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Chair

The Honourable Rob Moore

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• (1530)

[English]

The Chair (Hon. Rob Moore (Fundy Royal, CPC)): I call the meeting to order.

Good afternoon, everybody. Welcome to the Standing Committee on Canadian Heritage.

In accordance with our schedule, we have a meeting today with the Canadian Radio-television and Telecommunications Commission's chairperson, Jean-Pierre Blais. Welcome to you, sir. Thank you for joining us.

Mr. Blais, the floor is yours. Welcome.

Mr. Jean-Pierre Blais (Chairperson, Canadian Radio-television and Telecommunications Commission): Thank you, Mr. Chair.

It's a pleasure to appear before you today and to help you carry out your important role.

I was honoured to be appointed chair of the CRTC, an important public duty that I take on with a heavy sense of responsibility and an excitement about what lies ahead over the next five years.

I want to thank the committee for having invited me to set out my views on the future and the mandate of the CRTC. This is not my first appearance in front of this committee, nor do I expect it to be my last.

[Translation]

I see a lot of new faces around the table, so please allow me to quickly introduce myself, Mr. Chair.

My interest in the communication industry goes back many years. After completing my university studies, I practised administrative, intellectual property and communication law in Montreal.

In 1994, I joined the CRTC's legal directorate. Five years later, I was appointed Executive Director of Broadcasting at the CRTC. In this capacity, I was responsible for the development and application of all regulatory policies related to broadcasting. As expected, in that role, I had the opportunity to appear before this committee on a number of occasions.

In 2002, I left the CRTC to pursue new challenges at the Department of Canadian Heritage. As Assistant Deputy Minister, first of International and Intergovernmental Affairs and then of Cultural Affairs, my responsibilities included the legislation, policies and programs related to cultural trade, sports, foreign investment,

copyright, broadcasting, the cultural industries and the arts. In those positions as well, I had the opportunity to appear before the committee on a number of occasions.

I then served as Assistant Secretary of the Treasury Board Secretariat's Government Operations sector from September 2011 until my return to the CRTC this past June. Unfortunately, I did not have the opportunity to appear before a committee during that time because I was in the position only for a brief time.

[English]

It has now been a little over 100 days since I returned to the CRTC. I have been extremely busy. I've visited most regions of the country, all our regional offices, and met remarkable men and women who have the interests of the CRTC at heart. I also chaired a very important hearing in Montreal on the proposed BCE-Astral transaction.

The future of the communications sector rests mainly on rapidly changing technology, the dynamism and innovation of the industry, and the creativity of Canadians. The CRTC's role in the years ahead will be one of an enabler; that is, we mean to be instrumental in ensuring a world-class communication system for Canadians—as citizens, creators, and consumers.

• (1535)

[Translation]

I would like to explain how I view the different, complementary and interrelated needs of Canadians.

Canadians as citizens want to participate in the democratic and cultural life of their country. They do so by having access to news and public affairs programming within a communication system that is accessible to all Canadians, including those with disabilities. Citizens also expect their privacy to be respected by service providers and telemarketers.

Canadians as creators not only develop innovative content, but also ensure its delivery across all platforms—including television, radio, the Internet and mobile devices—for domestic and global audiences.

Producers, actors, directors, artisans, writers, technicians, broadcasters, broadband distributors, wireless service providers and digital media innovators create content that reflects Canada's rich regional, ethnocultural and linguistic diversity.

Finally, Canadians are also residential and business consumers. They want a choice of high-quality, reliable communication services at affordable prices that respond to their needs. Every year, the average Canadian family spends more than \$2,100 on communication services. Given that this is the sixth highest expense for most households, it is only natural that Canadians would have high expectations of the industry and the CRTC.

[English]

At the end of August, I announced the creation of a new position at the CRTC, the chief consumer officer, because I saw a need for a heightened integration of consumer issues in all aspects of the CRTC's work. The chief consumer officer will ensure that the needs and interests of consumers are at the heart of our decision-making process, our research, and our outreach—basically everything we do.

I want to make sure that Canadians are at their centre of their communication system. I firmly believe that a well-functioning communication system requires a number of service providers that are able to compete fairly, but a healthy marketplace also requires an informed and empowered consumer. To this end, over the coming months we intend to proactively provide information and useful considerations to Canadians to help them make informed choices in an increasingly competitive and complex communication marketplace.

[Translation]

On September 6, we published our three-year plan. An electronic copy of this document was provided to each of your offices. The plan sets out the activities we expect to carry out between now and 2015 to ensure that Canadians have access to world-class communications system. They are grouped under three pillars: create, connect and protect.

[English]

“Create” refers to the activities that ensure Canadians have access to compelling creative content from diverse sources and on a variety of platforms. Among these activities are the development of policies for various broadcasting services and the licensing of radio stations and television channels.

“Connect” refers to the activities that ensure Canadians can connect to high-quality, innovative communication services at affordable prices. This includes services that facilitate access to the communications system by Canadians with disabilities.

“Protect” refers to activities that enhance the safety and interests of Canadians. For instance, the CRTC ensures that Canadians have access to emergency communication services such as 911 services. It also includes compliance with, and enforcement of, the CRTC's regulations relating to unsolicited communications.

[Translation]

As a regulatory body, we have a duty to inform the public of our intended areas of activity. It is my intention to update our three-year plan at least annually. To assist public participation in our proceedings, we published on September 4 our annual Communications Monitoring Report; perhaps you already had a chance to look at it. This public document is a source of authoritative data that enhances Canadians' informed involvement in our work. It provides

Canadians with financial, pricing and other key indicators and trends.

[English]

Without the public's participation in our work, Mr. Chairman, we simply cannot serve the public interest.

As chairperson of the CRTC, I chair meetings of commissioners in support of the policy-making and regulatory process. However, I'm also the deputy head of this institution and, wearing that hat, I would like to share with the members of the committee my views on the future of the institution.

In 2017, I want to leave behind an institution that is more trusted by Canadians and that enables them to benefit fully from a world-class communication system. This is a high standard that we have to earn every day in every decision and in all our actions, whether we choose to regulate or to rely on market forces to achieve the public interest and the objectives set out by Parliament.

Moreover, the CRTC, like all public organizations, must hold itself to the highest standard of probity. Every dollar spent must provide value for Canadians. Every action taken must reinforce the integrity of our processes and our decisions.

[Translation]

Throughout my public service career, one of my core principles has been a commitment to management excellence, which I now bring with me to the CRTC. This will ensure that our conduct is grounded in the public service's values and ethics, that we are responsible stewards of public funds and that we report on our progress by measuring against well-established benchmarks.

