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—
Chair

Mr. James Rajotte

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• (1535)

[English]

The Chair (Mr. James Rajotte (Edmonton—Leduc, CPC)): Members, I'll call this meeting to order. This is the 39th meeting of the Standing Committee on Industry, Science and Technology, the first meeting of 2007.

First of all, I'd like to welcome members back to Parliament. I hope they had a wonderful Christmas and New Year, and I hope they are back refreshed and ready to get back to work again.

I also want to acknowledge, recognize, and welcome a new member of the committee, the Honourable Scott Brison, who is the new critic for industry for the official opposition.

Scott, I remind you that this committee did put in a standing order that you're not supposed to outdress the chair at any one meeting.

Some hon. members: Oh, oh!

Hon. Scott Brison (Kings—Hants, Lib.): Okay, I'll go home and change right away, sir.

Some hon. members: Oh, oh!

The Chair: Welcome. We look forward to working with you, Mr. Brison.

Also, I believe Monsieur Lapierre has announced his retirement. I don't know exactly when that will take effect.

Mr. McTeague, will that be at the time of the next election?

Hon. Dan McTeague (Pickering—Scarborough East, Lib.): I understand it will be at the end of the month, so there will be a vacancy in his seat as well, Chair.

The Chair: Thank you.

Now we have two official libertarians on the committee, one on each side.

Some hon. members: Oh, oh!

The Chair: Anyway, pursuant to Standing Order 108(2), we are here for a study on the deregulation of telecommunications. This meeting today is basically to review a letter that was sent to me as chair. Perhaps I'll just read the letter out, and then I'll ask Monsieur Crête to start off the discussion:

Dear Mr. Rajotte:

We are asking you to call a meeting of the Committee...to allow the members to discuss the positions to be taken with respect to the consultations of December 15, 2006 to January 15, 2007 announced by the Industry Minister with regard to the deregulation of telecommunications.

We will also discuss the Industry Minister's decision to disregard the resolution adopted by the Committee on October 24, 2006, asking the Minister to wait until March 1, 2007 to implement the policy direction he announced on June 13, 2006.

This is signed by four members: Monsieur Crête, Monsieur Vincent, Mr. Masse, and Mr. McTeague.

Since Monsieur Crête was the originator of this, I would ask him to lead off the discussion, and then members can just indicate to me whether you'd like to comment as well.

Monsieur Crête.

[Translation]

Mr. Paul Crête (Montmagny—L'Islet—Kamouraska—Rivière-du-Loup, BQ): Thank you, Mr. Chairman.

I want to take this opportunity to wish everyone a Happy New Year in 2007.

When the letter was drafted — and I thank my colleagues who agreed to sign it — the circumstances were as follows. The Minister had announced to us that he would hold consultations on local telephone service between December 15 and January 15. We felt that this timeframe truly did not allow for a proper consultative process.

Moreover, the Minister informed us of his decision to disregard the motion passed by the committee on October 26, 2006 requesting that it be given until March 1 to review the instructions given to the CRTC and to report back to the House. The Minister ultimately disregarded the committee's recommendation, which in my view, is tantamount to being in contempt of court, or, if you like, to showing contempt for Parliament and the committee. For that reason, I feel it's important to call the Minister before the committee to explain his actions.

Regarding the second item, the issue is ensuring that these consultations can in fact take place during the month of February and up until March 1. The report on the manufacturing sector is ready to be tabled. All that's left is for the committee to hold an informal meeting, which it should be able to do on Wednesday. Unlike the Minister, who decided to disregard the motion that was passed, we want to uphold our commitment and present him with a report by March 1, or at the latest before the two-week break beginning March 5. Our objective today could be to agree to a motion that would read as follows: the committee requests that the Minister be called to testify as soon as possible to explain his decision to disregard the motion passed by the committee on October 26 and suggests a timetable for reporting to the House by March 1, as planned, on the issue of deregulation.

Included in this timetable could be scheduled appearances by members of the Telecommunications Policy Review Panel which drafted a report on telecommunications. We could then hear from groups that have already testified or may wish to do so, that is consumer groups as well as large companies, whether cable broadcasters or telephone companies such as Bell and Telus. The ultimate goal of this exercise is to hear again from the Minister on the regulatory process, to discuss perceptions with him and to report back to the House by March 5.

A motion is needed if we are to settle this matter and carry out our mandate. The Minister needs to explain his actions to us. In my opinion, he has failed to comply with the resolution adopted last fall by the committee. Perhaps someone could second this motion.

• (1540)

[English]

The Chair: Thank you, Monsieur Crête.

We'll go to Mr. McTeague.

Hon. Dan McTeague: Subject to Mr. Carrie's intervention—I would certainly leave my comments until then—we would certainly be amenable to supporting that motion. I think it became very clear, Chair, that we were in fact going to take the time, by resolution of this committee, to look at this issue. That would not have affected the minister's original timetable, but in his haste, he rushed ahead on December 16. So we would support this motion.

I'd like to hear if Mr. Carrie has any other interventions prior to laying out the case, which I believe it has to be stated. That case is very contrary to the December 16 declarations of the minister to the effect that this is somehow respectful of the TPR recommendations, that it is good for consumers, and that it is very much toward benefiting an open market. We disagree on all those fronts, but I'd certainly be willing to hear Mr. Carrie and then return right after that, Mr. Chair.

The Chair: Thank you.

We'll go to Mr. Carrie and then to Mr. Masse.

Mr. Colin Carrie (Oshawa, CPC): Thank you very much, Mr. Chair.

I wonder whether my honourable colleague from the Bloc would specify who else he would like to talk to. This whole process has been going on for over two years. I commend the previous Liberal government for taking this step. The previous industry minister put together a group of experts who listened and performed a study over a ten-month period, with two months writing it. Who else needs to be heard from who he feels is important, whom we haven't either already spoken to or who hasn't had the opportunity to relay us their submissions?

The Chair: You can speak after Mr. Masse, Monsieur Crête.

Mr. Carrie, do you have any more comments or questions at this time?

Mr. Colin Carrie: No.

The Chair: We'll go to Mr. Masse.

Mr. Brian Masse (Windsor West, NDP): I'll be brief so that Mr. Crête can respond.

