductions from 2023. Mention was made of 1,300. They were all unfortunate but they were not all at Bell Media. In fact, the minority of those job reductions were at Bell Media.

The fact of the matter is that when it comes to the media business generally and to news as well, what worked three years ago or five years ago or 10 years ago in Canada no longer works so we have to adjust. Our advertising revenues declined by \$140 million in 2023 compared to 2022. That's a massive reduction in revenues. Our CTV network across the country incurred \$185 million in operating losses last year despite the fact that CTV is the most watched news network. I've shared the next statistic publicly many times: We incur more than \$40 million in losses in use per year.

Despite that, we continue to invest in news and we continue to invest in our media division. We deliver more news than we are required to by regulation and we just shifted how we do news. We're now on all the time. We're making sure we disseminate news from our skilled journalists at every point in time during the day over our digital news platforms, and then also at particular points in time on our conventional broadcast network as well. We're completely invested in continuing to deliver world-class news and to be number one, but we had to adjust how we operate.

We are right now operating in an environment in which our competitors are no longer the traditional competitors that you would think of. Typically you'd think of Global and CBC/Radio-Canada. We're now competing in the news realm against Meta, Google, Facebook—which is Meta—Snapchat, etc.

When I referred to the regulatory environment with respect to when we announced the reductions, it was to make the point that in Canada, the traditional broadcasters are saddled with significant regulatory requirements. BCE contributes close to \$2 billion a year in regulatory fees. The Metas, the Googles, the Disney Pluses, the Paramounts and the Netflixes all operate in Canada. They generate billions of dollars in revenue from Canadian viewers and consumers, and they do not contribute any of that.

We need to face this last point. It's just a question of levelling the playing field. That's all.

• (1225)

Mr. Iqwinder Gaheer: On that point, we know that this government brought in the Online Streaming Act, which is abolishing certain licensing fees, which will save the company about \$40 million a year. There's the \$100-million deal that was struck with Google, and \$30 million of that is expected to go to broadcasters.

There is work being done on this front, but my larger point is that if it's just a profit statement we're looking at, what kind of world are we heading into? Does that mean that all local newspapers and local radio stations are going to close? Does that mean that eventually larger news carriers are going to close as well? How will people get information? Is it just going to be off TikTok and Instagram stories?

Mr. Mirko Bibic: In media, revenues are generated through subscriptions or advertising. We have to confront the fact that if we accept having the lion's share of advertising revenues going to the Googles and the Metas, etc., and they're not required to contribute anywhere near as much as the Canadian broadcasters are having to contribute, whether they are digital, print or television, there are going to have to be adjustments.

What we say is that we're open to competition, and Canadians should have a wide choice of news, entertainment content and sports content. All we've ever asked for, really, is to have a level playing field. Let everyone compete on the same terms, and we'll be happy to continue to make massive investments in entertainment content, sports content and news content.

Mr. Iqwinder Gaheer: I want to make one last point. It's not really a question. I meet folks all the time who tell me that they know what's going on in Canada from my Instagram stories or my social media posts, and that fundamentally worries me, so I think it's food for thought for you folks to think about how news can actually reach individuals in the younger generations.

Thank you.

Mr. Mirko Bibic: I think that's so critical, and that's why we're making more investments pivoting towards delivering our news at every single point in time during the day on our digital platforms. That's exactly why we're making those investments towards digital.

[Translation]

The Chair: Thank you.

Mr. Perkins, the floor is yours.

[English]

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

Mr. Entwistle, I was fascinated by something in your presentation that you mentioned a couple of times. It was about the impact of spectrum. I think you said it was five dollars a month, on average, per cellphone bill. When he was here, Mr. Péladeau also talked about a similar number around roaming.

I'd like your opinion. What do you think it is for roaming? The CRTC mandated fees that I believe haven't been reduced in five years. What is the impact on a monthly phone bill thanks to the fact the government policy hasn't changed?

Mr. Darren Entwistle: I would have to get back to you with the specifics on that component of the bill.

Mr. Rick Perkins: If you could do it in writing, that would be great.

Secondly, you talked about the issue of the financing of phones.