To this end, the CRTC recently adopted its own code of conduct to inform employees of the values and behaviours that are expected of them. The code contains guidelines to frame how to appropriately interact with Canadians and representatives from the communication industry, providing them with an appropriate framework. At the same time, we have to be careful not to become detached decision-makers in an ivory tower. We need to understand the challenges and opportunities faced by the industry, just as we need to understand the concerns of Canadians. Conversations must take place in an environment that ensures the integrity of our processes and the public trust that has been placed in us.

To conclude, Mr. Chair, I have been proud to serve Canadians throughout my career in the public service, and am honoured to have been appointed as its chairman at this critical moment.

● (1540)

[English]

As usual, I'm happy to answer any of your questions, considering, however, that I've only been in the job about 100 days.

The Chair: Thank you for your opening remarks.

Now we'll move into our time for questions and answers. We'll start with Mr. Armstrong.

Mr. Scott Armstrong (Cumberland—Colchester—Musquodoboit Valley, CPC): Well, it's interesting to hear you've only been here 100 days. Sir Charles Tupper was a prime minister of Canada from my riding. He only served for 93 days, and he was the prime minister. You can get a lot accomplished in 100 days, and you already have, sir.

With regard to the Bell-Astral merger, we understand you can't comment on the details of this particular merger or the decision that's upcoming, but can you please explain the general options that are on the table for reviewing mergers in general?

Mr. Jean-Pierre Blais: Indeed, I can't get into the details of it. It's still pending before us. We will, of course, try to deal with that matter as expeditiously as possible, because the matter involves two publicly traded companies.

As I said at the start of the hearing, the applicant has the burden of proof to establish that this is in the public interest. To be clear, all options are available to us. It is possible for the commission to approve the transaction as submitted. It's also possible for us to say no in its entirety. In between those two bookmarks there are a variety of options, from requiring some conditionality to the approval process.

Mr. Scott Armstrong: You say you're going to do this very quickly. Do you have any timeline you can suggest to us?

Mr. Jean-Pierre Blais: The record only closed a few days ago. We will try to do it as quickly as we can, because they're publicly traded companies, but I'm not at liberty at this point to tell you exactly when we intend to issue our decision.

Mr. Scott Armstrong: Thank you very much for that.

Previous chairs have come to us and have suggested we ought to merge the telecommunications and broadcasting acts, and I'm wondering what your position is on that particular proposal.

Mr. Jean-Pierre Blais: Perhaps it's because of my career in departments that I've always thought it's not the best thing for deputy heads to speculate on policy directions for the government.

The Broadcasting Act and the Telecommunications Act are very well-crafted documents. They are unique in that both of them have policy statements in the beginning that have allowed those objectives to evolve over time, with changes in technology and so forth.

If Parliament wishes to propose changes to the legislation, I'd be more than happy to react, but my job and my duty right now are to execute the acts as they are currently drafted. That's what we're doing—myself, my commissioners, and all the staff at the commission.

● (1545)

Mr. Scott Armstrong: Unlike some previous chairs, you're not saying this should definitely be an option we should look at. You're waiting to see what we decide to do, and then you will react to our decision.

Mr. Jean-Pierre Blais: As you saw in my three-year plan, I think we're able to tell Canadians a story about what our work is under the pillars of “create, connect, and protect” without falling into the trap of trying to decide if it falls under the statute related to broadcasting or to telecom. That's our job. That's making sure that we're acting within our jurisdiction.

I think that distinction is not particularly important to most individual Canadians, particularly as everything converges to broadband networks.

Mr. Scott Armstrong: Thank you for that.

As you know, being the chair of the CRTC is a difficult and daunting position. Can you tell us why you chose to accept this position?

Mr. Jean-Pierre Blais: Yes, sometimes I wonder about that.

To be honest, when the process first started and the headhunters approached me, I laughed it off. It really is a very, very daunting position, so I reflected a very long time. We have a situation of technology evolving extremely rapidly. What seems to be the future today simply changes tomorrow, and you can't keep up.

On the other hand—and I reflected on this when I said, “Okay, let me go through the process”—I have spent a great deal of time at the CRTC and in the Department of Canadian Heritage understanding how important the work of the commission is and what public service is, so I very much approach it in that light. Yes, it's daunting; yes, we have to make difficult decisions, about which everybody who owns a phone, a radio set, a television, or an Internet connection will have a view. It comes with the territory. However, we will try to do our very best every day.

Mr. Scott Armstrong: As you know, our government is pushing a reduction of red tape for businesses. While the CRTC is not part of that reduction process, what are your plans to try to reduce the red tape at the CRTC?

Mr. Jean-Pierre Blais: On the telecommunications side, as you know, the government adopted the policy direction that already asks us to only regulate or adopt regulations when necessary to achieve the policy goals.

Similarly, section 52 of the Broadcasting Act requires us to be mindful of the burden of regulation on the entities we regulate, so in a sense it's already part of the DNA of the CRTC to think in those terms, but more so, earlier this week I asked a former colleague, Michael Presley, who is an assistant secretary at Treasury Board Secretariat, to come and talk to my employees about the red tap reduction so that we can embrace that philosophy. I think it's a valid one that just heightens what we're already doing under our legislation.

Mr. Scott Armstrong: Chair, I'll turn my remaining time over to Mr. Young.

The Chair: Thank you.

Okay, there is one minute, Mr. Young.

Mr. Terence Young (Oakville, CPC): Thank you, Chair.

Maybe I'll start a question and we'll start an answer and I can continue later, or something creative like that.

Recently the CRTC fined two companies for violating the national do-not-call list, which many of my constituents in Oakville were very pleased to see. I want to provide you with the opportunity to take the committee through the general complaints investigation process in how the commission came to its decision in this specific case. Also, maybe you'll take some time in the second round to explain how you can enforce this law on foreign-based telemarketing companies.

Mr. Jean-Pierre Blais: First and foremost, the do-not-call list framework is there to protect Canadians, and it protects Canadians whether the telemarketers are operating in Canadian territory or offshore.

You can imagine that with technology, borders are easily crossed. Knowing this, we work in close cooperation with a number of our partners in other jurisdictions—the Americans, the Australians, the New Zealanders, and so forth—because it is an international cooperation.

In those particular cases, it was particularly egregious. Not only were they seemingly breaching our rules of not using the do-not-call list, which is the bailiwick of what we do under our legislation, but they were inciting people, for a fee, to put in malware, so there was a fraudulent activity on that side.

Now, that's not part of what we do, but there is an aspect of what their activities were. It is a lot about making sure that Canadians are protected in their privacy and are not bothered if they choose to be added to the do-not-call list.