We support this motion. I think a lot has happened since the time we did the original studies and reviews. The minister has intervened on a number of different fronts, in the CRTC, and there's been a considerable amount of movement in the market.

As well, from my past experience in this committee, when we have had a motion, it hasn't been brushed aside in the context that this has been. I think it would be helpful to find out what exactly the minister's expectations are from this committee. If we pass a resolution and a motion that we believe in, he's not going to follow it.

So I would support this motion. I think it's something we can do following the wrap-up of our manufacturing study, which should hopefully be done on Wednesday.

The Chair: I'll go to Monsieur Crête.

Perhaps, Monsieur Crête, you can clarify. You want the minister to explain his position before the committee; I assume this is prior to the start of a study. Secondly, can you address Mr. Carrie's question about itemizing whom you would like to see brought before the committee on such a study? Would you address those two points?

[Translation]

Mr. Paul Crête: Perhaps other committee members will have more to add, but I would simply like to remind Mr. Carrie that on October 24 last, the committee passed the following motion:

[...] the Standing Committee on Industry, Science and Technology recommends that the government impose a moratorium on implementing instructions respecting telecommunications policies recommended to the CRTC to allow the Committee to hear more witnesses in order to make a more thorough study and subsequently present a report to the House on the impact of the deregulation, no later than March 1, 2007 [...];

Following the adoption of the motion by the committee on October 24, the Minister took it upon himself to disregard the recommendation and implemented the regulations anyway. This is the first issue that I'd like to question the Minister about.

Secondly, in early January — I don't know if you heard about it — some consumer representatives and Internet services suppliers held a press conference to denounce the Minister's decision respecting local telephone services as neither relevant nor acceptable. Among others, Cogeco, a major cable broadcaster, stated that this was not a wise decision. The large companies agree with this assessment, but no public consultations were held. I'd like to see some public consultations because the report in question was produced by experts. I'm not calling into question their expertise, but the fact remains that there are public policy considerations here that warrant further study by the committee. That was the rationale for this motion.

As for groups that could potentially testify, these are groups that have already appeared before the committee. Others could possibly give us a different perspective on the issue of deregulation.

For now, I hope that answers the question.

• (1545)

[English]

The Chair: I have Mr. McTeague and then Mr. Van Kesteren.

Hon. Dan McTeague: Mr. Carrie, I thank you for the compliment, and flattery is certainly accepted, especially when it comes our way. It doesn't happen very often, but its greatest form is imitation.

I would accept your argument that the minister's proposal is respectful of the recommendations, but it is not. Let me give you three examples. There's no hybrid competition at CRTC that would be created following regulatory forbearance. That was a recommendation the minister chose to ignore. There's no respect for the CPR as far as establishing a market power test. Instead, what we have is some competition presence test, which I can assure you is a much more diluted, less rigorous form of review of the markets, to test whether or not there is an adequate presence of competition within a given market.

I understand the concern you may have raised as far as the act is concerned. Our first concern as Liberals is that the order that proposes to repeal subsections 34(1) and 34(3) of the Telecommunications Act appears to be flagrantly inconsistent with the Telecommunications Act and would therefore make the proposal *ultra vires*.

I submit to you that the first place the minister ought to go to make such a change ought to be here in the committee. It is not something that can be done by executive fiat. It is certainly not something that one can contemplate doing without the consent of Parliament. Given that it doesn't, I think it is far more important for us to create greater emphasis on having this committee study it, to determine if the minister so wishes in terms of the test he's going to be looking for, and to bring out perhaps representatives of the CRTC. That will be the 11 who voted against moving in this direction. It would also be the opinions of the Competition Bureau consumer groups.

I'm concerned, Mr. Carrie, as are you, and I'm sure within our constituency in Durham region and in other places, that we don't want to see a re-monopolization of the sector. There's plenty of experience in the United States to suggest that if you go without a proper test or an analysis of what constitutes the current market, then you're rushing ahead, and I'm not exactly sure how that haste would identify itself. But I am also concerned about the competition presence test that you put forward, or that your minister has put forward. It's inconsistent, obviously, with competition law principles as understood and applied both in Canada and abroad. This will obviously have an affect on Canada's reputation as it relates to regulatory authority.

The stand-alone competitor presence alternative to the bureau's test, which I will refer to you, has been of long standing. Many of us on this committee in previous times have not always supported these things, but we recognize that they are vigorous and effective, and they are quite capable of ensuring an ability to prevent the re-monopolization of a very critical and important sector for Canadians.

So I would draw your attention to some of the commentaries that have been made. You don't have to agree with them, and we can all suggest there is reason for Canadians to be concerned, but in my view, the structured rule-of-reason tests set out by the Competition Act—and the Competition Bureau has been used in many cases in the past—should be the standard that your minister has set aside and avoided.

What I think we're trying to accomplish here—and I would hope we are able to do so in the month we're able to study this—is to find out specifically where witnesses will come. I'd like to hear from members of the panel review. Obviously they can determine for you, and perhaps suit yourself, as to whether or not what the minister has declared, what the minister has put forward in a proposal, which I thought he was going to leave off for a little while, is correct.

I'd also like to talk a little bit, if I could, Chair—and I realize this is for matters down the road. I think we need to look at the questions Canadians are going to be looking at, whether or not the whole win-back scheme that has been proposed here is one in which only one or two players who happen to be the incumbents will win the day.

Consumers will not benefit unless of course they decide to leave. So while this is stuff that may be perceived as conjecture, I'm really concerned about the reality of this market. We've seen success from the CRTC as they've brought more competition in areas like long distance. Unfortunately, Mr. Carrie, you'll probably have to agree that in the area of local telephony, we are not at that point yet, especially when many of the new competitors rely on the major carriers to form a monopoly to provide their product.

Chair, with that in mind, I've enunciated half a dozen concerns that I think are legitimate, that are in the public domain. If we're going to begin the assertion—and I respect what you have to say, but I don't see how it adds up. If we have violated three or four key recommendations of the telecommunications policy review panel, then I think we are duty bound to ensure that that is in fact found back in the order.

● (1550)

I might also provide a recommendation for the minister before he does get here: give the committee the time to establish whether what he has put forward meets the test that has been established by that blue ribbon panel. If he can do that and satisfy that, it would allow the committee to review what it has to do.