Our phones have gotten very expensive. They used to be a few hundred dollars—\$500. Now some of them are \$2,000 or more. I believe the government policy is that you can't finance them directly in a plan longer than 24 months.

Is that correct?

• (1230)

Mr. Darren Entwistle: That is correct.

Mr. Rick Perkins: Do other jurisdictions limit it to 24 months? Does that not provide more relief for consumers, since most people, I assume, aren't changing their phone every two years? They're keeping them a little longer now.

Mr. Darren Entwistle: Since the phones have gone from, as you say, a few hundred dollars to up to \$2,000, extending the financing period beyond 24 months would indeed be extremely helpful as it relates to affordability.

To answer your question directly, that type of thing is normal in other jurisdictions.

Mr. Rick Perkins: Okay.

Mr. Bibic, I'll ask you the same question on roaming and the locked-in, 24-month limit on cellphone financing.

I believe you don't make money off that. You don't finance. You don't make profit off the phones. Is that true?

Mr. Mirko Bibic: I echo Mr. Entwistle's answer on amortizing handsets over more than two years and the positive impact that would have for the consumer.

Mr. Rick Perkins: Does the period of time—

Mr. Mirko Bibic: We eat the cost of the financing.

Mr. Rick Perkins: You're essentially financing the phones for consumers.

What would be a preferable time limit, if there had to be one?

Mr. Darren Entwistle: I see no downside whatsoever to extending the financing term to 36 months. We had it previously. I think that would be decidedly in the interest of consumers, particularly given how expensive smart phone devices have become.

Mr. Rick Perkins: Thank you.

Mr. Staffieri, can I ask you on what date Rogers started negotiating and offering a job to former Liberal minister Navdeep Bains?

Mr. Tony Staffieri: I can't recall the specific date on that, but I'd be happy to provide it.

Mr. Rick Perkins: I would very much appreciate that.

To let you know, the announcement of his job was the day after his ministerial cooling-off period. I assume the announcement and the beginning of negotiations on his salary didn't happen on the same day.

Mr. Tony Staffieri: As I said, I'll provide the relevant dates to you and the committee. However, what I can assure you—

Mr. Rick Perkins: I'll turn the rest of my time over to MP Williams.

Mr. Ryan Williams: Mr. Staffieri, the Rogers-Shaw merger came with some government conditions underpinning the takeover of Shaw Communications. The first conditions were creating 3,000 jobs in western Canada in the first five years, spending \$2.5 billion enhancing and expanding 5G coverage, and spending \$1 billion to connect rural, remote and indigenous communities.

How far in are you, in terms of completing those conditions?

Mr. Tony Staffieri: With respect to the commitments we made, we are tracking ahead on those, in terms of both the investments we committed to them and employment. You would have seen, immediately on the closing of the Shaw merger, that we repatriated jobs back to Canada, with most of those jobs going to western Canada.

As we continue to grow our investments in infrastructure, the job numbers continue to climb.

Mr. Ryan Williams: Do you have the exact number of jobs created so far in western Canada?

Mr. Tony Staffieri: We'll provide those as part of our regular reporting. If the committee wants those in advance, we would be happy to provide that.

Mr. Ryan Williams: Thank you.

Do you have any layoffs that you know of, so far? Have there been any layoffs in western Canada?

Mr. Tony Staffieri: As I said earlier, and we've been very transparent, to the extent that there have been duplicate roles in the coming together with Shaw, those roles have been eliminated. However, net-net, we continue to be a growth company. We're always looking for opportunities for individuals who were impacted to move to other areas of the company, or give them the choice to voluntarily decide to leave the company.

Mr. Ryan Williams: Just to clarify, there have been layoffs, is that correct?

Mr. Tony Staffieri: Duplicate roles have been removed.

Mr. Ryan Williams: Thank you.

I'd like to circle back to a comment made by the vice-president of Videotron when he was in front of this committee. He talked about how it seemed when the deal was first made. What was interesting when we went through the testimony was that you did get to pick Videotron. You picked Videotron to be the buyer of Freedom Mobile. There is talk now, and a fight with CRTC tooth and nail, to actually start competing with you.

Do you foresee that you're going to start working alongside Videotron, as you stated you would once this deal went through?

