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Chair

Mr. Bob Zimmer

Standing Committee on Access to Information, Privacy and Ethics

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• (1535)

[English]

The Chair (Mr. Bob Zimmer (Prince George—Peace River—Northern Rockies, CPC)): I call to order meeting 141 of the Standing Committee on Access to Information, Privacy and Ethics. Pursuant to Standing Order 108(3)(h)(vii), we are resuming our study of the privacy of digital government services.

Today, from Sidewalk Labs, we have with us Dan Doctoroff, chief executive officer; Micah Lasher, head of policy and communications; and John Brodhead, director of policy and strategy.

Before we get going, though, we have a motion from one of our members.

Mr. Angus, go ahead.

Mr. Charlie Angus (Timmins—James Bay, NDP): Thank you, Chair.

I don't want to take any time from this important meeting, but I will be bringing forward a motion for debate on Thursday:

That, pursuant to Standing Order 108(3)(h)(vi) and given the testimony provided by the former Attorney General of Canada, public office holders Katie Telford, Chief of Staff to the Prime Minister, and Ben Chin, Chief of Staff to the Minister of Finance, be invited before the Committee to answer questions related to their conduct in inappropriately pressuring the former Attorney General and members of her staff in order to secure a deferred prosecution agreement for SNC-Lavalin.

The Chair: Thank you, Mr. Angus.

Is there any discussion to that effect?

Our time is limited, but go ahead, Mr. Kent.

Hon. Peter Kent (Thornhill, CPC): Thank you, Chair. We would support that motion. It is entirely relevant at this point in the year and in the midst of the continuing corruption scandal.

The Chair: Thank you, Mr. Kent.

Yes, Mr. Angus.

Mr. Charlie Angus: I'd like to just put it to a vote.

Hon. Peter Kent: Let's just do a vote.

Mr. Nathaniel Erskine-Smith (Beaches—East York, Lib.): We're not in committee business. We need notice of motion—

Mr. Charlie Angus: I could bring it forward off the floor.

Mr. Nathaniel Erskine-Smith: Have we received any notice of this? At what point?

The Chair: Mr. Angus, I'm told by the clerk that we can't vote on it today. Notice has to be given, so we are—

Mr. Charlie Angus: Even if I do it orally?

The Chair: Do you want to speak to that, Mr. Clerk?

The Clerk of the Committee (Mr. Michael MacPherson): Doing it orally just signifies that you're giving notice of motion, rather than submitting it by email and having it distributed by the clerk. Notice has been given now.

Mr. Charlie Angus: Okay.

The Chair: Thank you, Mr. Angus.

I will note too that we started a little bit late and this group does have to catch a plane. They have to leave here by 5, so our time is somewhat limited.

We'll get going right away. I believe we're starting with Mr. Doctoroff.

Go ahead.

Mr. Dan Doctoroff (Chief Executive Officer, Sidewalk Labs): Good afternoon. Bonjour. Thank you to the members of the committee for having us here today.

I am Dan Doctoroff, CEO of Sidewalk Labs. I am joined by Micah Lasher, our head of policy and communications, and John Brodhead, our director of policy and strategy.

Sidewalk Labs was founded in 2016 to look at new approaches to challenges facing cities around the world. We are a subsidiary of Alphabet, the holding company that also owns Google. Our focus is on combining people-centred urban design with cutting-edge technology to achieve new standards of sustainability, housing affordability, mobility and economic opportunity.

On March 17, 2017, Waterfront Toronto issued an RFP seeking an innovation and funding partner to “help create and fund a globally-significant community that will showcase advanced technologies, building materials, sustainable practices and innovative business models that demonstrate pragmatic solutions toward climate positive urban development.”

The RFP centred on Quayside, a roughly 12 acre site at the foot of Parliament Street, while also noting that the selected partner would “contribute appropriate financial resources and/or solution components to support building and district level solutions for the eastern waterfront” and “assist in developing a viable and implementable model of sustainable transit along the eastern waterfront into the Port Lands that can be supported by a combination of government and private sector funding.”

Upon reviewing the RFP we saw an extraordinary opportunity to make Toronto the home of our marquee project, and we operated on the assumption that it would take everything we had to win. We were fortunate to have the support of our parent company as we decided to devote more or less the full resources of Sidewalk Labs toward our response. Had we been a more traditional business, we would have been unable to do this. We had also assembled a team with deep expertise in urban innovation, and our willingness to spend \$50 million U.S. on a planning process, entirely at our own risk, was, I imagine, unique. All of this made us unusually well positioned to compete in a rigorous and fair process.

I would encourage you to read the RFP submission we voluntarily published and to seek the release of other submissions to have the fullest possible picture of what led to our selection by Waterfront Toronto seven months after the issuance of the RFP, in what Waterfront Toronto has said was the second-longest procurement in its history.

I want to pause to make clear what rights we did and did not obtain from that procurement. What we won was the right to make a plan, at our expense, for consideration by Waterfront Toronto and the three orders of government. We did not win any development rights, no land was transferred, and the entire process upon which we have embarked and which we funded came with no guarantees. In the end, Waterfront Toronto's board may simply decide not to implement the plan we put forward.

In late October 2017 we began the work of creating what we and Waterfront Toronto call the Master Innovation and Development Plan. We built an outstanding Toronto team, and I am so proud that John Brodhead is part of it. Our very first interactions with John came well after the public announcement of our selection by Waterfront Toronto, and John accepted an offer of employment from us only after review and clearance from the Office of the Conflict of Interest and Ethics Commissioner.

Over the last year, we have engaged in a public consultation process whose scope, I believe, is unprecedented. Even more noteworthy is that it has all occurred before we have even tabled a proposal. Unusually for a private company, we making our plans in real time and in the public eye.

● (1540)

We've hosted four major public round tables, convened six advisory groups comprising more than 70 experts, consulted extensively with a citizens reference panel, participated in ongoing dialogue with Waterfront Toronto's digital strategy advisory panel, and invited all interested Torontonians to visit our headquarters down on the waterfront and engage with members of our team. To date, we have had in-person substantive engagement about this project with more than 20,000 Torontonians.

I would also like to highlight our approach to privacy and data governance, given the important work of this committee. Canada has a strong foundation of privacy laws around personal information and recognizes privacy as a fundamental human right. Consistent with Canadian laws and values on privacy, we made early commitments with regard to responsible data use, including to the principles of privacy by design, to de-identification and data minimization and to not selling personal data from this project or using it for advertising purposes.

During our consultations, we heard concerns about the collection of data in the physical environment by cameras and sensors—what we call “urban data.” This is proliferating in cities today in a way that is largely unregulated and non-transparent. We see this project as an opportunity to build on, and in no way replace or supplant, existing Canadian privacy laws and to put into place the most robust governance framework for urban data that exists anywhere.

With that in mind, we have proposed the establishment of an independent organization to oversee the collection and use of urban data and to do so in a way that protects the public interest while encouraging innovation. We believe this could make Quayside a globally noteworthy place, not because urban data is collected there, as it is in so many other places, but because of how well urban data collection is governed.

I should note that we offer these ideas with enormous deference to privacy regulators, with whom we have consulted extensively, and to Waterfront Toronto's digital strategy advisory panel, this committee and those policy-makers and government officials who we recognize are the ones responsible for deliberating and making decisions about the rules of the road at Quayside, by which we will abide.