• (1550)

The Chair: Thank you, Mr. Young.

Go ahead, Mr. Nantel, for seven minutes.

[*Translation*]

Mr. Pierre Nantel (Longueuil—Pierre-Boucher, NDP): Thank you.

First of all, I would like to thank you for accepting the invitation to meet with us. Clearly, all the issues regulated by the CRTC are on everyone's lips these days. You must have been really busy in your first 100 days, certainly busier than the chairs appointed at the CRTC in previous years.

The mandate is very broad. Technology has changed a lot. It is safe to assume that, if you had been appointed 10 years ago, you would have had to deal with completely different issues. So I would like to go back to the second paragraph in your brief, where you describe the needs of Canadians.

We have seen a trend towards decentralization in terms of access to media, entertainment, news and anything that is broadcast over the air. Today, we see more media concentration. As a result, when you say that you want to ensure that all activities reflect Canada's rich regional, ethnocultural and linguistic diversity, I cannot help but think immediately about the Local Programming Improvement Fund, which, shockingly, was eliminated.

If memory serves, Commissioner Poirier, did not understand how we could hope that stations would invest in local programming without having any advertising revenue.

In your view, how can we expect local broadcasters to reinvest in local production, given that this program was cut?

Mr. Jean-Pierre Blais: The first time I was hired by the CRTC, a decision had just been made. More power had been given to the federal government in dealing with phone companies. I remember the regulatory framework at the time. There were monopolies, especially telephone companies, and then there were consumer groups. There was a balance between those two groups. As a result of the convergence and competition that ensued, the CRTC started to focus on the relationship between the companies, the former monopolies and the new competitors. I think that is why Canadians were perhaps left out of the equation. We are talking about balance at a number of key levels.

In terms of the Local Programming Improvement Fund, I was not part of the group who ruled on it. That decision was made before I came to the CRTC. That working group had a number of advisers. Some members expressed dissenting opinions, and that was their right. However, the majority of advisers assessed the information that was before them and they came to the conclusion that the fund had been set up to address the challenges with the transition from analog to digital television. Stations were incurring costs because of that.

In addition, at the time, we were dealing with an economic downturn, a recession, a financial crisis. The only source of funding for conventional television companies is advertising, which is in free fall. At the time, the idea was to make sure that we were helping local television companies outside major urban areas with their local production. An investment of about \$106 million was made every year. But once the situation passed, the CRTC decided to gradually withdraw from the fund; the benefit was that money could go back to subscribers for the rate increases, given that some cable and satellite companies had simply passed on the costs to their subscribers.

Mr. Pierre Nantel: So that is a bit worrisome, because no one has seen a cent of the \$2 amount on the invoices of cable subscribers.

At CRTC, how do you hope to ensure that local content will not be lost if this program is no longer in existence?

• (1555)

Mr. Jean-Pierre Blais: In terms of what is happening with the companies that had passed on those costs to subscribers, the decision required them to submit a report on the reduced rates. I believe the report was due on September 17. We are in the process of studying the reports and doing the necessary follow-up.

As for the other companies, I would divide them into two categories. Some are large corporations that are interested in radio and telecommunications. We should not look at the financial health only through the perspective of those companies. Independent companies face a bigger challenge, but we are going to look at that when the time for renewal comes, since we are still reviewing licences.

In my view, one of the first obligations that a broadcaster should have has to do specifically with news and public information. The content of information is key and it should be one of the first things a broadcaster looks at. As a matter of fact, we will soon have to look at the licence renewal for CBC and that is one of the issues that we are going to discuss with them at that time.

Mr. Pierre Nantel: The third paragraph deals with the needs of Canadians. It says that the sixth highest expense for households is communication services and that it is only natural that Canadians would have high expectations of the industry. You also talked about the invoicing practices of providers.

It is widely recognized that, in Canada, we pay a lot for cable, phone services, and so on. Do you have a restructuring plan or idea to try to bring the prices down in Canada?

Mr. Jean-Pierre Blais: The CRTC can use two main approaches to monitor and regulate the industry; it can either choose to take action and make regulations or it can let market forces decide. In my view, although we have relied on deregulation in a number of ways and we have let the market forces do the work, we have to keep our eyes open to see if the market is healthy.

A little earlier, I talked about the three-year plan. The plan also contains outcome measures. Like every year, we are going to continue to review the affordability of communication services in our report. In addition, we want to give Canadians tools to help them manage their accounts better.

Let me give you an example. Many Canadians subscribe to a voicemail service with their phone company. Perhaps it is useful to some, but some Canadians spend almost \$10 a month for that service whereas, as you know, you can buy a phone that comes with an answering machine, which is a lot cheaper. So one of the things we want to do is to provide Canadians with that type of information to make the marketplace healthier.

Mr. Pierre Nantel: I understand. I am doing the same thing too. [English]

The Chair: Thank you, Mr. Nantel. I gave you an extra minute.

Mr. Pierre Nantel: Thank you.

The Chair: Mr. Coderre is next.

Hon. Denis Coderre (Bourassa, Lib.): You had one minute. That's good.

[Translation]

Good afternoon, Mr. Blais.

Let me be blunt. Have you been appointed at the CRTC to use "strong-arm tactics"?

Mr. Jean-Pierre Blais: I am not sure what you mean by "strong-arm tactics".

Hon. Denis Coderre: I increasingly get the impression that the government tells commissioners what to do. Has the minister met with you to tell you what he thinks? For instance, he might have said that he would like to get rid of CBC. Is that part of your mandate?

Mr. Jean-Pierre Blais: Not at all. In fact, when I had the privilege of being assistant deputy minister for Mr. Moore at the department, I had a number of opportunities to tell him that the department and the

minister must have an arm's length relationship with the CRTC. The legislation specifies how the government has to communicate with the CRTC and I think it understands the concept very well. In addition, the legislation specifies the existence of a public broadcaster with obligations. The legislation is there, in the hands of parliamentarians.

• (1600)

Hon. Denis Coderre: So you believe in CBC?

Mr. Jean-Pierre Blais: I believe in the existence of CBC, yes, absolutely. It is a public service, yes.

Hon. Denis Coderre: Saying yes is easy.

Mr. Jean-Pierre Blais: Our mandate is consistent with the legislation. That is not my opinion, it is in the legislation.

Hon. Denis Coderre: Yes, but you are the chair. You are there to protect the Canadian airwaves. I heard you speak about consumption, connection, but I haven't heard much about content and creation. You spoke about creating in your three points but, for me, what is important is having a guarantee.