• (1235)

Mr. Tony Staffieri: Throughout the process, we were required to sell Freedom Mobile. We went through an open, and, quite frankly, transparent process in looking for a buyer that would be approved by the government. We went through that process. We agreed to a number of conditions with the government, as well as with Quebecor Videotron, and we continue to abide by those conditions. There is nothing that Rogers has done, or intends to do, that would prevent Quebecor from investing in networks and competing in an open market.

[Translation]

The Chair: Thank you.

Mr. Van Bynen, the floor is yours.

[English]

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

What I find most frustrating, when we talk to these different telecom companies, is that everyone is developing their own networks. It's similar to say, "Ford, GM or Tesla building only roads for Ford, GM or Tesla." The infrastructure seems to be a big part of the discussion. When the CRTC announced that large telecommunications service providers would have to provide competitors with access to their fibre-to-home networks, Bell announced that it would reduce its planned network investment by a billion dollars. I understand, and I've heard the argument that there needs to be a return on equity.

Are we getting to the stage now where fibre optics, or telecom networks, need to be considered as utilities, and need to become return-on-investment utilities that are regulated?

I'd like to hear from each one of you.

Mr. Mirko Bibic: I'll go first.

Back to the analogy which prefaced the question, the more apt analogy for the CRTC decision would be seeing one of those auto manufacturers that was mentioned build a plant costing billions of dollars, and the regulator saying you have to give access to that plant to a competing auto manufacturer, so it can build its own automobiles using your technology and your facility.

This is exactly what has happened with the CRTC. In fact, in telecom, the reason Canada has been so successful in being able to provide more accessibility.... There is now wide coverage across the vast land of high quality, world-leading networks at lower prices, because each of the players who are here today, including others who have appeared, had to build their own networks. A fundamental basis of competition in Canada is the competition of networks, the services we can offer over those networks and the innovation that comes with those networks. We then lower prices as a result.

That's what we should be supporting in Canada. It's fundamentally important.

Mr. Tony Van Bynen: Let me give you an example. When I was the mayor of the town of Newmarket, I was the founding chair of YorkNet. YorkNet put a fibre optic backbone to all—or is in the process of doing that—homes in the York region. As a result of that, organizations like Vianet and telMAX have come in with very competitive pricing of products.

How can you say that we shouldn't be looking at the telecom system as a utility?

Mr. Mirko Bibic: You may take it one step further. You don't have to take it very many steps further and have a rule that says if you treat it as a utility and everyone can ride on the same network, or use the same network to compete, you lose all the benefits of resiliency and redundancy, which are so important in this day and age. Imagine having only one network connecting a community and that network goes down, or that network is attacked. You want redundancy, you want the competing networks. That's what makes speed, that's what improves speed, that's what lowers prices, that's what connects more and more communities across the country. It's so important.

Mr. Tony Van Bynen: But you can build redundancy into different networks. I've heard an awful lot around how we were criticized for the cost of spectrum prices. In a research document, Dr. Gregory Taylor, an associate professor at the University of Calgary, put Telus's assertion in perspective, pointing out that the government only sets the initial bid for licensing auction.

I will start again with Telus. What approach does Telus suggest for ensuring that the final prices of the spectrum of licences are lower in Canada?

• (1240)

Mr. Darren Entwistle: I would argue that the auction framework in Canada was flawed, and as a result of that flawed auction framework it extracted significant economic rent in terms of spectrum prices paid. That's been to the detriment of the industry in totality. I would argue that if we followed the auction process that the FCC has implemented in the U.S., or even within Europe, that would have generated better outcomes for both operators and Canadians with lower prices paid on the spectrum front.

The impact of increased net costs on spectrum I think is inconsistent with an affordability agenda. When you couple that with the fact that the demographics and topography of Canada are particularly challenging, and we have the highest cost factors of production—and I gave you the stat that the costs here are 103% greater

than the G7 plus Australia—I think we have to take a keen eye in terms of what's taking place on the spectrum cost front.

I can also answer the fibre question if you want as well.

Mr. Tony Van Bynen: Yes, go ahead please.