Today, after our immersion in dialogue with the people of Toronto and talented city-builders in and out of government, I am more convinced than ever that this project can meet the ambitious objectives Waterfront Toronto articulated in its RFP.

Our comprehensive plans for sustainable development will mean that this neighbourhood produces seven times less CO2 than other Toronto neighbourhoods. Our innovative approach to tall timber design and construction at a scale never before attempted will catalyze a new industry and end-to-end supply chain in Ontario and will help to achieve new levels of affordability that will stand in positive contrast to the luxury condominium towers that have proliferated along the waterfront.

Our housing program will help to create a truly inclusive community, with 40% of units delivered below market price: half meeting traditional definitions of “affordable housing” and the other half targeted at middle-income Torontonians who are getting priced out of the city's core. Our mobility plan will support light-rail expansion, provide exceptional bike and pedestrian infrastructure, reduce traffic congestion and improve pedestrian safety.

In every instance, technology will be used in the service of these goals, never as an end unto itself, and always subject to the robust data governance regime I discussed earlier.

Taken together, our plans will create tens of thousands of jobs in Ontario. They will create a dynamic “people first” community, to which other neighbourhoods in Toronto and, we hope, cities around Canada and the world can look for ideas about how to tackle critical challenges.

• (1545)

It has been a privilege to be able to do this work—which you can probably tell I feel so passionately about—in Toronto. I'm glad to be here with you today and I welcome your questions.

Thank you.

The Chair: Thank you, Mr. Doctoroff. I believe you are the only one speaking to this, so we'll go right to questions.

First up for seven minutes is Mr. Vaughan.

Mr. Adam Vaughan (Spadina—Fort York, Lib.): First of all, this committee is looking at the issue of data governance, privacy laws and the need to examine how to protect people and society from big data. Having looked at the Canadian environment, what's your conclusion as to whether or not there's a policy vacuum in this area?

Mr. Dan Doctoroff: I think there is a policy vacuum not just in Canada but literally virtually everywhere in the entire world. What we are suggesting—and it really is just a suggestion and proposal—is a way to deal with urban data that is more comprehensive than anyone has ever done before, building on, I should point out, the strong foundation under Canadian law.

• (1550)

Mr. Adam Vaughan: If this committee, the House of Commons, the Province of Ontario or the City of Toronto come up with new measures to protect identity and privacy and to govern the collection, distribution and commodification of data, you will abide by those laws?

Mr. Dan Doctoroff: Absolutely.

Mr. Adam Vaughan: On the approval process, just to be clear as well, because this may veer into land use planning if past lines of questions are any indication, there is no proposal yet that has been presented to Waterfront Toronto.

Mr. Dan Doctoroff: That is correct.

Mr. Adam Vaughan: There is no commercial transaction of land that has happened yet. That is still subject to approval by Waterfront Toronto.

Mr. Dan Doctoroff: Everything is subject to approval.

Mr. Adam Vaughan: Whatever project comes forward, even if Waterfront Toronto signs off on it, still must be approved by the City of Toronto through a full public planning process.

Mr. Dan Doctoroff: Absolutely, as well as in relevant part the Government of Ontario and the national government as well.

Mr. Adam Vaughan: There is no contemplation that you would control public infrastructure through any part of this process.

Mr. Dan Doctoroff: We are not assuming that we would control public infrastructure.

Mr. Adam Vaughan: Also, your proposal is not leveraged off having access to tax revenues from public infrastructure or from other development sites. There is no part of your proposal, as it's currently been configured, that contemplates taking control over the city's tax base, the city's public infrastructure or, in fact, city data or city information on that front.

Mr. Dan Doctoroff: That is generally correct. There is one proposal that has been out in the public and that we have been considering seriously. One of the most challenging issues if you wish to have greater density on the waterfront, which we and I think many others believe is actually critical to increasing the amount of housing and helping to alleviate to some extent the housing crisis that is developing, is that you actually have to find a way to get more people there with mass transit.

Mr. Adam Vaughan: That's consistent with the city plan and precinct plan, which call for high orders of transit, in particular light rapid transit, LRTs, as they're known in Toronto, to service Queens Quay East. In fact, several of the previous projects that have now been built, but also the next several that are in the approval process, all have been promised by the City of Toronto a public transit line that flows from Union Station into the eastern Port Lands.

Mr. Dan Doctoroff: That is absolutely correct. What I think has been interesting to us is that while everyone acknowledges that it is actually a priority, and has been for roughly the last 10 years, as you point out, there is no realistic plan for the expansion of the LRT into Quayside, along Queens Quay East into Quayside and into the Port Lands, in part because nobody lives on Quayside and the Port Lands today.

Mr. Adam Vaughan: I disagree. I have constituents there, but I'll give you that.

Mr. Dan Doctoroff: Just on the Quayside and the Port Lands, but in any event, there are very few people.

Mr. Adam Vaughan: Just to be very clear about this, you have no plans to extract data or build that transit line or have any need to govern the way in which that transit line operates.

Mr. Dan Doctoroff: No. We have zero interest in operating. What we have suggested is that we could potentially play a role in helping to finance something that otherwise is not—

Mr. Adam Vaughan: I have one last question. Who contacted you about this opportunity? Which order of government or which public agency made the first contact with your organization and how was that done?

Mr. Dan Doctoroff: It was in maybe August of 2016. A gentleman who works at Waterfront Toronto, who had worked for me in the past, just reached out to me to talk to me about the land itself.

Mr. Adam Vaughan: It was a staff architect.

Mr. Dan Doctoroff: I'm sorry. It was in June of 2016.

Yes, a head of planning, I think.

Mr. Adam Vaughan: It wasn't the federal Liberal government or the Prime Minister.

Mr. Dan Doctoroff: No.

Mr. Adam Vaughan: It was a staffer at Waterfront Toronto who made you aware of the RFP process.

Mr. Dan Doctoroff: It was well before the RFP was actually issued, nearly a year before the RFP.

Mr. Adam Vaughan: I have a last question. Joe Cressy, someone we're all familiar with here in Ottawa as a former staffer with Olivia Chow, is now a city councillor who sits on the Waterfront Toronto board. As a city councillor, he has also proposed that the City of Toronto come up with rules and regulations to manage data collection and data harvesting, as well as privacy and security issues associated with big data and city infrastructure. Are you confident that your proposal could live within whatever framework is proposed by Mr. Cressy and city council?

Mr. Dan Doctoroff: I am confident that it can.

Mr. Adam Vaughan: Do you support his process?

Mr. Dan Doctoroff: Absolutely.

The Chair: Thank you, Mr. Vaughan.

Next up for seven minutes is Mr. Kent.

Hon. Peter Kent: Thank you, Chair, and thanks to all of you for attending today.

I'm sure you'll forgive those in the GTA and the city of Toronto who have expressed skepticism and concern about the gradual evolution and the gradual revelations of the changing aspects of this project. It's somewhat like the Churchillian notion of "a riddle, wrapped in a mystery, inside an enigma."

I guess my first question, to start at the beginning, is, when did you realize that the original 12-acre Quayside project wasn't enough for your objectives?

• (1555)

Mr. Dan Doctoroff: Let me be very clear. The original RFP that Waterfront Toronto issued mentioned not just Quayside but the broader eastern waterfront at least 20 times. It was right there from the very beginning.

Our response to the RFP, which I believe we delivered in June of 2017, mentioned the broader waterfront 200 times. The project development agreement that we signed with Waterfront Toronto talked about the broader waterfront and the need for scale in order to

achieve Waterfront Toronto's ambitions for affordability, mobility, sustainability and inclusive economic opportunity.