I'm most concerned about this legislation being deemed *ultra vires*. For the sake of consumers and for the sake of the cases that have just been put before you.... I think that in the minister's haste to proceed, he may have unwittingly given rise to the re-monopolization of a key sector.

Canadians depend on innovation, they depend on competition, they depend on fair prices. But above all, there can't be a situation where only some in Canada, in the urban parts of this country, are advantaged because of concentration issues and other people across this country, in rural Canada, are simply frozen out or left with higher prices.

Thank you, Chair.

The Chair: Okay, Mr. McTeague. Thank you.

We have Mr. Van Kesteren and then Mr. Carrie.

Mr. Dave Van Kesteren (Chatham-Kent—Essex, CPC): Thank you, Mr. Chair.

I thank you for the compliment you paid Mr. Carrie, but the one area where we do differ, Mr. McTeague, is that we're a government of action.

Your government did initiate this process, and rightfully so. This proposal was tabled back in June. We did have a number of witnesses. I recall that everybody had their opportunity to question those witnesses and bring up concerns. The whole process has pretty much been properly laid out, and I think we've had opportunity to do these things. But again, I say that if we go on in the direction you're proposing, we're going to be looking at another year or possibly even longer.

I think our minister has shown leadership by taking on something that's important in our industry today. The industry is moving rapidly. If we look at what's taken place in the last five years, let alone in the last ten years, it's time to make some changes. We're going to fall behind.

These are good changes. You talk about the public. The public has been polled. The public is in favour of these changes.

I believe the process is proper. The minister has done what is required, and we need to move on and forward. To slow this process down again is an area we don't want to walk into, and I'm of the opinion that this is all very unnecessary. I think we need to move forward at this point.

The Chair: Okay, thank you.

We have Mr. Carrie and then we have Mr. Masse.

Mr. Colin Carrie: Thank you very much, Mr. Chair.

I'm still a little confused about what the opposition is actually asking. Is it that they want the minister to come and then they want to see certain witnesses called and then they want the minister to come back?

I'm also very confused, because when we started this process at the start of committee after the last election, we actually offered to do telecom first. Since June, the opposition has not put forward one submission of content saying they're against this action. I'd like them to clarify. Who has approached them? I don't see this as other than for political benefit.

This has been studied thoroughly. This is something the minister has looked at. He's well within his rights as the minister. We had 40 days sitting from June. We've had 30 days since December. We actually had plenty of time when people had the opportunity to write and give us their comments, and the minister is looking at and studying these comments, and he has made changes.

Why dither? Why continue to be a government of inaction? We want to move this forward. The telecommunications industry is a fast-paced industry. It needs to move forward.

There doesn't appear to be any upside to delaying this further, except for some type of political gamesmanship. I'd like to get some clarification on what they would like the minister to do and then on who has approached them. I haven't heard of one, other than consumer groups.

If you want to bring this forward, there was an Ipsos-Reid study done. If we look at what they found, they asked consumers, and 68% said the regulatory and policy changes are acceptable to them. And in Quebec, as a matter of fact, when you look at "very" or "somewhat" acceptable, it was the highest in the country at 75%. "Very" or "somewhat" unacceptable was at just 23%. This was an independent study. It wasn't put forward by us.

Consumers want this. Consumers see the benefit. Why delay something further that's already taken two years, with ample opportunity to comment and with a full panel of experts appointed by the previous government?

We are acting where they failed to act.

• (1555)

The Chair: Thank you, Mr. Carrie.

We'll now go to Mr. Masse.

Mr. Brian Masse: Thank you, Mr. Chair. I appreciate the comments of the parliamentary secretary, but there are other studies, like the Polaris study, that show that consumers are concerned about this. As well, consumer groups have been very critical of the minister's actions.

I think what we have to do is put in the context as part of this. We started this committee with a focus on studying the manufacturing sector and a series of different things that we wanted to bring forward in that particular context. That was our focus and priority. Secondly, we did respond to what we felt was a need at that time to at least do a little bit of a review. Hence, we had an actual motion come from this committee to submit to the minister, which he has ignored.

At the same time, he's decided to pick and choose from the actual study itself what he thinks he should act on. He hasn't acted, for example, on the ombudsperson position. He hasn't acted on a series of other things that consumers have asked to be part of the actual recipe. Also, some of the issues we have are going to affect not just consumers but also businesses.

I think it's important also to recognize here that with all due respect to the minister, we don't have a single piece of legislation, aside from that small document on payday loans, which everybody supported for a long period of time, to present to this committee. Not a single piece of legislation in a year.

We have the time to fix this if we have concerns. I believe it's the right thing to do. The minister has not tabled any new legislation of any significance that we have to deal with, and we can actually work on this right away. I think it's important, especially given the context that we did have a motion go forward and there's been quite a number of sensational issues around the whole industry itself.

I think Mr. Crête's motion is in order and I would support it. I move that we vote on that and go forward on this as soon as possible. The sooner we do that, the better we go.

The Chair: Thank you.

We have Mr. Vincent.

[Translation]

Mr. Robert Vincent (Shefford, BQ): Thank you, Mr. Chairman.

In answer to Mr. Van Kesteren's question, I would say that this is a government of action. The position of the public, whom we represent in this forum, is not always favourable and we mustn't forget that. There is a democratic principle at play and it's interesting to see that one level of government is disregarding that principle.

The committee is here to make decisions. I've already heard Mr. Arthur say that Members' work is important. And yet, we're finding out today that the Minister has disregarded a motion that was passed by the committee by a margin of seven to three. We're facing a serious problem with democracy.

We asked the Minister to hold off until we had taken stock of the situation in the telecommunications sector, but he ignored our request. Just because he could legitimately make this decision after 40 days doesn't mean that he needed to do so. A committee had decided to send the ball back into our court by asking us to examine the telecommunications sector and the CRTC in particular and to subsequently make recommendations. However, we need time to do the job. We're not going to find out everything we need to know in a single day. We know all about oligopolies in the oil industry, and we don't want to see a repeat of the situation in the telecommunications sector. Some caution is in order.