We are different than the United States. We made a societal choice at a given point. Your role is to ensure that our identity is protected, particularly in terms of what we create. We made a choice—we chose CBC and public institutions. I feel that the government does not really believe in CBC. Will your role be to protect the public interest and public television?

Mr. Jean-Pierre Blais: I have no comments as to what the government thinks or does not think. Our role is to attend to the public interest as defined in the Broadcasting Act, in particular, and the Telecommunications Act. I spoke about the creator, which is important for me, and about citizens. It is not always about consumers. Sometimes we talk about market failure. The reality in the broadcasting industry, given our proximity to the American market, means that we cannot always go along with market rules in terms of culture. That is part of my mandate and the mandate of the board members.

Hon. Denis Coderre: So you confirm that the minister has not asked you to do certain jobs as chair?

Mr. Jean-Pierre Blais: I can confirm that that is not the case. I was given mandate, which is set out by the act.

Hon. Denis Coderre: Okay.

Furthermore, as citizens and consumers, we get the feeling that we are sort of at the mercy of someone, be it the cable distributors or the major broadcasting corporations. Your role is to be like a guard dog. A lot of leeway has been given to everything relating to the Internet, and now people have virtually no guidelines. Obviously, we still have what I spoke about earlier, which is public television. Obviously, you have Québecor, Bell, CTV and so on.

How do you see your role in the coming years? That will also determine what type of society we will be living in. What concrete measures will you take in terms of protection?

Work is being done by Bell and Astral. For the others, we have the impression that the markets are competing, that everyone is trying to protect their market and they do not want to share their piece of the pie. I am not hearing the word "citizen" in all of this. And do not talk to me about, Bell-Astral, because that is not the question. In any event, I know that you should not answer that. My colleague, Mr. Armstrong, asked a good question about mergers.

There is a problem in Canada with respect to convergence, and I would like to know how you see your role, which involves being a bit of a guard dog for the population.

Mr. Jean-Pierre Blais: I will repeat what I said in my speech: our role is to enforce the mandate under the Broadcasting Act and the Telecommunications Act, which aims to protect Canadians as citizens, consumers and creators. We are assuming this role in all our decisions.

There is convergence. The technological reality means that Canadians' choices change. We must ensure that there is no abuse in the market and that the choices of Canadians for Canadian content are available.

Hon. Denis Coderre: Do you think, specifically because of the technology, that the CRTC's role is now a little outdated? Do you have the impression that we are stuck and that the CRTC should change, be given more or adapt through new legislation that would affect the CRTC and give it more tools?

Do you have all the tools you need to really take on this protective role?

Mr. Jean-Pierre Blais: As I said earlier, the Broadcasting Act, as well as the Telecommunications Act, provides for a lot of flexibility. It was drafted very well. In fact, when it was drafted, consideration was given to what would be coming, even though there were no details. We knew that broadband distribution would be a reality.

I think the CRTC mandate is still very important. In reality, the complexity—the word "daunting" was used earlier—means that we do not know what will happen next year. So the mandate is especially more difficult to predict. Not only do we need the CRTC, but we need it even more so than before because we need to be flexible and be able to adapt to the market reality.

• (1605)

Hon. Denis Coderre: We spoke about technology and protection. You are francophone, as am I. Will the CRTC develop an action plan to protect the French language in Canada, as well as the minority communities that need it?

Mr. Jean-Pierre Blais: We already have a fairly detailed structure. Furthermore, I was already the champion of the communities when I was in the department and elsewhere as well. When I was at the CRTC, we established linkage rules to ensure that the francophone offer was going to be present.

Hon. Denis Coderre: You are talking to me like a deputy minister. Talk to me as chair and tell me what you intend to do. Drop the script.

Mr. Jean-Pierre Blais: It isn't a script; it's a reality. Protection is one of my values. As a francophone, I have already lived in a minority situation. So I know this reality. My family lives in this environment, and I know that they have these kinds of needs.

[English]

The Chair: Thank you, Mr. Coderre.

Now we're moving on to Mr. Young for seven minutes.

Mr. Terence Young: Thank you, Mr. Chair.

I know you've only been at the head of the CRTC for a short time, 100 days, but I know you're an expert on the Internet and how it impacts Canadian culture. You stated that you want informed and empowered consumers, which is very positive from my viewpoint, and you stated that without the public's participation, you can't serve the public interest as well.

The CRTC website is very difficult to navigate, so how are Canadians supposed to find matters that are relevant to them and engage the commission when it's so difficult to use?

Mr. Jean-Pierre Blais: You're absolutely right. One thing I learned when I was travelling on the regional visits and meeting folks is the very difficult nature of our website. It is organized around the way we organize things, around proceedings with numbers, and that's no way to give individual Canadians easy access. Even sophisticated companies have to have one person who knows how to navigate our website.

In our three-year plan, we have proposed a fundamental rethink of our website. Beyond that, to get Canadians to participate in our hearings, we're trying to set the hearings up in a less intimidating format, making sure that we use new technologies. Monsieur Coderre will be happy to learn that we're going out of our way to get communities to participate. Official language communities, for example, will participate in our CBC renewals. Distance sometimes prevents participation, though, so we're hoping to have evening sessions so Canadians who have work in the daytime can come and share their views.

It's through the website strategy and our way of organizing our proceedings that we intend to improve participation.

Mr. Terence Young: We have a growing problem of cellphone theft, and the victims are often young people. They get bullied or they get threatened or they get mugged, and I'm wondering what the CRTC plans to do about this. There's a concern that some telecommunications companies are allowing stolen cellphones to be registered under new plans.

Mr. Jean-Pierre Blais: We contacted a wireless organization to ask what they're doing. We felt that they weren't grasping the importance of this issue and the priority that it has for us. I don't know if you had the opportunity to read one of the editorials in *La Presse* this morning, but Ariane Krol, whom I have always respected because she does good research work, has put her finger on our concern. We don't want to regulate it. We just think that this is the social responsibility of certain companies and that they should do the right thing and make sure this doesn't become an object of bullying and theft, which are both on the rise. I'm convinced that Mr. Lord and his colleagues in the wireless industry will come around and do the right thing.

Mr. Terence Young: You haven't given them any kind of ultimatum, a date or anything?

Mr. Jean-Pierre Blais: We've asked them to respond by a particular date. We would rather not go down the regulatory route, because I don't think this requires a regulatory answer.

Mr. Terence Young: Results are what's important.

Mr. Jean-Pierre Blais: Yes.