Hon. Peter Kent: Your business plan was always for a much larger project than that originally discussed in the RFP.

Mr. Micah Lasher (Head of Policy and Communications, Sidewalk Labs): If I may just reiterate, to Dan's point, the RFP specifically said that the partner would "[a]ssist in developing a viable and implementable model for sustainable transit along the eastern waterfront into the Port Lands." The RFP said that the preferred partner would, quote, "[c]ontribute appropriate financial resources and/or solution components to support building and district level solutions for the eastern waterfront."

Respectfully, I think it was pretty clear in the RFP.

Hon. Peter Kent: It didn't mention eventual development fees and shared tax revenues as property appreciated.

Mr. Micah Lasher: It did talk about, for example, a combination of government and private sector funding to support those initiatives. With respect, I think the plans that are currently contemplated are perfectly in line with what was in the RFP.

Hon. Peter Kent: Mr. Doctoroff, you mentioned the seven-month RFP process. Whether or not that's the case, one competing bidder, I understand, told The Logic's David Skok that they thought the timeline was six weeks, and that there was no opportunity given to contemplate an extension.

The quote that's been offered is, "It was made very clear to us verbally that those were the deadlines on several occasions, and so asking for an extension seemed out of the question." Why do you think they would have been left with that impression?

Mr. Dan Doctoroff: I can't speak to what the others were thinking, and I won't speculate about that. I do think that Waterfront Toronto had reached out in advance of the issue, so the RFP...I believe it was 52 separate parties. It was no mystery that the RFP was going to get issued.

I can only speak to what we did. What we did was that we assembled all of our forces and all of our resources and we worked around the clock for six weeks to assemble something that we were quite proud of. I will also point out that this was just the first round of the RFP process. We went through several additional rounds, all of which, by the way, were overseen by a fairness adviser, a respected associate chief justice of the Ontario Superior Court.

We put that same kind of effort into every stage of the process.

Hon. Peter Kent: The Ontario Auditor General had a number of questions about preferential treatment given to Sidewalk Toronto. Certainly, it has been raised again with regard to the fact—and to your point—that you have approval from Waterfront Toronto only to develop a plan. A plan has not been developed. Some have suggested that the RFP process should be opened again for these broader plans.

Mr. Dan Doctoroff: Let me just clarify. The Auditor General never suggests or uses the phrase "preferential treatment."

Hon. Peter Kent: No.

Mr. Dan Doctoroff: She notes the fact that Sidewalk Labs received more information but drew no conclusions about whether we had such an advantage. She identifies no instance of information being given to Sidewalk Labs that wasn't available to others and notes that the information was provided to multiple bidders, including one of the shortlisted bidders.

We were actually, according to records from Waterfront Toronto, the 25th company that Waterfront Toronto met with as part of its market-sounding process, which began in February of 2016. Several of the companies that Waterfront Toronto met with, both before and after Sidewalk Labs, ended up responding to the RFP, based on my informal understanding from the marketplace of who responded, so

•(1600)

Hon. Peter Kent: But you can understand where someone reading the Auditor General's findings might see "preferential" as the package of advantage...?

Mr. Dan Doctoroff: I think it's pretty clear that the Auditor General did not find that, and I think it's also very clear that the Auditor General compared our RFP response to the others and found ours significantly more complete.

Hon. Peter Kent: Earlier, you mentioned Sidewalk Toronto's willingness to comply with any regulations that exist today or, in the policy vacuum, exist in the future. I'm wondering, given your sibling's recent experience with significant fines from the European Union with regard to the management or non-management of privacy, whether you would still be interested in this project should—as this committee has recommended to the Liberal government—something along the lines of the EU's general data protection regulations be brought into place.

Mr. Dan Doctoroff: We absolutely would be. As I said, our expectation is that the privacy regime—particularly for urban data—that we would hope to see implemented at Quayside and beyond will be even more rigorous.

The Chair: Thank you, Mr. Kent.

Next up for seven minutes is Mr. Angus.

Mr. Charlie Angus: Thank you, gentlemen, for coming here today and participating in our study.

Mr. Brodhead, you were with Infrastructure Canada before you went to Sidewalk Labs. What was the nature of your communication with Sidewalk Labs Alphabet while you were working for the federal government?

Mr. John Brodhead (Director of Policy and Strategy, Sidewalk Labs): Thank you for the question.

I worked at Infrastructure Canada and then left and went to be chief of staff at Indigenous Services. I had absolutely no contact with Sidewalk Labs while I was chief of staff for the infrastructure minister. My first contact with them was after the RFP was completed, when I was at Indigenous Services.

Mr. Charlie Angus: Did they contact you when you were at Indigenous Services?

Mr. John Brodhead: One of their newly hired staff reached out to me to talk about Toronto issues. She had recently taken on the role and wanted to learn more about Toronto politics.

Mr. Charlie Angus: Was that the bridge, then, for you to go and work for them?

Mr. John Brodhead: Following that, multiple conversations took place until late January 2018, at which point I was expecting an offer from Sidewalk Labs. I got in touch with the Office of the Conflict of Interest and Ethics Commissioner and had that conversation. Once the offer was received, I submitted that and all of the other information that was required by the commissioner, and the office greenlit my ability to accept that offer in early February 2018.

Mr. Charlie Angus: Thank you.

I think one of the concerns we have is that certainly the Prime Minister has been very close on this project. When I read the Auditor General's report—I might be reading a different Auditor General's report than my colleagues were asking about—I see that the Auditor General noted that one of the problems with this process was that the communications and consultations that should have been done at other levels were being done at a very high political level. Who was doing that behind the scenes consultation at a high political level?

Mr. John Brodhead: It was no one that I'm aware of.

Mr. Charlie Angus: Mr. Doctoroff.

Mr. Dan Doctoroff: There was no one that I'm aware of.

Mr. Charlie Angus: So it was somebody mysterious?

This is the Auditor General; this isn't me. You're telling me you don't know who was handling this?

Mr. Micah Lasher: Mr. Angus, I can speak only to our communications. I can tell you that we scrupulously adhered to the prohibition on contact with government officials in the Waterfront Toronto RFP. That applied to Mr. Brodhead. That applied to any government official.

I would just emphasize that the very first conversation with the Sidewalk Labs employee that Mr. Brodhead spoke about occurred one month after the public announcement of our selection.

•(1605)

Mr. Charlie Angus: Okay. Maybe I don't know where the Auditor General got her facts from. That's strange. We'll have to wonder about that.

The Auditor General found Waterfront Toronto emails that said the board was being strongly urged by the federal government to authorize that framework agreement and to put pressure on. Who from the federal government was doing that pressure?

Mr. Brodhead.

Mr. John Brodhead: I have no idea who they were referring to.

Mr. Charlie Angus: Okay.

We got a letter recently from Julie Di Lorenzo, who was on the real estate board. She was contradicting Waterfront Toronto. She was saying that, contrary to the claims made, there were many IREC meetings prior to the vote on the framework agreement. She said that was false. She said this was a complex, lengthy document. She was given only four business days to review, assess and seek out counsel. Three days after receiving the framework agreement at the IREC, there was the meeting, at which she would not move this agreement forward to the board with approval.

Who was putting the pressure on to get this thing through? Come on, you know people. They're working for your project.