We want to protect the public. Mr. Carrie has given us some statistics. We can interpret the numbers to suit ourselves. It's up to us to decide and to make recommendations. We should take the time we need to thoroughly examine the issues facing the telecommunications sector.

The report was supposed to be tabled on March 1. Why not wait until then? What's the rush? Could there be some cronyism at play here? In point of fact, things have moved too quickly. As a committee, we have decisions to make and people to hear from, but we're being pushed to act hastily. If we have no authority to make decisions or recommendations, why are we bothering to hold meetings? Our words and actions don't seem to have any effect whatsoever. The Minister decides whatever he wants to do because the 40-day period has elapsed.

We have some serious work ahead of us. The people who elected us, the people whom we represent here, deserve some measure of respect, at the very least.

Thank you.

• (1600)

[English]

The Chair: Okay, thank you.

We'll go to Mr. Arthur.

[Translation]

Mr. André Arthur (Portneuf—Jacques-Cartier, Ind.): Thank you, Mr. Chairman.

When Minister Bernier announced that he was ignoring the ball that the CRTC had tossed squarely into his court, he started off by asking the CRTC to reconsider a decision. The CRTC pretended to do so, but ultimately stood by its decision. For an organization like the CRTC, this smacked of arrogance of the most extraordinary kind. I heard some say, particularly Mr. Crête, that the Minister had acted

rather dogmatically, that mere principles were at issue and that practically speaking, it was a rather dangerous situation. However, if we look beyond principles, we need to find some justification for the motion that you would have the committee adopt.

An hon. member: The motion has already been adopted.

Mr. André Arthur: I'm talking about the motion now on the table. We need to find some way to explain to the voters who are so important to Mr. Vincent and to other members that delaying deregulation will, in the immediate term, mean a longer wait for lower residential telephone rates in Canada.

[English]

The Chair: Monsieur Arthur has the floor.

[Translation]

Mr. André Arthur: It's no mere coincidence that the telecommunications sector in Canada is so highly regulated that to all intents and purposes, there is no country that can rival it in the Western World. Cuba and Zimbabwe do rival us when it comes to banning the installation of satellite antenna capable of transmitting US programs. Here in Canada, to satisfy certain dogmatic individuals, a very rigid regulatory system has been put in place, and the CRTC is viewed as a sacred cow.

My friends, at some point, we will have to explain to the voters that sacred cows make the best ground beef around.

When we first focused our attention on this issue, the CRTC sent us its clients, people who as a rule were rewarded for their servility, notably Vidéotron officials. In fact, Vidéotron representatives told the committee that it was important for the government to continue to paralyze Bell Canada in Quebec, so that the company wouldn't be able to compete with them. They even went so far as to send a political assistant to Brian Mulroney, another prime minister who inexplicably has become a multimillionaire, to speak on Vidéotron's behalf. When they testified, you seemed to believe that Vidéotron and Quebecor needed to be protected from Bell Canada. Quebecor wields an incredible amount of power in Quebec and in English Canada and yet, some seem to think that the company is in need of protection.

Cogeco representatives spoke to us about the dangers of deregulation, whereas in the broadcasting sector, an area that does not fall within the committee's purview, this company is totally subservient to the CRTC. Cogeco is constantly going before the CRTC to ask for favours when it comes to its telephone, cable, television and radio services as well as all of its speciality channels. This company earns its living kneeling before the sacred cow. Officials weren't about to come here to tell us of their plans to challenge the CRTC when it would mean having to pay the price for taking a stand, and given that they are waiting for rulings to obtain licensing improvements in Quebec City, Montreal and elsewhere.

Mr. Shaw was the only person who spoke frankly to the committee. He said that if you continued to give them gifts, they would take them, that if you continued to prevent Telus from operating within their territory, they would be forever grateful, but that he knew full well that it would have to come to an end one day. He said that in ten months' time, this would no longer even be necessary. All of this happened several months ago, and we're now talking about delaying deregulation.

Some consumers came before the committee with a survey in hand showing that Canadians and Quebeckers were horrified at the thought that telephone companies could be allowed to set their own rates. These consumers organizations, which happen to be regular CRTC customers and therefore part of the sacred cow process designed to convince Canadians of the need for increased regulations, neglected to tell their members—and we still don't know who they are—that the next adjustment would result in lower rates.

They lied to you, and that suited you just fine. You listened to what they had to say, as if they had no interests in this issue. That wasn't the case. When you proceed to vote on a motion to further delay the deregulation of the telephone industry, I hope you have enough political smarts to come up with a way of explaining to the voters that your actions will again postpone a decrease, rather than an increase, in rates.

• (1605)

[English]

The Chair: After Monsieur Arthur we have Mr. McTeague.

[Translation]

Hon. Dan McTeague: Mr. Chairman, if we are to believe that, then I have a good sale on some snow I saved from shovelling my sidewalk last year. Mr. Arthur isn't alone in battling the CRTC. I locked horns with this commission ten years ago. However, I accept the fact that the comments we have heard today could not have been made if seven members sitting on that side had not agreed to devote an entire day to this issue, to see if there were any problems. We discovered that the problems were more serious than we thought they were.

[English]

Let me put things in perspective, Mr. Chair, with respect to the comments by Mr. Carrie and Mr. Arthur, because I tend to believe that what they're saying amounts to saying the minister is absolutely right and that whatever the minister says is obviously the way we should approach this.

Not quite so fast. There's the possibility here of an illegal action by the minister for using his order in council powers to subvert parts of the Telecommunications Act. He ran contrary to the CRTC's unanimous decision.

You may choose to suggest that the CRTC counts for very little, but this also disrespects the very report on which the minister based some of these recommendations.

Mr. Chair, it's very clear that the minister has done nothing less than cherry-pick what he wanted to have in this.

Mr. Carrie suggested that the question is, who made the call here? I think that's a question he may want to ask his minister.

I want to make sure that we have a proper debate on this, as opposed to engaging in some kind of innuendo and intrigue.

Mr. Carrie also knows that telecommunications is an evolving area with which this industry committee must come to grips. This was evidenced by the great pride and privilege he took in having the manufacturing committee come to his own riding, which as a committee we agreed to since this was the most pressing issue.