Mr. Terence Young: With respect to companies that you have charged under the do-not-call list, can you tell us how you targeted those companies, how you came to investigate them, and how you enforce the law in Canada with companies that are based in foreign countries?

● (1610)

Mr. Jean-Pierre Blais: I'm not going to get into too much detail about the investigation, because there are criminal aspects to it and some of our partners might object. This is a relatively new regime, only in force since 2008. It has been a success. We have 11 million telephone numbers and fax numbers registered now. We have over 9,300 registered telemarketers that are part of the system, but our work is done mostly through complaints.

In any given year, we do over 1,300 investigations. We ask for information. We study it and we have over the past eight years levied AMPs, administrative monetary penalties, and other payments of over \$3.2 million, so this is considerable. It's quite a deterrent, but I don't want to be in the business of giving out AMPs. I want people to comply with the list, and it's a particular challenge when the calls are coming from offshore. That's why we need to coordinate with Canadians.

It is complaints-based, and there are easy ways for Canadians to note the information—when they've been called, when it's not appropriate—and to inform us of that so we can follow up.

Mr. Terence Young: Thinking way back to the 1960s, I remember my mother sitting in a chair watching TV at night. She'd be watching something and just relaxing, and then a really loud TV commercial would come on. When the commercials are louder, it actually can be painful, particularly for people who are hard of hearing. It's annoying for everyone.

Is there anything you're doing to address the situation of stations or networks allowing the soundtrack of TV commercials to be much louder than the programs being broadcast?

Mr. Jean-Pierre Blais: The commission has heard a lot from Canadians about that problem. It's a problem that has been around for years, but in September we adopted a regulation to address loudness in television, and we have a framework to ensure compliance and reporting in this matter. In fact, we're quite proud to have done it ahead of the Americans. Unfortunately, that means that anybody listening to over-the-air television right now from the United States may still hear that shockingly loud advertising, but we understand that this problem will be fixed by January.

Mr. Terence Young: That's good news.

Thank you, Chair.

The Chair: Thank you, Mr. Young.

Now we have our five-minute round.

Go ahead, Mr. Cash.

Mr. Andrew Cash (Davenport, NDP): Thank you, Mr. Chair.

I'd like to congratulate Mr. Blais on his new position. We look forward to working with you, and I'm glad to hear you brought up the issue of the public trust in the commission and your interest in leaving it in a more trusted space among Canadians than it may well be now.

Recently, of course, in the media we've heard that the vice-chair of broadcasting was sharing beer and hot dogs in the Bell box at the Bell Centre, just coincidentally a couple of months before Bell came with the merger.

In terms of just the lobbying, we know from the federal lobbyists registry that—

Mr. Paul Calandra (Oak Ridges—Markham, CPC): I have a point of order, Mr. Chair.

I believe the CRTC chair is here on a specific mandate. He's not here to give his opinions on the Lobbying Act or the role of the other CRTC commissioners with respect to their responsibilities under the Lobbying Act. I think we have a commissioner who can handle that, and not necessarily the CRTC chair.

Mr. Andrew Cash: I haven't asked the question yet, so if my colleague can hang on there, we'll get to it and he'll be satisfied.

The question really is that Canadians need to know when and what things are being said behind closed doors. That's the issue, and there's no one more appropriate to ask this question to than the chair of the CRTC.

Therefore, in your view, if private meetings between CRTC commissioners and the large companies they regulate raise concerns about impartiality, would it be a bad idea for Parliament to identify when it is or is not appropriate for you and your colleagues to meet in private with those you regulate?

Mr. Paul Calandra: Mr. Chair, I have a point of order again.

The chair is here to talk about the future of the CRTC. The question Mr. Cash is asking is a question that is the responsibility of parliamentarians, not the responsibility of the chair of the CRTC.

I think we should try, as well as we possibly can, to stick to the terms of the motion and stick to the terms of why we brought the new CRTC chair in front of us. If Mr. Cash would like to change certain aspects of the act, he has an opportunity under private members' business and other opportunities to address that concern.

● (1615)

The Chair: It's not a point of order.

Go ahead, Mr. Cash.

Mr. Andrew Cash: I'd like to carry on with my questioning. I'm very hopeful that the interventions from my friend across the way aren't cutting into my time.

The Chair: No, we're stopping the clock every time, apparently—

Mr. Andrew Cash: Thank you so much.

I don't know of a better venue to talk about the future of the CRTC and to talk about Canada's trust in the commission than right here and right now, and I think it's an appropriate question.

We've got a commissioner—

Mr. Terence Young: On the point of order, Mr. Chair, we're trying to work with the NDP on this committee. It was their suggestion that we bring the CRTC chairman here, and they said they wanted to talk about the future of the CRTC. We didn't agree to that idea so that the members could play “gotcha” or go off topic.

We do want to hear what the chairman has to say and we're far better off staying on topic. Thank you.

The Chair: Go ahead, Mr. Nantel, on the point of order.

Mr. Pierre Nantel: Thank you very much.

On page 5 of his presentation Mr. Blais addresses a code of conduct for his employees, and I think he's surely willing to answer the question. It's public knowledge. It's been in the papers, and I'm convinced he has a very good answer to my colleague's question.

The Chair: I will remind the members that we did invite the CRTC and Mr. Blais to be here for a discussion on the future and mandate of the CRTC, so we'll be mindful of that in our questions.

Mr. Cash, are you still on your preamble or are we getting to a question?

Mr. Andrew Cash: I asked the question. Would you like me to re-ask it?

Mr. Jean-Pierre Blais: I think I can help you.

I'll talk about what I do, which I think might be helpful, because I've indicated to commission staff and commissioners that I think this is a good practice.

As I mentioned, I've travelled to and met all of our regional offices: Vancouver, Calgary, Regina, Winnipeg, Toronto, Montreal, Moncton, and Halifax. As well, there will be more meetings, because people come to see me.

I can't live in an ivory tower. If they want a meeting, my practice has always been that we send a letter ahead of time telling them about their obligation under the Lobbyists Registration Act not to raise matters that are currently in front of us. At every meeting—and you can ask people, who will tell you I do this regularly—I remind them not to raise matters that are before us and to make sure they meet their obligations under the Lobbyists Registration Act.

I do that as a matter of practice, from consumer groups to large companies. I think we cannot live in an ivory tower; that's why my presentation talks about framing how we have those meetings so we ensure the integrity of our process is maintained, particularly because we are an administrative tribunal.

Mr. Andrew Cash: Thank you.

No one is suggesting you should live in an ivory tower, but the issue here is cleaning up the muck in the basement. In the case of one of your commissioners, I've just looked on his website today, and he is soliciting business to his private company. He's using the CRTC—

Mr. Paul Calandra: I have a point of order, Mr. Chair.