Mr. Dan Doctoroff: We respected the rules of the procurement.

I do know that when Meg Davis and Kristina Verner from Waterfront Toronto testified here a couple of months ago, they did indicate that the IREC committee, on which I believe Ms. Di Lorenzo sat, met six times.

Mr. Charlie Angus: Okay.

She said they made a false statement to our committee. That, to me, is serious, because this committee is actually like being in court. You have to tell the truth. If she said that there were no meetings and that's why she would not bring it forward....

I'm running out of time, here.

The Auditor General found that Waterfront Toronto gave information prior to the RFP. They gave more information for your bid than for the other competing bids. Who was giving it from Waterfront Toronto to you, prior to that bid?

Mr. Micah Lasher: Let me speak to that, if I may.

Waterfront Toronto in its market sounding process invited an exchange with us and, as Dan said, 51 other companies.

The information specifically referred to in the Auditor General's report was three one-page topographical maps and a five-page extract on a report on goods transportation. The law firm Dentons did a study of those documents and concluded the following. Number one, the maps were also requested and received by EllisDon. Number two, all of the information was equivalent information that was publicly available at the time of the RFP. Number three, is was incidental if not irrelevant to the RFP response. I think that is why Justice Osborne said, that he—

Mr. Charlie Angus: Well, that's great—

Mr. Micah Lasher: —was satisfied that there was no advantage conferred on Sidewalk Labs, after a detailed review of that information.

Mr. Charlie Angus: Why would the Auditor General say that?

I guess the thing I find hard to believe.... In Canada we treat our auditor generals like Supreme Court justices—well, not the way you guys treat Supreme Court justices. Sorry, maybe I'll retract that.

When an auditor general comes out with a report, it's damn serious. When the Auditor General says that you have more information than others do, and you tell me, "oh, we got a one-page map," I find it hard to believe that the Auditor General would make note of that and think that it was unfair.

Mr. Micah Lasher: Mr. Angus, the facts are the facts. There were three one-page maps....

Mr. Charlie Angus: The facts are in the Auditor General's report.

Mr. Micah Lasher: There were three one-page maps and a five-page extract on goods transportation. Justice Osborne says:

I am satisfied that no organization, including the eventual short-listed proponents, was provided with any information or documentation that was not publicly or readily accessible. The evidence pertaining to this seems to me to be clear.

Mr. Charlie Angus: I'm running out of time here.

I have one last question. Mr. Doctoroff, you said it was the second-largest RFP in Waterfront Toronto history. Waterfront Toronto said the same thing. We were all scratching our heads, because the Auditor General said the opposite. Again, we have the Auditor General, who you guys keep saying is just making stuff up out of thin air.

In the RFP, it was from March 17 to April 27. I'm not a big developer, but that seems like a really short timeline. How do you say that's the second-longest thing you've ever seen, when the RFP was from March 17 to April 27?

Mr. Dan Doctoroff: Because that was only the first stage of the RFP. The RFP then continued over another five-and-a-half months.

Mr. Charlie Angus: And you got it five-and-half months....

The Auditor General said that it was an extremely short time. She said public art projects take about five times as long as what you went through.

I just wonder how all this happened and you don't know who was talking behind the scenes to help you. I'm confused.

• (1610)

Mr. Dan Doctoroff: I don't think it's fair to draw the conclusion that people were talking behind the scenes...from a disagreement about the stages of an RFP. Those two things don't seem to me to be connected at all.

Mr. Charlie Angus: Thank you.

The Chair: Next up, for seven minutes, is Mr. Erskine-Smith.

Mr. Nathaniel Erskine-Smith: I have some questions about privacy and data protection.

We had a representative from Google here previously. I generally understand the business model of Google. The services are free. They're not exactly free, of course, in the sense that I am giving my personal information in different ways so that advertisers can advertise to me, with Google being able to monetize my information for advertising purposes. Sidewalk Labs is a subsidiary of Google—well, Alphabet, I understand, which is the same idea from my perspective.

I don't understand the business model when I read the materials that say the data collected through cameras and sensors is to be open data, that you believe in a public data trust.

How do you make money?

Mr. Dan Doctoroff: That's an excellent question. Thank you.

We believe we'll make money in essentially three ways. The first is that we will develop a small percentage of the waterfront, Quayside, and we have suggested publicly one other piece upon which Google's new Canadian headquarters will be—

Mr. Nathaniel Erskine-Smith: So it's a real estate play.

Mr. Dan Doctoroff: Real estate is one piece of it.

A second, as we were discussing earlier, is that we have suggested as an option that we would be prepared to finance infrastructure that otherwise wouldn't be able to be financed, it appears, in the ordinary course.

Third is that we think we'll hopefully develop a small group of products that would be operational here, which we think have the potential to be taken beyond Toronto into other markets around the world.

Those are really the basics—

Mr. Nathaniel Erskine-Smith: To pick up on that last point, as I understand it, if I have Nest in my home, are you talking about a product like that but for capturing information in a public way?

Mr. Dan Doctoroff: Not necessarily, at all. Let me give you an example of a product that we think is really interesting and important.

With regard to the way we manage our streets, one of the real questions is, how do we gain more people moving through our streets more efficiently without having to build more of them?

We think the management of curbs and streets dynamically is a very important aspect of the cities of the future, let alone here. The question is, could you create a product that would take data that might include data about traffic? It might include—which we'll come back to—de-identified data about people, about LED lighting, for example, embedded in the streets in order to reduce the number of streets that are necessary, to save money, but more importantly to enable greater throughput.

Mr. Nathaniel Erskine-Smith: So there's an analytics and potentially a tech that you can bring to bear in some ways with the various sensors as well, presumably.

Mr. Dan Doctoroff: Correct.

Mr. Nathaniel Erskine-Smith: It's very far away from the traditional business model, so you can confirm, I suppose.... It was in the documents, but it's still a little difficult for me to understand, given the traditional Alphabet modernization model as a—

Mr. Dan Doctoroff: I think you have to dismiss the notion that our business model has anything to do with Google's, because it really has nothing to do with it.

Mr. Nathaniel Erskine-Smith: So there will be no monetizing of personal information.

Mr. Dan Doctoroff: We have no interest in monetizing personal information.

Look, maybe I should speak a little personally. My background is not as someone who has been with Google. My background, in fact, and where I sort of made my mark, is as a public servant. I was the deputy mayor of New York in the first six years after 9/11. I think

both I and many of the members of our team consider ourselves to be place-makers or city builders. We're really interested in finding ways to improve urban life in the 21st century.

I know that sometimes, because of our affiliation with Alphabet and Google, people have a hard time believing that. Yes, as a company we do have an obligation to actually earn a reasonable rate of return on the capital they invest in us, but I can tell you that every single person at Sidewalk Labs is committed to that mission. That's what we're here to do. We believe we actually have an opportunity to do something truly remarkable here. We know that we can't do it alone. In fact, all we're trying to do is put forth a proposal that the people of Toronto and Ontario and Canada have the opportunity to vote on and hopefully get excited about.

•(1615)

Mr. Nathaniel Erskine-Smith: I have two more questions. The first is specifically with respect to privacy by design and de-identified data. I assume from your previous answer that none of that information is being then combined with other information held by parent companies. That's appreciated.

There were also resignations. There has been some public consternation in the media with respect to resignations specifically on the privacy issue. You have, I think to your credit, brought privacy experts in, and—a little bit worrying—some leave. What assurances can be given that those concerns raised by those experts who have resigned are being adequately addressed?