We have a number of inconsistencies, and I'll point out another one. Mr. Carrie, the whole question of the interconnection of quality service requirements, which was recommended by the telecommunications panel, was ignored as well. We have examples of win-back rules and questions and concerns that were raised by the Competition Bureau. But complications arose regarding jurisdiction between the CRTC and the Competition Bureau, in terms of creating this new hybrid marketing agency.

I want to go specifically to the point that I think is important for this committee to recommend. You've had less than two hours to review this issue. You can decide what is right and what is wrong.

What remains in focus is that notwithstanding a committee resolution to give a few more weeks—up to March 1—your minister decided to proceed. In his haste, he may have omitted the CRTC and avoided several recommendations of the blue-ribbon panel. But he will not avoid this committee and its ability to properly scrutinize, on behalf of consumers, the regulations with which he's proceeded.

It is our view that if left unchallenged this will be a step backwards for consumers. It will benefit only a few, and we'll obviously see the monopolization of the entire telecommunications spectrum, leaving rural Canadians out in the cold.

Quite frankly, I'm surprised to hear some of my Conservative colleagues dismiss the significance this is going to have for rural Canadians.

So, Mr. Chair, with your advice and consent, I am prepared to support Mr. Crête's motion. Let's get on with it. We can decide for ourselves what's in and what's not.

One thing is very clear: we have an obligation to present a proper, thorough, and meaningful review of what the minister has proposed. If we don't do this, we fail Canadians.

• (1610)

The Chair: Thank you, Mr. McTeague.

We have four speakers on the list here, and we also have the motion from Monsieur Crête. He's the fourth speaker, so I'll ask for comments from Mr. Carrie, Mr. Shipley, and Monsieur Vincent. Then I'll ask Monsieur Crête to read the motion in both languages to clarify exactly what his motion is.

We'll go now to Mr. Carrie.

Mr. Colin Carrie: I would like to thank Mr. McTeague for his concern as far as the recommendations of the expert committee are concerned. I would like to state clearly that the minister isn't ignoring all of the other recommendations, but there are certain recommendations that could be moved ahead quite quickly.

It's quite clear that the expert panel said we should move toward a deregulatory situation here in Canada. I do wonder how the opposition would define "far too fast". I have friends in the IT industry, and when they make a decision for a product or something they have to move forward to, they make a decision and they have to have it to market within six months. It has to be done and it has to be done now.

We've been studying this for two years. For this study by the expert panel, it was a year before they had it done. One of the colleagues said that in the process we did not hear from the people. No, what we didn't hear from was you, the opposition.

In June 2006, when it was tabled, there were 40 days of gazetting. We heard from all kinds of Canadians, and the minister has listened to Canadians. But we didn't hear from you in the opposition. On December 15, there were 30 days. We heard from all kinds of Canadians, but we didn't hear anything, not a peep, from you. All we hear is that there's no real complaint about the content, it's just taking too long, or we're moving too fast.

One of my colleagues mentioned a Polaris study. Please correct me if I'm wrong, but wasn't that the gentleman we actually had here who compared Mr. Bernier to Mao Zedong? This gentleman obviously is not a neutral party. When we look at who is going to benefit with the deregulatory condition, we're listening to consumers, we're listening to industry. All the industries seem to want us to move toward a deregulatory situation here in Canada, but the question was about timing and when we should move this forward.

We are listening to consumers. Like I said, the Ipsos-Reid poll showed that 70% of consumers are positive with this movement forward.

Again, Mr. Chair, I'd like to clarify. What exactly are they asking? Who of any credibility has approached them wanting this to occur? Who has approached them wanting to delay this even further, until March? What are we going to do? Do we delay it another year? Another two years? What exactly are they asking us?

Can I make one more comment about the rural communities?

The Chair: Sure.

Mr. Colin Carrie: We are not forgetting our rural communities. There will only be deregulation where the market says it can occur and where it can occur fairly. In areas where there is only one provider, the CRTC still will act as it does now. The CRTC is the one that's going to make the decisions in this regard.

The Chair: Thank you, Mr. Carrie.

If you'd like the floor, Mr. McTeague, we can put you on the list.

Hon. Dan McTeague: No, that's fine.

The Chair: Mr. Shipley.

Mr. Bev Shipley (Lambton—Kent—Middlesex, CPC): Thank you very much, Mr. Chair.

I guess there are a couple of things that I'm struggling to understand.

I think all of us, quite honestly, are here to try to do what we can do best for the consumer, not the advocacy groups and not the consumer associations, but the people who actually write the cheques for the services that are supplied every day.

This report talks about 127 recommendations. I guess we're going to have to repeat some of the stuff that came out almost two years ago. It's not intended that we implement all of them at once, but we need to put a priority on some of the issues that we can take action on to actually get something accomplished for our consumers on where it is best to deregulate and allow the markets to take effect.

I found it kind of interesting that we were talking about going too fast. Two years is not too fast. Today, in question period, the leader of the NDP said let's get moving. We need to take action. We cannot start to cherry-pick the things we should be taking action on and moving on. We should be taking action on all things that are good and rightfully done and studied.

This study had thousands of pages, over 200 submissions, and it came forward in June 2006. When we wanted to have some time at the start of this committee, we were turned down. It would seem that June 2006 would have been an opportune time, at the start of this committee, to have dealt with it. At that time, no one came forward. I'll say it again: no one from the opposition came forward to say there was an issue. I think there's a message that if no one comes forward, we should then continue to move ahead on it.

I think Mr. McTeague said the problems are more serious than we thought they would be. Well, if the problems are more serious than we thought they would be, there should have been an opportunity to come forward during the consultation process and put them on the table. We never heard that.

As a government, we actually want to fulfill the mandate of what is good for consumers—consumers being individuals and businesses that will take an open market and have the best value for the service that they can provide and that they will receive.

On rural areas, I come from a rural area. We're going to rely on the protection of rural areas where there isn't sufficient competition.

I think it's time we started to address those issues and move ahead with this report. It came forward, it was accepted, and there were 127 recommendations. We'll move on those in priority, obviously doing what is good for the consumer in terms of deregulation and in terms of savings to our consumers, not unlike what we did with the telephone service, which has clearly been a win-win situation for everyone.