Mr. Darren Entwistle: To the extent to which a market is competitive and customers are being well-served in terms of affordability and also quality and innovation, clearly there's not the need for an intervention or regulatory activity, and the posture should be more benign. If the market is deemed to be insufficiently competitive, then I think there's the opportunity for the government to step in. But if the government does step in and put an obligation on an incumbent player that's not yet delivered a return on the original fibre investment, and that fibre investment has been significant with the risks inherent in that, the wholesale prices that should be set should be fair so that the individual, the company building that broadband infrastructure, can exact a fair return at the retail level and at the wholesale level.

The Chair: Thank you, Mr. Van Bynen, you're out of time.

Mr. Tony Van Bynen: Thank you, Mr. Chair.

[Translation]

The Chair: Mr. Garon, you now have the floor for two and a half minutes.

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

Mr. Entwistle, a number of employees in your company are concerned about the rate of job cuts in Canada coupled with the increase in jobs outsourced abroad. Your latest report to shareholders shows that your company lost 6,821 unionized jobs from 2014 to 2023. However, the total number of jobs at your company increased by several hundred percent over the same period.

Why do you prefer to hire employees in foreign countries rather than in Canada and Quebec to serve our constituents? Isn't your business practice somewhat tantamount to sacrificing jobs in areas that need them for their economic vitality?

[English]

Mr. Darren Entwistle: Firstly, in terms of the evaluation, sadly it hasn't increased by hundreds and hundreds of percentage points, but this is a serious, sad and emotional subject in terms of the impact upon our employees. As a result of the macroeconomic environment and regulatory changes, including increases in competition, and what we're experiencing at the price level with successive decreases, with price commoditization and margin compression, and the significantly escalating costs within our supply chain we have indeed, as you rightly point out, made difficult decisions in terms of reducing our staff levels. It's impacted—

[Translation]

Mr. Jean-Denis Garon: Mr. Entwistle, I gather that the regulatory framework and increased competition prompted your decision to lay off unionized workers in parts of Quebec and outsource abroad.

[English]

Mr. Darren Entwistle: To be extremely precise in the response, yes, the regulatory environment increased competition. As I said earlier, the decreasing prices and the macroeconomic environment that has seen significant cost escalation within our supply chain, which we've talked to at length, and the impact of that, have forced us to reduce staffing levels. This has been exacerbated by the digitization of our economy, which has put further pressure on jobs.

What I would highlight to you, sir, is that we have not undertaken any layoffs. Zero. These departures have been, for our unionized employees, entirely voluntary departure plans. They've been extremely generous at a financial level to support the transition of employees to a new role or they have been very generous early retirement plans.

When I say that they're voluntary departure plans, I mean exactly that. If the employees do not want to go and take the package, they can keep their job. It was entirely an elective undertaking.

Nevertheless, it was extremely difficult just the same. I think it's a reflection of the pressures that our businesses are being buffeted by.

• (1245)

[Translation]

The Chair: Thank you, Mr. Garon.

Mr. Masse, the floor is yours.

[English]

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

I want to return and hear from Telus and Bell—Mr. Bibic and Mr. Entwistle.

With regard to U.S. roaming charges, are you at \$12 per day and \$25 per month, as well? What is your pricing for turning on your phone in the United States?

Do you have something that also stops it? If you actually try to turn your phone on and put it in airplane mode, you get charged anyway. Rogers does this and takes the money.

Is that your policy, too?

Mr. Darren Entwistle: Our prices range between \$5 and \$10. We have the online capability to set the package in place to allow customers to make adjustments on the fly or to determine the best rate prior to their departure.

Our service on the roaming front also includes health care extensibility for when people are travelling within that value proposition.

Mr. Brian Masse: Thank you.

Mr. Bibic.

Mr. Mirko Bibic: We always seek to be competitive in the marketplace, so our pricing would be in the same general zone as Mr. Entwistle indicated.

This is one area where I think the industry had needed to get much better in terms of communicating with customers. More customers are getting accustomed to the options they have. They can subscribe to packages that reduce their costs before they travel. Of course, they have options locally. Many customers are taking advantage of local SIM cards and therefore reducing their cost.

Mr. Brian Masse: What is your cost per—

Mr. Mirko Bibic: The important point here is customers, like in every other area—

Mr. Brian Masse: The important point is what I'm asking specifically.