Mr. Dan Doctoroff: I think the ultimate comfort you can get is that we can't do anything unless Waterfront Toronto, the relevant governments and privacy regulators all sign off on it. Again, remember that all we did was agree to spend our own money to develop a plan that we hope people will be excited about. At the end of the day, on every issue, including privacy and data, if we can't satisfy people, then we can't move forward.

Mr. Nathaniel Erskine-Smith: With my last question, I want to pick up on that note. In your materials there were two examples. In one example, if Sidewalk Labs collects information, it would be open immediately and usable by others. In another example, a smaller company might want to monetize that information. Who makes that decision, fundamentally? You hinted that it won't be yourselves. In your view, is it a public-facing body that is making that decision?

Mr. Dan Doctoroff: What we have suggested...and it's just a proposal, to some extent filling the void that has existed that we discussed earlier. In our proposal, we think an independent body, which could be under the auspices of a government or be a more independent body called a "civic data trust," ought to be responsible for that data. Our hypothesis is that any time someone wants to use urban data, they have to make a detailed application. We would be in the same position as everyone else to the data trust for approval of the use of that data. That application would include what data is being collected, how it is going to be used, whether it will be open going forward and what kind of investment they actually have to make.

Part of what we want to do is make sure that we find the right balance between ensuring that there is adequate privacy protection and at the same time not completely chilling innovation. But those decisions would not be ours to make. Ultimately, the data trust, at least in our proposal, would then have oversight, once something has been approved, to ensure that the rules are being complied with.

Mr. Nathaniel Erskine-Smith: Thank you.

The Chair: Next up for five minutes is Mr. Kent.

Hon. Peter Kent: Thank you very much.

Mr. Doctoroff, I don't think anyone on the committee would quibble with your public service in the city of New York; your record is pristine, I believe. I don't think anyone would quibble with the noble objectives of Sidewalk Toronto that you outlined, but in the absence of the final plan, given the opposition by some members of Toronto council, the opposition we're told that exists quite deeply within Queen's Park, the provincial government, I just have to ask, for the record—and you may smile at this—is Sidewalk Toronto one of your parent company's, one of Alphabet's, famous moon shots?

For the benefit of other committee members, the Alphabet moon shots are audacious projects in which large amounts of money are invested, but if these projects don't pay off, the company walks away from them. I learnt from an article recently that Alphabet's moon shots last year, these ventures it walked away from, lost \$865 million, which is quite a bit more than the \$50 million you represented here.

Is there any way that Sidewalk Toronto could be considered a moon shot by your parent company?

• (1620)

Mr. Dan Doctoroff: We don't believe that's the case. We spend an awful lot of time with our parent bringing them up to speed on everything that is happening here, and we believe that they are extremely excited about what we are doing.

I should also point out that, speaking for the three of us and the other roughly hundred people at Sidewalk Labs, of whom about 27 are now in Toronto, that none of us think of it as a moon shot. I'm 60 years old, almost 61, and I could be doing lots of different things. I believe that I am spending what may be the last major phase—and this project isn't going to happen fast—of my career on something that I think is extraordinarily important where we can make an enormous difference.

Hon. Peter Kent: Sidewalk Toronto has maintained in various situations that you're still on the hunt for finance partners, but the Globe and Mail last month came up with a company document that suggested you had already locked down some financial commitments. Is there any truth in the document that the Globe and Mail says that it obtained?

Mr. Dan Doctoroff: Well, let me first correct the record and give The Star credit for finding a leak. The answer is that one of the things that we have heard throughout our extensive consultations with many parties here is that there's a real interest among Canadian companies, pension funds and development firms in potentially participating alongside us.

Our intent has never been that we should be the one to develop everything. We'd love to have partners, and we'd love to have

Canadian partners in this, and so we are open to them, but it is not true to say that we have locked down financing for anything.

Hon. Peter Kent: Thank you.

You mentioned earlier that your first contact with Mr. Brodhead came after the RFP process, but as you know, as you mentioned, he was the chief of staff to the Minister of Infrastructure, and I'd just like to ask whether you had any contact with Minister Sohi's office before the RFP process?

Mr. Dan Doctoroff: I did not, and I don't believe anyone at Sidewalk Labs did at all. As Mr. Lasher said, we were incredibly diligent about following the rules of the RFP.

Hon. Peter Kent: Google last year established a record in the amount of money it spent lobbying in Washington, D.C., of \$21 million, I think. I understand that records show that you've registered 40 people to lobby the City of Toronto and provincial government, and eight, including yourself, to lobby the federal government.

To a lot of people, that would seem, compared with Facebook, which claimed they didn't have any lobbyists in Canada when they testified before us, to be a pretty heavy emphasis on lobbying.

Mr. Dan Doctoroff: I'll ask Mr. Lasher to elaborate a little bit, but the reality is that the vast majority, because of the nature of the lobbying rules.... Anybody who talks to government basically has to register as a lobbyist.

Hon. Peter Kent: Facebook didn't.

Mr. Dan Doctoroff: We did because we were really following the rules. If you think about what we're trying to do, which is basically to develop a plan in consultation with government—three levels of government, not to mention Waterfront Toronto—we need to engage with them on an ongoing basis on the substance of what we're doing with mobility planning, land use planning, infrastructure planning, and with the way the public realm functions, and on things like building codes. We're innovating in a lot of different ways, and we need to engage with civil servants, in particular, at all three levels of government as well as constantly with Waterfront Toronto. We just have the work to do to develop the plan, and it is incredibly complicated. It's taken us even longer than we would have liked, because in some ways it's almost like a 50-sided Rubik's cube, in trying to put all these different pieces together in a way that's responsive to all of the literally thousands of comments we have received not just from government officials but from the public, and that is truly respectful of the objectives of Waterfront Toronto as well as Canadian values.

• (1625)

The Chair: Thank you, Mr. Kent.

We have Frank Baylis down next to speak for five minutes.

Mr. Frank Baylis (Pierrefonds—Dollard, Lib.): Mr. Vaughan has a question he wants to ask.

The Chair: That's just to start?

Go ahead, Mr. Vaughan.

Mr. Adam Vaughan: To review some of the finding of the Auditor General from the Province of Ontario, on the issue of pressure from senior levels of government to get a proposal finalized, your proposal, when it is finalized, will be responsible for contributing development dollars that will be part of the financing for the flood protection plan for the Port Lands. Is that right?

Mr. Dan Doctoroff: I don't think it is directly. Again, we're still finalizing things, but what I do believe will be possible is that we and this project will generate a substantial amount of incremental tax revenue at all three levels of government.

Mr. Adam Vaughan: That includes development charges that will be paid through the City of Toronto, which is the way they're financing their contribution to flood protection in downtown Toronto.

Mr. Dan Doctoroff: That's correct.

Mr. Adam Vaughan: Without the flood protection agreement in place, half of the downtown core would be vulnerable to a flood, the likes of which we've had three already. The worry is that Toronto-Danforth and Beaches-East York, from an electoral perspective, the eastern half of the downtown, would be vulnerable to a major flood without the flood protection and the \$1.5 billion investment in protecting those homes, properties and businesses and, most importantly, people.

Mr. Dan Doctoroff: That is absolutely correct.