Mr. Andrew Cash: He's using the CRTC's email address—

The Chair: Mr. Cash, Mr. Calandra has a point of order.

Mr. Andrew Cash: Okay.

Mr. Paul Calandra: I'd ask that we stick to the topic that we agreed to have the commissioner speak about.

If the NDP would like to have an investigative tribunal on all of the issues that it feels should be taken up via the lobbying commissioner, they can do that in front of another committee, not this committee.

I would ask that you keep the member—not just that member, but all of the members—strictly on line with why we have the commissioner here in front of us.

The Chair: Mr. Cash, I think you've heard that point of order.

I'd have to agree a bit on that. Let's try to keep to the reason we brought him in. We can call any number of witnesses at any time. Our witnesses come prepared to speak to what we invite them to speak on, so if you could try to frame your question, you have a minute and a half.

Mr. Andrew Cash: Great.

The question is this: is it appropriate, and does it enhance public trust in the commission, to have commissioners using the commission's resources to solicit private business?

• (1620)

Mr. Jean-Pierre Blais: I have no knowledge of what you're referring to, so it would be dangerous for me to give any sort of response. What I told you earlier is how I go about my business. I think that is the best. I don't know all the facts and circumstances; I don't even know which commissioner you're referring to, let alone what the details or circumstances around that are.

I can tell you that we do have—

Mr. Paul Calandra: I think at this point it would be fair to seek the commissioner's approval to move in camera. Obviously we're going into a role of asking the CRTC chair questions that he was obviously not prepared to answer and bringing up issues that are better served at other committees. He's asking the chair to comment on other people's businesses, and I think that's not something we brought him here for. I'd ask that we move in camera so that—

The Chair: Is that a motion?

Mr. Paul Calandra: It's a motion to move in camera so we could review why we brought the CRTC chair here.

Ms. Rathika Sitsabaiesan (Scarborough—Rouge River, NDP): I have a point of order, Mr. Chair.

The Chair: Ms. Sitsabaiesan, it's non-debatable. There's a motion to move in camera.

All those in favour of the motion?

(Motion agreed to)

Ms. Rathika Sitsabaiesan: I kind of want to challenge the chair. Madam Clerk, may I ask you a question, on a point of clarification?

You can't put a motion on the floor—

The Chair: Hold on. When there's a motion to move in camera, it's non-debatable. We have a motion, the motion has passed, so now we have to move in camera.

Ms. Rathika Sitsabaiesan: May I ask you a procedural question, at least?

The Chair: Well, when we've....

We're moving in camera now.

[Proceedings continue in camera]

• (1620) _____ (Pause) _____

• (1635)

[Public proceedings resume]

The Chair: *[Public proceedings resume]*

Mr. Blais, welcome back. We missed you.

Mr. Cash has 53 seconds left for his question.

Mr. Andrew Cash: I'd like to ask you, then, to flesh out the initiative that you mentioned in your report around a new code of ethics.

Mr. Jean-Pierre Blais: Parliament recently adopted an obligation for a code of ethics to be a part of the service contract of members of the public service. We can shape one in particular for the employees, and that's what we did. That code of conduct applies to me and the staff of the commission.

The commissioners' conduct is subject to another code, which Ms. Dawson administers. I have suggested that they can act consistently with this code, and many of them embrace it because it gives them guidelines, but they're not technically bound by it. It's a code that talks about confidentiality of information, who you meet, in what circumstances, how you deal with confidential information, and post-employment situations.

Mr. Andrew Cash: Is this a new code or is it the code Ms. Dawson deals with?

Mr. Jean-Pierre Blais: This is our new code.

The Chair: Thank you, Mr. Cash.

Go ahead, Mr. Hillyer, for five minutes.

Mr. Jim Hillyer (Lethbridge, CPC): Thank you.

In your presentation, you said that part of the role of the CRTC is to protect consumers and maintain reasonable pricing. I know that doesn't mean you want to regulate prices and you still want to allow for competition, so is there anything, in your view, that the CRTC can do—because you also talked about consumers needing to have proper information to be protected—to combat deceptive pricing? Cellphone companies will say, “This is the price”, and then you get your bill and it's \$20 higher because of this hidden fee and that hidden fee. I don't know if that's anything the CRTC can address or not.

Mr. Jean-Pierre Blais: There's an aspect of it we can deal with, but when you talk about deceptive pricing or deceptive advertising, that's very much the Competition Bureau, because we're talking about activities that are unauthorized.

What I was talking about is that for a healthy marketplace, yes, you need players that can compete fairly against each other, but you also need an empowered and informed consumer. That's why we're very much looking for a bit more clarity—it's in our three-year plan—for instance, in the wireless market. If a consumer decides to buy a cellphone package, what are that person's rights or obligations under the contract?

At the beginning, there's a duty. The CRTC is not there to hold consumers' hands, but I do think we have a role to give them tools, whether it's information through a better and less dense website or through standards that we require of cellphone companies to have a bit more clarity in their contractual relationships with cellphone subscribers.

When you talk about more deception and trying to fool people, that falls into another domain. It's not our bailiwick.

Mr. Jim Hillyer: Okay.

The other question I have is generally about the mandate of the CRTC. Our government gave direction for the CRTC to regulate lightly, or maybe to put it another way, to not go beyond the scope of their mandate. How do you plan on continuing to implement this request?

Mr. Jean-Pierre Blais: On policy direction, in a sense, we have a mandate under the Telecommunications Act. We're at arm's length, but it doesn't mean you can't touch. The legislation actually provides an opportunity to do policy directions, and it's tabled in front of the House and the Senate for people to comment on. The policy direction is there.

For all the activities we do in telecommunications, we put that filter on them. It doesn't say not to regulate; it says only to regulate to the extent necessary to achieve the objectives of the act. I'm summarizing it in extreme terms, but it's essentially that. We apply it in every decision at commission meetings. When the staff come with recommendations, they put that filter on the recommendations, in a sense, on how we apply it, and we explain as well in our decisions why we came to a particular conclusion of acting or not acting in the way the policy direction requires us to act.

• (1640)

Mr. Jim Hillyer: How much time is left?

The Chair: You have a minute and 30 seconds.

Mr. Jim Hillyer: I have a question that I think addresses a lot of the different goals you've talked about. A company that owns a radio station in my riding is requesting a licence for another station. What are some of the factors that are considered when determining whether or not a radio station can get a licence?

Mr. Jean-Pierre Blais: It depends on what kind of radio station they're asking for. It depends on the state of the market, how competitive it is, and who else is in there.