What is your cost for this? If I turn on a Bell device, how much do you charge in the United States?

Mr. Mirko Bibic: The point is we have competitive pricing along the lines of what Mr. Entwistle said. We've gotten better at communicating the impacts with customers.

Mr. Brian Masse: Okay, you don't know. I'm going to try—

Mr. Mirko Bibic: Importantly, in order to try—

Mr. Brian Masse: Mr. Chair, I have limited time and he doesn't know the answer, so I'm going to try to end this in a positive way.

Mr. Mirko Bibic: No, I would like.... This is about affordability for the customer and how we treat customers—

Mr. Brian Masse: Mr. Bibic, I've asked you a specific question and you can't even answer what your pricing is for your phones for these types of situations.

I just asked what it costs and you're just reflecting something that Mr. Entwistle.... Maybe Mr. Entwistle could answer for you on behalf of Bell. I don't know, but this is—

Mr. Mirko Bibic: We have the same general pricing. I'm happy to get back to you with the specifics, but the point is that we try to serve every customer appropriately. If there is an issue, the customer can call us and we'll take care of the customer. We don't want to lose the customer. We want to treat—

Mr. Brian Masse: That's not the question I asked.

I'm going to try to leave this, Mr. Chair, on a positive note.

I'm hoping that maybe the industry can actually take away from this the fact we have many border communities...and others who actually have to turn their phone on for emergency services. Perhaps there's a better way that doesn't actually put customers in such a vulnerable position at the end of the day.

Thank you, Mr. Chair. Thank you to the witnesses.

The Chair: Thank you, Mr. Masse.

Mr. Vis, the floor is yours.

Mr. Brad Vis (Mission—Matsqui—Fraser Canyon, CPC): Thank you to all of our witnesses here today. I have a lot of great questions, but there is something else I'd like to discuss, and that is the motion I tabled to all committees received on Friday.

I cannot ignore the fact that this government is planning to hike the carbon tax another 23% come April 1. I cannot ignore the fact that the Liberals still owe businesses more than \$2.5 billion in carbon pricing revenues from the first five years of the program and refuse to say when the money will flow. I cannot ignore the fact that this government is cutting the financial relief it promised to small businesses in a time of high inflation, interest rates and labour shortages.

I cannot ignore the fact that, according to the superintendent of bankruptcy, in January 2024, businesses saw a year-over-year increase in business insolvencies of 48.8%. Specifically, mining and oil and gas extraction saw a 92.9% increase in insolvencies, and professional, scientific and technical services saw an increase of 70.6%.

I cannot ignore the fact that, according to Statistics Canada, November 2023 was the fifth straight month in which fewer businesses opened than closed in Canada. I cannot ignore the fact that, in 2023, Mexico overtook Canada as the United States' largest trading partner. Let that sink in.

I cannot ignore the fact that the Minister of Small Business stated in Sudbury last week that she would bring the concerns of small businesses about the carbon tax back here to Ottawa, and I cannot ignore the fact that the minister stated that her government was lowering taxes for small businesses at the status of women committee when, in fact, we are seeing the exact opposite happening on April 1.

Therefore, I move that:

Given that the federal government has been collecting carbon tax revenue from small and medium size businesses since 2019; that despite repeated promises to return more than \$2.5 billion in promised carbon tax revenues to small businesses the government has failed to do so; that many small and medium size businesses in various sectors of the Canadian economy are going insolvent; and despite the fact that seven provincial premiers, including Liberal Premier Furey, and more than 70% of Canadians oppose another 23% carbon tax increase on April 1st; the committee call for six meetings to be held immediately and invite the following witnesses:

Minister of Environment and Climate Change,

Minister of Finance,

Minister of Small Business,

Minister of Innovation, Science and Industry,

Various small and medium size businesses and industry representatives

and that the committee hear from witnesses the extent of the damage caused by carbon tax on the economy, and from government officials timeline to return money owed to small businesses and to freeze the carbon tax at its current levels and to report back to the House.

I move this motion today, Mr. Chair, because I have spent a lot of time on talking over the last number of weeks, and this is the number one thing that small businesses are talking to me about. All of us around this table are hearing the same thing from small businesses. They can't take another tax increase.