Mr. Adam Vaughan: The pressure you are facing from the federal and provincial governments.... Not you as a company but Waterfront Toronto was facing those pressures to make sure that the financing was in place to get that construction, including the naturalization of the Don River so that we didn't put people at risk as we tried to finalize the development process of the Port Lands and Queens Quay (East). The financing of that required a three-government approval, which is why you were facing pressure to get the approvals in place so that the financing could be orchestrated to protect millions of Torontonians.

The Chair: Go ahead, Mr. Baylis.

Mr. Adam Vaughan: Thank you.

Some hon. members: Oh, oh!

Mr. Charlie Angus: Do I get to respond?

Mr. Adam Vaughan: I hope you would.

The second set of questions I have for you is related to your lobbying practices. You're governed by the City of Toronto lobbying act?

Mr. Micah Lasher: We're governed by the relevant lobbying laws of all three—

Mr. Adam Vaughan: That includes those of the City of Toronto.

If you were to send a junior architectural draftsman from your firm to the buildings department to get the zoning or the building requirements as you contemplated an eight-storey and a 16-storey building—I believe I got the heights right, but that's immaterial—from the building desk at the City of Toronto, as a corporate entity doing business with the City of Toronto, you would have to register that junior architectural draftsman as a “lobbyist” in order for that

person to interface with the City of Toronto public service. Is that not right?

Mr. Micah Lasher: That's correct, and we do that.

Mr. Adam Vaughan: If you wanted to get the specs for garbage pickup and went to Public Works, you would have to send a junior engineer from your office registered as a lobbyist to talk to the City of Toronto in order to get that done.

Mr. Micah Lasher: That's correct and most of the people who are registered are like that.

Mr. Adam Vaughan: Would that account for the 40 lobbyists you have registered? They're not actually lobbyists paid to lobby, but they're in fact functionaries who work for your engineering and architectural department, and to legally do business in the City of Toronto, thanks to a very scandalous contract—but we won't get into which political party was involved in the MFP scandal, and we'll leave Lisa Raitt out of it for this moment—the reality is this. As a result of those lobbying requirements, every single employee of yours who has any interaction with any function at the City of Toronto must be registered as a lobbyist in order for you to be in complete compliance with the rules and regulations for doing development in the City of Toronto.

Mr. Micah Lasher: That's correct.

Mr. Adam Vaughan: I'm surprised you only have 40 lobbyists.

Mr. Dan Doctoroff: We only have 100 people.

We haven't started the project yet.

The Chair: Mr. Baylis, you have about a minute.

Mr. Frank Baylis: On a separate front, the waterfront itself, if we look at Toronto compared with Vancouver, say, I think Vancouver has a beautiful waterfront. I think Toronto's waterfront, as it's been developed so far, is just paved. It could have been anywhere in the city. There's no beauty of the water.

I know we've talked about that. What are your views, and how are you going to be looking after making it actually a waterfront property for people, parks and things like that? Could you speak to that?

• (1630)

Mr. Dan Doctoroff: Yes, absolutely.

We believe that the core principle upon which all of the planning we've engaged in, with Waterfront Toronto and with the city, is really about returning the waterfront to the people and creating this very dynamic community centred on the water. What you will see is dramatically more parkland in this site than you would, say, on the rest of the waterfront. We think the opportunity to actually create that is one of the primary assets that we're seeking to—

Mr. Frank Baylis: It's not just for the people living on the project.

Mr. Dan Doctoroff: No, absolutely. In fact, one of the very early principles we established when we started Sidewalk Labs was that this place, wherever we did it—and this was before Toronto was even sort of on our radar screen—was that we would only be successful if this place, wherever we did it, was fully integrated into the surrounding metropolitan area. Also, significantly, it had to be completely porous—i.e., anyone could feel that they could actually come there. Ideally, anyone could feel that they could actually come and live there, in part because of the affordability approaches that we're taking. We actually do believe that, compared to the rest of the downtown core, this could be by far the most inclusive community in downtown.

The Chair: Just before we continue, we have about half an hour left, and I only have three scheduled questioners, so if there are some people who still want to ask questions, they should just inform the chair, and we'll go all the way to 5:00 if that's the way the committee wants to go.

Following that, because our guests have to leave, we're going to go to some committee business, as we just have to discuss some things with regard to the international grand committee, so we'll go in camera for that at about 5:05.

We'll keep going, and next up for five minutes are Mr. Kent, Mr. Erskine-Smith and then Mr. Angus.

Mr. Charlie Angus: Chair, you asked us what we thought. I'd prefer to just end the round so we could get to committee business, because there's some other stuff that needs to get done this evening. I feel we're doing well if we finish the round and then go to committee business. I know my colleagues have a meeting to go to, as well.

Mr. Frank Baylis: Okay. I understand, but I'd prefer to ask the questions while the witnesses are here, from my perspective.

The Chair: We only have until 5:00 anyway, so—

Mr. Charlie Angus: You keep giving your questions away, so—

Mr. Frank Baylis: I gave a short question.

Some hon. members: Oh, oh!

Mr. Charlie Angus: Stop whining to me now, Frank.

Mr. Frank Baylis: That was a short question.

The Chair: Going back to the questions, Mr. Kent, you have five minutes.

Hon. Peter Kent: Mr. Doctoroff, I'd like to make it clear that, as a resident of the greater Toronto area and a politician from the GTA, when I first became conscious of the original Quayside project, I was excited about it. I was fascinated. I assumed there would be collateral benefit from even the 12-acre site.

I think in the months since, the controversy, the resignations—people like Ann Cavoukian, who resigned from the digital strategy advisory committee—the lack of information and the fact that information comes out with leaks from the Toronto Star, The Globe and Mail and others have sort of led me in some ways to agree. I've quoted this document before in committee, but Jim Balsillie said, "From the start, this project should have been debated publicly and involved experts in IP and data. Instead, Waterfront Toronto continues to weaponize ambiguity." You, of course, are familiar with his closing paragraph, which I won't read in its entirety, but one

of the key lines is that "Canadians...continue to be treated to glitzy images of pseudo-tech dystopia while foreign companies profit from the IP and data Canadian taxpayers fund and create." I wonder if you could respond to Mr. Balsillie's quite passionate op ed contribution last year.

• (1635)

Mr. Dan Doctoroff: I will say a couple of things. The first one is that any project that seeks to break new ground and is particularly committed to reaching out and getting people's feedback before everything is clear is naturally going to be a recipient of concern and criticism. To be perfectly honest, we welcome the concern and criticism, because we believe very strongly that it makes us smarter and more sensitive and makes plans ultimately better.

I would completely disagree with the characterization of this dystopian place. I think you're going to find as we are finally able to put the entire plan together that it will be one of the most people-friendly, dynamic communities anywhere, and that people are going to be truly excited about the fact that it will be coming, hopefully, to their city.

As I said, we were given a challenge as part of the RFP process, and that was to break new ground to solve problems that we know virtually every major city in the world, especially Toronto, is increasingly facing. It's not easy to do that. We've been trying to play that out in public and get people's feedback, and that's a messy process. I do believe that what we're going to come back with will hopefully reignite that excitement you had.

I should also point out—and I'll go back to what we said in the opening statement—that we don't have a right to do anything. All we've been doing is putting together a plan that, in relevant parts, you, the provincial government, the city government and Waterfront Toronto, hopefully, with the opinion of the public, will have an opportunity to say meets those lofty objectives or it doesn't.

Hon. Peter Kent: Have you reached out to Mr. Balsillie?