Let's assume that somebody has applied for a licence and we are at a hearing. We will look first of all at what format they're providing, what other players are in the market, and whether that format might unduly impact other people in that marketplace. You don't want, by adding voices all the time, to weaken the other players, because they do have a public service obligation. They provide news and information.

The hearing basically involves a group of commissioners looking at whether there is room in that market and whether it will add diversity of voices. As you know, radio stations add a news voice to the marketplace. For instance, if you're in a place where there is no radio station at all, that's something that we encourage in particular, because it's a service to the community. It really depends on the circumstances when we analyze that particular area.

I am concerned—and I've heard this from radio broadcasters—about the danger of over-licensing given markets that may actually affect them in a way. Radio stations do a great job. They're very local. They're very much in the community to participate in charity events, and we have to be careful that we're not putting in so much competition that they're not giving back those obligations to their given community. We're very careful about not over-licensing. On the other hand, we also don't want to create such protection that new players can't enter the market.

The Chair: Thank you, Mr. Hillyer.

Mr. Dubé is next.

[*Translation*]

Mr. Matthew Dubé (Chambly—Borduas, NDP): Thank you very much, Mr. Chair.

Mr. Blais, thank you again for being here.

My colleague, Mr. Coderre, addressed this issue earlier, but I would like to talk a little more about your mandate, particularly about Canadian content and official languages.

In March 2012, there was a drop in the requirements for Canadian content for general broadcasting. These requirements dropped from 60% to 55%. It doesn't seem like a lot, but since we are so close to the United States, which produces an enormous amount of cultural content that they share with us, I think a drop could have consequences.

This decision was recent but, still, a few months have passed. Has there been any kind of assessment of the consequences, positive or negative, that this decision might have had, particularly on the presence of French and Canadian content?

Mr. Jean-Pierre Blais: If you are talking about the French language market in Quebec specifically, it is important to say that Canadian content in the French Quebec market has never been a huge concern because the market forces mean that French broadcasters in Quebec far exceed the regulatory standards. That is entirely positive.

One part of our mandate is to grant broadcasting licences, but we also have to carry out monitoring under the act. That is why we produce an annual report, because it enables us to see the impacts of our decisions on the industry. Licences are valid for a certain period of time. Therefore, a meeting is always planned to evaluate the effect on the broadcasting market and to ensure that we have Canadian content, in French or English, depending on the circumstances.

• (1645)

Mr. Matthew Dubé: I am wondering about that. We know that the regulatory requirements provide that we have the same percentage for English content and French content. I think it is fair to say that the reality of both languages is very different, both in Quebec and in any other province.

Don't you think that this might lead to problems, especially outside Quebec, with respect to the representation of French Canadian content? Would the percentage be the same as the English content?

Mr. Jean-Pierre Blais: Under the act, we are required to look at the reality, because it acknowledges that there is a difference between the English and French markets. The French market is more particular because there are francophones in minority situations. So the difference is greater. That is part of what we are looking at.

And that is why I mentioned earlier that there is less of a problem in Quebec because we over-produce there. Outside Quebec, we will look at CBC's situation when its licences are renewed soon. We will try to find out what services there are for francophone communities in minority situations to determine where things stand.

Mr. Matthew Dubé: With respect to CBC and the percentage of Canadian or French content, one of the nice things provided by the Crown corporation, is the assurance that a public broadcaster will provide local content, francophone content in this case, which is the issue I'm talking about.

In this respect, do you think that, to maintain these commitments in the act, it is important to have that presence, especially in places like eastern Ontario?

Mr. Jean-Pierre Blais: I need to be careful because the CBC licence renewal is before us. What I can say, since it is a public document, is that our consultation notice shed light on the service to francophone communities in minority situations in particular. We are going to make sure that their points of view are addressed in the hearing. It is our obligation, not only under the Official Languages Act, but also under our own act, the Broadcasting Act. We will make sure that these communities have the opportunity to have their points of view heard. Having said that, we had already targeted this as an issue that we will study in November.

Mr. Matthew Dubé: I would like to ask you another question. I would like to come back to this change in the requirements relating to the percentage of Canadian content. In your earlier responses to various colleagues, you mentioned a reduction in regulations. But we could say that the Canadian content requirement is in some way a regulation. If, in the future, the intent of the CRTC's mandate is to reduce regulation, will you also ensure that strong regulations are kept in place to preserve Canadian content?

Mr. Jean-Pierre Blais: Reduction doesn't mean elimination. We need to balance everything, which is difficult. That is the decision that the board makes. The staff conducting these studies are experienced and very professional. We cannot decide everything based on market forces because we are not always dealing with consumer issues. The issues are sometimes citizen-related, or have to do with the offer or creation. The presence of Canadian content and choices in our broadcasting system is more of a citizenship or creation issue than a strictly consumer-related issue.

Mr. Matthew Dubé: Thank you. I appreciate your comment.

[English]

The Chair: Go ahead, Mr. Calandra, for five minutes.

Mr. Paul Calandra: Thank you, Mr. Chair.

Thank you, Chairman Blais. I appreciate you appearing before us and I congratulate you on your appointment.

Let me apologize that you had to leave us for a short period, but we want to make sure you can speak to the issues we brought you here to speak on. In your speech you talked about Barbara Motzney, your chief consumer officer. Could you expand a little bit on what role you expect her to play and what her mandate will be?

Mr. Jean-Pierre Blais: Right. To be fair, she only started on Monday. On the vision and the mandate I've given her, it's like being in the theatre: there's always a short intermission between the first act and second act.

I've asked Barbara, in that new role, to apply a consumer lens to everything we do. Obviously, when we have an application in front of us, whether it's telecom or broadcasting, it's to formally put a lens on it.

We already do it, by the way. I think colleagues of yours will be interested to know that in terms of official language minority, we always apply an official language minority lens to anything that's brought in front of us. In the same way, we will apply a consumer lens in those formal proceedings.

Beyond that, it's ensuring that our website and our outreach to Canadians include a preoccupation with them as consumers. Our research plans—because we do spend some research money to look at what's impacting the market—would do that. It's very much applying in a holistic and probably in a matrix way the consumer lens to everything we do, formally. It's not that we weren't doing it before, but I want it to be systematic.

• (1650)

Mr. Paul Calandra: The Broadcasting Act stipulates that the Canadian broadcasting system comprises public, private, and community elements. Could you expand a bit on what role you see for the community element?

Mr. Jean-Pierre Blais: There's already a large presence of community in the system right now. We have community radio stations that operate in the market, and because they're not driven as much by commercial considerations, they often bring kinds of music that you don't necessarily find on a more commercial radio, so they really add to the diversity.