Thank you, Mr. Chair.

• (1250)

The Chair: Thank you, Mr. Vis.

Now, the committee cannot ignore the fact that you've moved your motion, and it therefore needs to be debated. We need to decide what to do with it, and considering that we only have five minutes left, I'll let the witnesses go, because we're going to enter the debate on the terms of the motion as moved by Mr. Vis.

Thank you very much for your appearance today at committee, and thanks for your testimonies.

Colleagues, there is a motion on the floor. I'm opening it up for comments and debate.

Mr. Turnbull, you have the floor.

Mr. Ryan Turnbull: Well, first of all, I'm not sure that I've seen the motion in writing. It would be really helpful to have a copy of it. If the clerk has that, I would like to read it.

Obviously, ideologically, the Conservatives don't believe in climate change. They want to cut the rebates for Canadians. That seems to be something they're pushing as a false narrative constantly in denying the fact that eight out of 10 families get more money back than they pay, but that's beside the point.

I think we've all agreed to an agenda in our subcommittee meeting. The report was tabled in this committee as a whole. We all approved that unanimously, and we have a number of priorities that are set out in that agenda that do not include this particular study as the top priority. I think our agreement has been to follow through on that plan. We've seen the Conservatives time and time again try to insert additional studies into that agenda, which is fine—it's their prerogative to do so—but it seems like there's so many competing priorities they have that they can't pick which one they want to study first.

My sense is that we have to finish our work on Bill C-27, which is the top priority. I think all of us recognize the importance of that bill. We know that generally government legislation is supposed to take priority, although of course committees are masters of their own domain, but that has been our agreement. I think that quite rightfully we owe it to Canadians to update the privacy legislation, which is 20 years old, and to have a framework for regulating artificial intelligence. I think that that should be the top priority.

If, when that is complete, Conservatives want to change some of the other priorities that they've set out and prioritize this particular motion, then perhaps we can have that debate at that time, but for now I don't see how we can fit this in, and it doesn't make sense that this would somehow supersede the other priorities that have already been agreed to and identified with a set committee schedule that I think has to stay in place. We have witnesses lined up and committee meetings scheduled. We're all planning for those, and we have to get to clause-by-clause on Bill C-27.

Those are my perspectives. I'm sure other committee members will share theirs.

• (1255)

The Chair: Thank you.

Mr. Vis.

Mr. Brad Vis: I want to move to a vote in just a minute, if that's okay, Mr. Chair, but I'll just point out that today I'm wearing the tartan tie of Abbotsford. My riding of Mission—Matsqui—Fraser Canyon, despite whatever the Liberals say, has been impacted more by climate change than any other riding in the history of Canada, and we still have not been made whole, despite repeated promises from this government, which said that a carbon tax increase will stop wildfires and floods. That is not the case. That is not scientifically valid, that narrative coming from the Liberal Party.

We're pushing for this small business study because businesses are suffering big time across Canada, and we owe it to the job creators in this country to start looking clearly at what they're doing. There's no better committee than the industry committee to do that. This is an emergency. I would like to go to a vote.

Thank you, Mr. Chair.

The Chair: Thank you, Mr. Vis. I appreciate your sentiment; however, if there is a motion and any member wants to speak to it, we can't move to vote on the motion. It needs to be debated.

I recognize Mr. Masse.

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

I'd rather have this dealt with at our side committee with regard to business and organizing what meetings there are. My binder is full of all kinds of motions for studies. We could add another three days of committee work if the House resources were available, I guess, and we still wouldn't get through them all.

I appreciate the tabling of the motion but at the same time won't support it, because we're going to basically.... Even today, we're missing out on the final hours of the CEOs, basically the most important issue that Canadians are facing right now.

I won't be supporting the motion. I think that maybe we should look at this going to committee business so that we can organize our schedule appropriately.

Thank you.

The Chair: Okay. I see that there are no more comments.

We'll put the motion to a vote, Madam Clerk.

(Motion negatived: nays 7; yeas 4 [*See Minutes of Proceedings*])

[*Translation*]

Thank you, everyone. This concludes our two-hour meeting right on time. We'll see each other again on Wednesday for the meeting on Stellantis.

The meeting is adjourned.

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