Mr. Dan Doctoroff: I actually have, not directly but indirectly, on a number of occasions, and he has expressed no interest in meeting with us.

Hon. Peter Kent: With regard to the de-identification of data that will be eventually collected by the Quayside project, you said that you guarantee you will de-identify data, that Sidewalk Toronto will, but you can't guarantee that third parties wouldn't. Why not?

Mr. Dan Doctoroff: Let me clarify that. The reason is that what we have suggested through this civic data trust is that it be responsible for the management of urban data, not us. What we didn't want to do is bind that entity to a set of rules or principles. We think it will be up to that entity, which could be a public entity or it could be an independent entity with public representation, because we didn't think it would be appropriate for us to be the ones doing it.

Mr. Micah Lasher: Mr. Kent, if I may add as well, for context, our vision for this place is a thriving ecosystem where there are lots of companies doing lots of things. In fact, we aim to do, in some respects, the smallest amount possible that is necessary to catalyze that environment.

At the end of the day, what we're proposing is a governance regime that would apply to all actors in the space which we are not driving. We wouldn't have the the power to say, start-up A that comes to Quayside and sets up shop and has an innovative idea that the city is interested in.... We wouldn't have authority over that company in the first place, but we are proposing that there be a governance regime that would have authority over us and anyone else operating in the space.

I should say that we are making commitments about how we will conduct ourselves out of the gate. Of course, we would hope that the commitments we make and the impositions we take upon ourselves would become the rules of the road. That would be in our interest.

At the end of the day, we think the right thing to do here would be to have independent governance.

Hon. Peter Kent: In terms of Mr. Balsillie's criticism—

The Chair: Thank you, Mr. Kent.

Did you want another—

Hon. Peter Kent: No. I'll take another round.

Sorry, Mr. Chair.

The Chair: Thank you, Mr. Kent.

Next up, for five minutes, is Mr. Erskine-Smith.

Mr. Nathaniel Erskine-Smith: Thanks very much.

I think part of the concern is this. I respect this commitment to de-identification and to the civic data trust, but you have to understand that when you tell me, a citizen of Toronto, that there are going to be sensors and cameras all over the place, I'm very worried about the prospect. You tell me that Google is involved, and I'm very worried about that prospect. When I know that Alphabet is involved, I worry about the prospect. I appreciate that, but I think knowing that, internalizing that and understanding when you talk about this...that is the basis of great concern.

I was recently in Brussels and met with the EU data protection supervisor. His deputy said—I think others have said the same—that we're so worried about Big Brother that we forgot about the companies that are “Little Sisters.” When we talk about cameras and sensors everywhere, that's what I would worry about.

I think you are right to say that ultimately this is up to a public-facing body to make a final decision; you're right to say openness and de-identification respecting personal privacy, and data protection.... Is there a sense of what privacy laws apply currently?

• (1640)

Mr. Micah Lasher: I think that obviously the Canadian laws.... PIPEDA is a relatively strong regime and is certainly one that we will scrupulously abide by.

I should be clear. We are not seeking in any way any exemptions from PIPEDA or any other relevant privacy laws in this space, and the governance regime we're proposing would be additive to that. I think the challenge is that PIPEDA and most privacy-related laws don't deal with non-personal information, as is the case with urban data. I think one of the things that we—

Mr. Nathaniel Erskine-Smith: When you say “non-personal,” is that because it's de-identified?

Mr. Micah Lasher: You could have data that is at its initiation non-personal, such as a pedestrian counter. There is, of course, the question of at what point the data.... There's data that starts out in no way being personal information, and then you have data this is personal, such as camera footage that is converted into line drawings that become de-identified, right? Certainly, in the case of aggregate non-personal information, that is not something that is strongly covered by existing privacy laws, and that is increasingly something that is at issue in cities—

Mr. Nathaniel Erskine-Smith: We have examples already. I rely upon Google maps—my sense of direction is terrible at the best of times—and that is built on open data from cities with respect to traffic patterns while I'm driving around in the city of Toronto. How is this different? Or is it just on a different scale and there are so many different players that you imagine being involved that the civic data trust, and not the City of Toronto, is the right place for openness and for defining and determining standards?

Mr. Dan Doctoroff: I don't think we're suggesting that it shouldn't be the City of Toronto. What we are suggesting is that having a mix of experience to make decisions about the types of data that really have never been thought about deeply before might be the best way to manage it effectively, taking into account the need to have a very strict privacy regime but at the same time not chilling innovation completely.

At the end of the day, that may not be the right choice. The city or others may choose to do it in a different way, which we're okay with. We just think that what the objectives are of finding that right balance are important and having multiple voices could be important to doing it correctly.

Mr. Nathaniel Erskine-Smith: My last question is a follow-up from the last question I had in the last round. In the materials, the two examples were pretty stark. It's Sidewalk as a sort of a subsidiary of a major company; they collect data through their sensors as proposed and approved by whatever data trust. That will be open for everybody. The smaller company, a sympathetic local small business, say, applies with a particular technology, and maybe that information won't be open right away because it's a start-up and they need to monetize. Is there any situation...or am I to take from this that Sidewalk Labs or any related company will not apply for proprietary—

Mr. Dan Doctoroff: I think the default is that it will be open. There may be situations where we have to invest an awful lot of money to create an application or use that we believe has value both in this place and potentially beyond, where we could also apply to the data trust—

• (1645)

Mr. Nathaniel Erskine-Smith: But you see that as an exceptional circumstance.

Mr. Dan Doctoroff: I do think of it generally as an exceptional circumstance. By default, we want urban data to be open, whether for us or for others. As we said, we also want it to be de-identified by default, but there may be situations where a case can be made that you don't ever get the value of it without having more restricted ownership—

Mr. Nathaniel Erskine-Smith: That is made by a civic data trust in consultation with privacy regulators.

Mr. Dan Doctoroff: Not by us, that's exactly right.

Mr. Nathaniel Erskine-Smith: Thank you.

The Chair: We have three folks left, starting with Mr. Angus. I'll give each person three minutes. That should take us close to 5 p.m.

Mr. Angus, you have three minutes.

Mr. Charlie Angus: Mr. Brodhead, when you were with Infrastructure Canada, what was your contact with Waterfront Toronto?

Mr. John Brodhead: I had fairly frequent contact with them on a number of files. They had the Port Lands flood protection, so I had fairly regular contact with them in general.

Mr. Charlie Angus: Were you talking with them about the Toronto Expo bid?

Mr. John Brodhead: Not to my recollection.

Mr. Charlie Angus: I spoke with people who were involved in the Toronto Expo bid, and they said there was discussion about the possibility of using Waterfront, but after the new government came in, there was a real chill because the Prime Minister's Office was very much interested in the Google deal. That's what they told me, so I was wondering if you were involved in those discussions.

Mr. John Brodhead: No. I did meet with the Expo group, but there was no linkage between that and Quayside, as far as I know.

Mr. Charlie Angus: Mr. Doctoroff, you said that someone reached out. Was it Will Fleissig who reached out?

Mr. Dan Doctoroff: No. His name was Chris Glaisek, a senior staff person at Waterfront Toronto.

As I indicated before, Chris and I had worked together back in the late 1990s and early 2000s on the New York Olympic bid. Chris was one of the planners for that bid that I led.

Mr. Charlie Angus: Will Fleissig's office reached out in 2016.