Interestingly, when you look at long distance service, there is a little history. In 1983 we had long distance service. Less than 9 billion minutes were used in long distance service, but it was at a cost of over 30¢ per minute. It's now somewhere around the rate of 35 billion minutes in long distance, and the cost is somewhat less than 10¢. I think the deregulation of that and allowing competition were important.

This is not about deregulating it and opening it up where there's no protection. Obviously, protection has to be there for those areas that are underserved and don't have the competition. Ceilings will be in place to protect those areas, the rural areas and those areas that are less populated.

My comment, Mr. Chairman, is this. We need to be able to move ahead with these recommendations and do what is right for the consumers in this country.

•(1615)

The Chair: Thank you, Mr. Shipley.

We'll go to Mr. Vincent.

[*Translation*]

Mr. Robert Vincent: I have one last thing I want to say. I think we're straying a little from the subject at hand. On October 24 last, during a committee meeting, a motion was passed. That is the issue on the table. We are not here to discuss the CRTC. We'll come back to that subject later, since we have until March 1. We're here today to try and find out why the Minister disregarded the committee's recommendation to wait until March 1 before issuing any instructions regarding the CRTC. That is the question being debated here today. We're not here to discuss why it's taking so long, or why this is a government of action. That's not the issue.

The committee passed a motion calling on the government to wait until March 1. The Minister went ahead and disregarded the motion. I think it was irresponsible of him to do that or to have taken committee members hostage in the process. In any event, he made the decision. I disagree with him for dismissing our wishes. There will be another vote and we'll see what the outcome will be.

•(1620)

[*English*]

The Chair: Okay, thank you.

We have Monsieur Crête.

Monsieur Crête, if we could ask the clerk, he could read the motion you've submitted.

Mr. Paul Crête: Oui.

The Clerk of the Committee (Mr. James M. Latimer): Monsieur Crête moves—and I have it in French—that:

[*Translation*]

That the Committee invite the Minister to explain as soon as possible his decision to disregard the motion adopted by the Committee on October 24, 2006; that the Committee conduct an in-depth study of the issue of deregulating telecommunications; and that the Committee report back to the House.

[*English*]

The Chair: We'll read it in English as well.

Mr. James M. Latimer: An official translation?

The Chair: This is an unofficial translation in English.

The Clerk: It is moved that the committee invite the minister as soon as possible to explain his decision to ignore the motion agreed to by the committee on October 24, 2006; that the committee conduct a comprehensive study on the deregulation of telecommunications; and that the committee report to the House.

The Chair: Is everyone clear on that?

Mr. Colin Carrie: Can I speak to that?

The Chair: Yes.

We have Monsieur Crête, and perhaps I can pose a couple of questions for Monsieur Crête.

My understanding is that we will then be looking at eight meetings in February under this motion and we'll report back to the House by March 1. He would also want the minister to appear at the first meeting. Perhaps he can clarify this in his remarks.

Could you just clarify those two things for us?

[*Translation*]

Mr. Paul Crête: I'd like the Minister to appear as soon as possible to explain his first decision. However, parliamentary practice dictates that we cannot compel him to appear. That's why I said "as soon as possible". I'd also like the committee to carry out all of the studies so that it can report back to the House as soon as possible on the deregulation issue. The one exception is a scheduled meeting next Wednesday to discuss the manufacturing sector. We could begin our study the following week. It's a mere detail.

As tradition here dictates, each party could submit a list of suggested witnesses, with the first witness being someone who can give us an overview of deregulation.

The motion has been read and debated. I'm ready to vote and I'd like to call the question.

[*English*]

The Chair: Okay. I'm advised that the motion is in order and that it is debatable and amendable. I have Mr. Carrie on the speakers' list.

[*Translation*]

Mr. Paul Crête: Are we commencing debate?

[*English*]

The Chair: The debate is on the motion. The motion itself is debatable and amendable.

[*Translation*]

Mr. Paul Crête: I understand, but when someone calls for the vote, doesn't this mean we have to proceed?

[*English*]

The Chair: You cannot move the previous question in committee. You've moved the motion, so you cannot move that a question be put.

[*Translation*]

Mr. Paul Crête: I cannot introduce...

[*English*]

The Chair: The motion is debatable and amendable.

[Translation]

Mr. Paul Crête: I thought that we had been doing just that for the past hour or so. I read the text of the motion that I was moving. It's just that the clerk didn't read the text of the motion out loud, but the motion was officially moved. We've been debating the matter for one hour now.

[English]

The Chair: We have been debating this for an hour. The issue we were debating, though, was the issue you wrote me about in your letter of January 5, 2007. I did not have the motion read.

[Translation]

Mr. Paul Crête: Read the "blues", Mr. Chairman. I clearly indicated that I was moving a motion. I read the text of the motion and then I presented a copy of it to the clerk. I distinctly said that I was moving a motion.

That being the case, if someone else wishes to comment, then by all means they should do so, but let's go ahead and vote, since we know where everyone stands on this matter.

•(1625)

[English]

The Chair: Well, I'm suggesting as the chair that we have the motion. It's been read in both official languages. I don't think it's inappropriate to have them. Mr. Masse indicated he wanted to speak and have other members of the committee address the motion.

A point of order, Mr. McTeague.

Hon. Dan McTeague: Mr. Chair, I may be of some assistance to you. I think I clearly said at the beginning of my first comment that I did indeed second the motion. We support the motion, and I believed, as did Mr. Crête, that debate had begun from that point forward. But I accept the manner in which you're presenting this.

The Chair: There was no motion presented to me prior to that time.

Hon. Dan McTeague: I think Mr. Crête read something. Did you not read something into the record?

[Translation]

Mr. Paul Crête: Yes.

[English]

Hon. Dan McTeague: Yes.

The Chair: The motion was not presented to the chair at that point.

Hon. Dan McTeague: It's up to Mr. Crête. I can only say that I supported it.

The Chair: We can debate this procedurally.

Hon. Dan McTeague: No, we're not debating it, Mr. Chair. I'm simply saying I seconded the position, and that it became very clear to me and I think to everyone else—

The Chair: Okay. The motion has been introduced. It's been read in both official languages. It's before the committee. I have Mr. Carrie and I have Mr. Masse.

We'll go to Mr. Carrie.

Mr. Colin Carrie: Thank you very much, Mr. Chair.