There's also community television, which you see through cable undertakings. It also allows local groups to have a more local presence. It enriches the system as well, because when we have more and more large national broadcasters, sometimes we lose what we call in French *la proximité* of local. That's part of the system, and we look at it.

It's not an area without financial challenge, because they don't draw in as much advertising, but it is a part of the system that the act mandates and that we ensure is part of the mix.

Mr. Paul Calandra: My hometown of Stouffville benefits from a community radio station called WhiStle Radio. For a number of reasons it's very important. It's the only radio station specific to the town of Stouffville for emergency broadcasts.

It also seems that community radio stations have an ability... you referenced this in your remarks. When people are advocating for community radio stations, they seem to lose their fear of the CRTC or the nervousness that they have to appear before the CRTC. I know it's really early on in your mandate, but how do we, outside of websites, make it easier or a little less unnerving for people to appear before the commission? You hear that quite often people will decide not to appear because they're nervous; sometimes really good ideas are lost for that reason.

Mr. Jean-Pierre Blais: Indeed, it can be intimidating. I can tell you that even before my time, there was a group created within the commission to reach out to smaller players. Even smaller commercial players sometimes find it a bit intimidating.

It's a matter of public record that at the Bell-Astral hearing I was lamenting the fact that we didn't have more individuals coming up. We try to be as welcoming as we can. That's why we're thinking that in the CBC/Radio-Canada renewals that are coming up, we'll do evening sessions. We'll bring us down from a big desk and set it up more like this, more conversationally, so that people are not as afraid.

I know, for somebody who doesn't necessarily appear, that the CRTC proceedings are daunting, but as far as administrative tribunals go, there is no sworn evidence and there are no lawyers. It looks more like a conversation, frankly, similar to the one we're having at this juncture.

The Chair: Thank you, Mr. Calandra.

Ms. Sitsabaiesan is next.

Ms. Rathika Sitsabaiesan: Thank you, Mr. Chair, and thank you, Mr. Blais, for being here.

You mentioned earlier that you have increased deregulation within the CRTC to allow for more market conditions to prevail. Also, if I may jog your memory, in 2011 the CRTC adopted its regulation on vertical integration. How do you make sure that these new vertically integrated companies that are managing their supply chains upward and downward respect the rules that have now been imposed on them?

• (1655)

Mr. Jean-Pierre Blais: I have to be careful here, because it was an issue that was front and centre at the Bell-Astral hearing.

Yes, we did adopt rules. Some of them have been embedded in more regulatory language over time. These are still early days.

We have possibilities to do mediation between parties that find they're not having success in getting access to vertically integrated companies. As well, we've gone to expedited hearings and final offer arbitrations to make sure that we deal quickly with an imbalance in the relationship, but because this issue is so close to the Bell-Astral hearing, I think I'm going to stay away from saying anything else.

Ms. Rathika Sitsabaiesan: It seems as though final binding-offer arbitration is the final ending here.

I'm going to move a little off that. The report on plans and priorities mentions that the CRTC will make public the reports on how those companies complied with the rules. When will those reports be available? Where will they be available? How can we access them?

Mr. Jean-Pierre Blais: In terms of the exact timing, I just don't have that information. Maybe through the committee clerk I could tell you that exactly.

Ms. Rathika Sitsabaiesan: Sure, you may.

Mr. Jean-Pierre Blais: We will make the information public, and it will be on our website. It'll be transparent, as is everything we do. I'm sorry I can't help you with the exact dates.

Ms. Rathika Sitsabaiesan: Fabulous. Thank you. If you could please pass that to the committee members through the chair, it would be appreciated.

Another branch is that the rules on vertical integration don't mention anything about Canadian content. Do you believe vertical integration has an impact on new Canadian content?

Mr. Jean-Pierre Blais: Inevitably, it does have an impact on Canadian content.

A company that has, let's say, a specialty TV licence has certain obligations in terms of spending or in hours of Canadian content. To be able to deliver on that, it needs to have a certain amount of penetration in the marketplace, because this affects how much money it gets from wholesale or from advertising. The whole vertical integration is essentially about market forces, but it's ultimately about Canadian content, because if somebody can't have access to the system to get the funding that funds Canadian content, that's our concern.

Ms. Rathika Sitsabaiesan: Right, but we're hoping the market forces will ensure that Canadian content is part of these new vertical companies, rather than using regulation or the requirements for these new companies to ensure they have increased Canadian content.

Mr. Jean-Pierre Blais: That's right: the licensees are obliged to make the content available.

Ms. Rathika Sitsabaiesan: How are we doing for time?

The Chair: You have a minute and 20 seconds.

Ms. Rathika Sitsabaiesan: It's so hard to get all these ideas off my mind in this five-minute thing.

I'm going to change gears one more time and go to the topic of telephones. Over the course of the last year—I'm a new member of Parliament—I've received many complaints from my constituents in Scarborough—Rouge River about international and overseas telephone calling cards.

These constituents, who are trying to connect with their family members abroad, usually overseas, are complaining. They would buy a telephone card that, for example, would advertise that they could call Pakistan for 100 minutes, but they would receive only about 50 minutes of actual talking time.

We've done a little research on our own. I understand that many of the providers deduct undisclosed hidden fees from the balance on the card and don't provide all of the actual posted minutes. These undisclosed fees allow phone-card providers to manipulate the rates. They decrease the actual minutes available to the consumer without changing their posted advertised rates.

I personally believe this breaks federal advertising laws. I imagine the advertising is there to increase competition and to—

The Chair: You are at five minutes and 10 seconds.

Ms. Rathika Sitsabaiesan: I'm at five minutes and 10 seconds...? I wanted to know why there are no regulations on the calling cards, and why is it misleading?

Mr. Jean-Pierre Blais: Well, you sent us a letter on that precise subject on September 17, so you will be getting an answer pretty soon.

Voices: Oh, oh!

Mr. Jean-Pierre Blais: The high-level answer will be that it really depends on the circumstances. We have deregulated long distance for a while; however, depending on the facts, there may be some things that should be brought to the attention of the Competition Bureau or the commissioner for complaints for telecommunications services. It really depends on the facts, but you'll see that in the answer, which you should get soon.

• (1700)

Ms. Rathika Sitsabaiesan: Thank you.

The Chair: Thank you, Mr. Blais, and thank you for appearing before us today.

It's five o'clock, so we're going to move in camera.

Thanks, Mr. Blais, and congratulations on your appointment.

[Proceedings continue in camera]

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