Mr. Micah Lasher: It was in June. Chris Glaisek worked for Will Fleissig in June of 2016. This was the process. They had begun reaching out to companies in February 2016. We were about the 25th company that Waterfront reached out to in June of 2016.

Mr. Charlie Angus: There were frequent communications. You were provided surveys, drawings and topographic illustrations. You signed a non-disclosure agreement. This was all prior to the RFP, so don't you feel you were getting an extra advantage?

Mr. Micah Lasher: Again, we were one of 52 companies they provided information to. Half of the information, depending on how you want to quantify it, they provided to us was also provided to EllisDon. As the independent review by Dentons confirmed, this was information that was incidental to the RFP itself and was publicly available in other forms.

Mr. Charlie Angus: So there could have been 52 other companies that got this.

Mr. Micah Lasher: I think. Effectively, Justice Osborne said the same thing, that the information we requested would have been made available to anyone else. It is conceivable that we were simply more excited about this opportunity and more focused on it than others.

Mr. Charlie Angus: It is conceivable, because Eric Schmidt said they were really looking for someone to “give us a city and put us in charge,” and they gave you the city of Toronto.

A voice: No.

Mr. Charlie Angus: He did also say—I'm not quoting the Auditor General here, but your boss, so you're going to have to trust what he said—that this project “may require substantial forbearances from existing laws and regulations.”

As a legislator—and we're looking at probably the most prime real estate in North America—when a company wins a bid and says it wants to be exempted from laws, I have to ask myself what laws you are being to exempted from if we're going to give you the city.

Mr. Dan Doctoroff: Let me clarify that. First of all, let me also put some context around your quote from Mr. Schmidt. He was joking. At that point, Mr. Schmidt paused for laughs from the audience. He then said, “it's not how it works, guys. For all sorts of good reasons, by the way. It doesn't work that way.” So the notion that he wanted to be given a part of the city—

Mr. Charlie Angus: Thank God for something there. That's good.

What about those laws that he expects to be given forbearances from? I don't know real estate deals that come in and say, “We want to be exempted from Canadian law.” What are the laws you don't like here?

Mr. Dan Doctoroff: It's not exempted from Canadian law; it is for regulations and laws potentially to be changed in order to enable the initiatives that will make possible the achievement of the goals that Waterfront Toronto established.

Let me give you a very simple example.

• (1650)

Mr. Charlie Angus: I'll repeat: “substantial forbearances from existing laws and regulations.” Everybody would love that if they were trying to get real estate deals.

Mr. Dan Doctoroff: Let me give you an example. Right now under the regulations and the building code of the City of Toronto, you cannot have a wood building that is more than six storeys high. We believe buildings of, I think, up to 18- to 20-storeys high are possible, and we've seen it in Vancouver now. They're made of mass timber. We believe it can potentially go higher than that.

Why do you want a wood building? For one thing, they are dramatically more sustainable. Second, they have a higher fire safety rating than steel and concrete.

Mr. Charlie Angus: I represent a mill town, so I'm totally into this.

Mr. Dan Doctoroff: This is a big deal.

Mr. Charlie Angus: I just can't imagine that Eric was thinking about my mill workers when he said that, but I'm totally into the wood, man. I'm totally there.

The Chair: We're well past time.

Mr. Dan Doctoroff: The biggest thing is that you can reduce the cost at scale by almost 20%, which we think could be a major contributing factor to achieving affordability.

The Chair: We'll go to Mr. Baylis for three minutes.

Mr. Frank Baylis: We find ourselves here because Waterfront comes up with this idea and puts out a bid. You win the first stage of the bid. Then a big question comes up, which is this question of non-personal data. We ask ourselves: Who owns it; who controls it; who manages it; what can and can't do with this data? Suddenly we start thinking about it—which we've never done—and to your point, there are no regulations on it.

Who do you think should regulate it: the city, the province or the federal government?

Mr. Dan Doctoroff: I don't think we have a point of view on that. I think we can see strong arguments for a variety of different alternatives, including, as we've said, a new independent body under the auspices of Waterfront Toronto or any of the three levels of government, or it could simply be an independent entity.

What we believe very strongly, though, is that it has to be subject to a democratic process. Ultimately it's up to you, broadly, to decide where that ought to be. We'll live with it, but the only way people are going to have confidence is not if a company has control—

Mr. Frank Baylis: No, I understand: a government.

If I were a developer and we said that the City of Toronto has its regulations, and now we've got to go to the City of Whitby just down the road and they've got their regulations, and then we're going to go to Cobourg and they've got theirs, it would seem to me as a developer, as anybody going this route...like PIPEDA. You don't have PIPEDA for Toronto and then Milton has a different PIPEDA and all that.

It would seem to me that the regulator should be provincial at a minimum, but probably better federal. I would have thought, from a developer's point of view, you'd want one set of regulations.

Mr. Dan Doctoroff: Again, I probably can argue it a bunch of different ways. The City of Toronto has an incredibly competent civil service, and—

Mr. Frank Baylis: But then you'd have to go through that same process every time, everywhere.

Mr. Dan Doctoroff: Yes. Again, since I'm not a developer who works extensively in the GTA or—

Mr. Frank Baylis: No, but I'm talking strictly about the data perspective. You'd have to re-regulate data every time—

Mr. Dan Doctoroff: We're talking about it being generated in a specific place.

Mr. Frank Baylis: No, I know that it's wherever the data's generated; PIPEDA applies no matter where you generate within the country.

Mr. Dan Doctoroff: As I said, I think an argument could be made which—

Mr. Frank Baylis: Whether it's the City of Toronto or the province or the federal government—because it's so new and you're looking at the type of people who would write it, or the bureaucrats—what would you see as a process, whether it's us or someone else? Because while this weight that's been put on Google.... People don't trust you, and that's fair enough, but these regulations are not in place. How would you go about having that?

Had they been in place, this whole discussion wouldn't be happening because you would just have to meet them like anybody else. How would you see our going about putting them in place—whether it's federal, provincial or municipal?

Mr. Micah Lasher: I think an important step was taken by Councillor Cressy and Toronto City Council to initiate a process by which the city would consider a framework on these issues for the City of Toronto.

I think my sense of the work of this committee is that it has been studying a range of issues touching on this work, and I think this could be a very good place for that conversation to begin. I think we are cognizant of the deliberation involved in the legislative process, and so I think that one way Waterfront Toronto could move to implement a geographically specific regime would be through the contracts they entered into with us or with other developers, so that for a certain area we and others were contractually bound to abide by certain rules. That would potentially be an interim measure while the legislative process unfolded around these issues.

• (1655)

Mr. Frank Baylis: As part of your development of the project itself, you're going to develop these rules. These governance rules have to be developed together, whether it's with the city or the province.

Mr. Micah Lasher: In every case, Mr. Angus observed our need to do.... Again, I think the important thing to note here is that we're talking not just about changes in the rules in an expansive direction, as in the case of tall timber, but we're also talking about the imposition of new rules that we believe will achieve Waterfront Toronto's objectives.

At the end of the day, in both cases, those decisions are not up to us. We are simply offering ideas. We think a robust democratic discussion has a lot of people throwing ideas onto the table, but ultimately it's up to you to decide which of those ideas are good and which are not.

The Chair: Thank you, Mr. Baylis.

That's it, folks. The last question has been answered.

I'd like to thank all of you for coming to Ottawa today to present to the committee.

We're going to suspend for a few minutes until our guests exit, and then we'll reconvene at 5.

[Proceedings continue in camera]

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