Maybe we could work something out as a friendly amendment or something along those lines that we could all be amenable to.

You mention in your motion that you'd like the minister in front of us to explain his decision. I think that might be a very short discussion. Why don't we have the minister, if we're going to call the minister? As I said, I'm still trying to get a grip on what you're asking us to do here. I thought you said you wanted the minister to come; you wanted to do a study; then you wanted the minister to come again. Why don't we just have the minister come and explain or talk about his philosophy about the telecom deregulation, and we could ask him any questions along those lines so that it would open it up a little bit? I think that might be something that would make for better discussion, and we could talk about a few more topics in that regard, because this seems to be very narrow casting.

The second point is that the comprehensive study is not really defined in the motion. You're not going to get agreement from me to say that this hasn't been studied well enough. It appears to me that two years is not too short a time. This is a fast-moving industry. Consumers deserve the break today instead of delaying it further.

My viewpoint is that this is more or less politicking. We haven't heard a darn thing. The opportunity has been there since June 2006. I'm not really surprised. I know the NDP likes regulations. It hasn't met a regulation it hasn't liked. The Bloc seems to want to show that Canada doesn't work and we're not going to provide any benefits to consumers. As for the Liberals right now, really, this is your study, and we're doing our best to recommend it. We're not picking and choosing. We're doing the best we can to move forward. So why don't we, if the minister is coming, just have a session with the minister and not worry about re-studying things over and over again and calling the same witnesses over and over again?

[Translation]

Mr. Paul Crête: On a point of order.

[English]

The Chair: Is that a point of order?

[Translation]

Mr. Paul Crête: Yes. Would you like me to answer that? You can ask me questions about these two items, if you like. I can provide you with a very brief answer at this time.

[English]

The Chair: Well, I have Mr. Masse, and then I have you after that.

[Translation]

Mr. Paul Crête: It's up to you.

[English]

The Chair: Let's go to Mr. Masse first, and then you can respond to Mr. Carrie.

Mr. Brian Masse: We could probably spend a lot of time talking about the Conservative Party and a series of things. I refuse to spend my time doing that. I'm going to stick to the issue. I think it's important to clarify a couple of things here.

First of all, the rules have been followed, including by opposition members here. Yes, we focused on manufacturing, but also we identified this as a problem. That's why we actually had a meeting and passed a motion. We did what we were supposed to do, and there shouldn't be any misunderstanding about that. We followed the rules the way they're written and governed in this committee, and also in the chamber. The minister is the one who's chosen to disrespect that process and those rules. That's what's happened. That's the fact. Nobody can escape that. That's the absolute truth.

Second to that, there's been a series of things that have happened. I don't want to hear any more about consumers being protected by this minister. He could have actually moved on the ombudsman position, as well as on the consumer protection aspect. That has happened.

So simply put, I think it's worthwhile. We don't have any other legislation by this minister in front of us. I'm not sorry that we actually spent some time on manufacturing. For people who are at the first meeting here, this committee actually works very well together. Everybody from every party has worked hard to get a good study almost completed, while we're losing hundreds of thousands of jobs. And I've held my tongue about the fact that the minister hasn't even proposed anything to do anything about that.

We don't have any legislation in front of us. We can take this time to actually do something, get it done right, and all feel better about it.

And yes, actually, I do believe in regulations. Not all regulations, but I do believe in the ones that work for Canadians, and they have worked for this industry. Despite the challenges it faces right now, they have led to one of the best opportunities for us to move forward and to a good industry that provides Canadians with good service and a good price compared to many other places in the world.

I want to make sure we do the right things on this, and I'm not willing to let the minister just simply cherry-pick what he thinks is right or wrong, push aside expert evidence, and not have any accountability. I would move that we actually vote on this motion and have the minister come as soon as possible.

• (1630)

The Chair: Thank you.

Monsieur Crête.

[*Translation*]

Mr. Paul Crête: Mr. Masse provided a very good answer, just as I would have done.

We're ready to vote.

[*English*]

The Chair: Okay.

Mr. McTeague.

Hon. Dan McTeague: Mr. Chair, I'm astounded to hear the offer by the parliamentary secretary to give on the one hand and take with

the other. In the same comment, he went after the NDP and others because of particular ideological bent.

Mr. Chair, I think we have to look at what is in the best interest of Canadians, and there is no better place to look at it than here in the House of Commons and in this legislative committee, which is tasked with the responsibility to make sure that legislation is effective.

I see two concerns. One, importantly, is that there may be a violation of the Telecommunications Act; therefore, the minister has tried indirectly to do what he cannot do directly by order in council. My view is that this will be rendered ultra vires. There are concerns for consumers about the win-back programs. Unless you quit one of the major ILECs, you're going to wind up not getting much of a benefit here. We have examples of what's happened south of the border.

Mr. Chair, and to Mr. Carrie, the parliamentary secretary, if the minister was faithful to the recommendations of the Telecommunications Policy Review Panel, there would be no question here. But the fact that we have not spent more than two hours on this.... I dragged the government and some of the members here, kicking and screaming, to get just one day to give a glimpse of the problem. It's not about CRTC bashing. This is not about suggesting Liberals are right, NDP are wrong, Conservatives are right or wrong. This is about making sure that we get it right for Canadians.

Mr. Chair, I think it's clear that if in a few weeks we can do as good a work, as assiduous a work, as we did on manufacturing, we can come up with a consensus. Maybe the minister's views will be clarified. I'm not going to impugn his ideological perspective, because I think the minister believes that what he is doing is probably the correct approach. But from my 14 years of being here in the House of Commons and the 10 years before that, I know that one way in which you cannot proceed with bringing people on board, certainly in a minority government setting, is by using the kind of backhanded executive tactics that suggest, in my view, that not a lot of insight or study has been done on this.

I think it's incumbent on us, regardless of where we stand on this, regardless of the defences that we have to make.... I'm coming at this from an objective perspective. I'm concerned with this from the point of view of consumers, but also, more importantly, that it's going to stop dead in its tracks the competitive process that we've seen.

I agree, Mr. Carrie, as you've said many times, the TPR recommendations are solid, and I don't think we should deviate from them one iota. But given that several, and I've listed four for you already in just that context, have been avoided, and most importantly the one about understanding the bloody market that we're dealing with, in my view, Mr. Chairman, we have to have this vote. We have to have this study to satisfy ourselves that we are not passing legislation that is a dereliction of our responsibility.

The Chair: Thank you.

Mr. Carrie.

Mr. Colin Carrie: Thank you very much, Mr. Chair.

I'd like to take this opportunity to say that I think the opposition is confusing two issues as well. We're talking about two issues here. One is deregulation, and that is what the minister has moved ahead on. With regard to the forbearance decision, there has been no movement there. It's being studied right now. I don't want to confuse the two issues.

My colleague talks about the "backhanded" tactics of the minister. The minister made the changes for deregulation; he had the legal right under section 8 to move ahead, and that's exactly what he did. It seems like a reasonable way to start. If the member believes the recommendations are all good, he must realize that with 127 recommendations, you can't move on those overnight. It seems we're moving too fast to start the process but not fast enough to get all the recommendations in. You know, we can't just go, boom, 127 recommendations on the table.

As I said, I would recommend a friendly amendment to have the minister here so that we can talk about the whole issue, because it appears you're confusing one issue with the other. If you want to talk about telecom and the entire strategy around consumer protection, we can talk about legislation. Bill C-41 was introduced to protect consumers when there's an attempt to monopolize or re-monopolize.

So I think it would make a better discussion to maybe cut this into two motions, one with the friendly amendment, where the minister comes forward, and one where we can talk about this comprehensive study and what exactly we want to put forward here.

• (1635)

[*Translation*]

Mr. Paul Crête: On a point of order, Mr. Chairman. I've been asked the question twice. I can answer it. I don't enjoy being made fun of. The Minister has made fun of us all. We passed a motion that set out a timetable and it was adopted by the House. If this was a court of law, he would be held in contempt. I won't stand for that! That's all I have to say.

[*English*]

The Chair: Thank you.

Mr. Paul Crête: Question, Mr. Chair.

The Chair: I have Mr. Shipley next.

Mr. Bev Shipley: I agree, in that certainly the minister is open and would be glad to come to the committee at its request as soon as he's available. That's not an issue. That request could go forward, but I think it should be split into two. I want to support having the minister come and talk about the process he's gone through and why, but I also want to have a second part so that we can have some discussion about the rest of that debate on having all the witnesses coming forward and doing another study.

So I support that we have that motion split in two, with the friendly amendment to have the minister come forward. I'd be glad to support that.

Can I add a friendly amendment that it be broken into two, Mr. Chair? I don't know how you want to deal with that.

The Chair: You can move an amendment if you want.

Mr. Bev Shipley: I will move that amendment.

The Chair: What is your amendment?

Mr. Bev Shipley: That the motion.... In fact, it would have been good if we'd had the motion in writing and in front of us.

The Chair: Basically you don't have a problem with the first part of the motion, that the committee invite the minister as soon as possible to explain his decision to ignore the motion agreed to by the committee on October 26, 2006. On the second part of the motion, that the committee conduct a comprehensive study on the deregulation of telecommunications and that the committee report to the House, your amendment is to....

Mr. Bev Shipley: To split the motion. In the first part, have the minister come forward as soon as possible. Quite honestly, I think the second part of that motion should wait until after the minister is here, to hear what he has to say and the justifications for what he's done.

If that isn't the will, then obviously I can't support that second part, but I certainly want to be able to be part of moving ahead and having the minister come forward.

The Chair: Mr. Shipley has moved an amendment. I'm advised there are no friendly amendments, so this is an amendment.

Mr. Bev Shipley: Everything here is friendly.

The Chair: I'm advised that we can have debate on the amendment. As chair, I would advise you that we do have votes. I'm not really certain what we're going to accomplish by more debate, but this can be debated.

Is there any debate on the amendment?

An hon. member: Question.

The Chair: I'll call the vote.

(Amendment negated)

The Chair: On the main motion, Mr. Carrie wants a recorded vote, as does Mr. McTeague.

(Motion agreed to: yeas 6; nays 4)

• (1640)

The Chair: We will write to the minister and ask him to appear before the committee as soon as possible. My understanding is that he is very open to doing that.

As Mr. Masse indicated, we will have the meeting on Wednesday on manufacturing. In terms of the timetable, we would have to start this on February 5. We will ask the minister if he is available at that time. As Monsieur Crête said, we cannot demand he appear; he has to appear at a time of convenience to him as well. We will have to have future business in terms of exactly what this study entails. Perhaps we can do that on Wednesday at the end of our manufacturing session. We would likely go in camera for that.

I'm asking members of the committee to come forward with names of witnesses they want to see in terms of this study. If you can bring that forward on Wednesday, that would be very helpful.

I see we have one or two lobbyists in the room. I'm sure you will all be informed, so if you would like to appear, please submit your names to the clerk as soon as possible.

Monsieur Crête, you had a point.

[*Translation*]

Mr. Paul Crête: I would simply like to point out to the government that because of his actions, the Minister achieved the exact opposite of what he was hoping for. Had he been receptive at the time, he would have obtained the committee's opinion and either accepted or rejected its recommendations. Because of his actions, there will be study that could well be completed after March 1, because the motion that was adopted makes no reference to a March 1 deadline.

[*English*]

The Chair: We'll meet on Wednesday. We'll start with manufacturing, as I'd like to finish it up as soon as possible. Then we'll go in camera to do future business for this study.

[*Translation*]

Mr. Paul Crête: Regarding the manufacturing sector, have we received accompanying notes from the various parties? We have

submitted our notes. I was wondering if the other parties had done likewise within the agreed-to timeframe.

[*English*]

The Chair: Would you like them distributed to all the members?

[*Translation*]

Mr. Paul Crête: No, they will be distributed Wednesday along with the report. If the other parties haven't yet submitted them, then they are late in doing so.

[*English*]

The Chair: We do want to finish this manufacturing study. Obviously, we'd like to table it in the House as soon as possible. If there are any suggestions or amendments they want to make, it would be helpful to do that at the meeting. But if there is anyone who has any objections, it would be even more helpful to let me know beforehand. We'd obviously like to finalize it on Wednesday, and my hope would be to table it early the next week.

Thank you, members. This meeting is adjourned.

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