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# Standing Committee on Industry, Science and Technology

EVIDENCE

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Chair: Mrs. Sherry Romanado





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• (1100)

[*English*]

**The Chair (Mrs. Sherry Romanado (Longueuil—Charles-LeMoyne, Lib.)):** I call this meeting to order.

Before we begin, I'm sure you will join me in sending our thoughts and prayers to the Canadian Armed Forces members and their families. Following last night's tragic helicopter accident off the coast of Greece. To our fellow military families, we are with you.

Welcome to meeting number 11 of the House of Commons Standing Committee on Industry, Science and Technology. Pursuant to the order of reference of Saturday, April 11, the committee is meeting for the purpose of receiving evidence concerning matters related to the government's response to the COVID-19 pandemic. Today's meeting is taking place via video conference and the proceedings will be made available via the House of Commons website.

Members and witnesses, I would like to remind you that, before speaking, please wait until I recognize you by name. When you are ready to speak, please unmute your microphone and then return to mute when you are finished. When speaking, please speak slowly and clearly so that the interpreters can do their work. As per my normal practice, I will hold up the yellow card when you have 30 seconds left in your intervention, and the red card when your time for questions has expired.

I would now like to welcome our witnesses. With us today we have the Honourable Navdeep Bains, Minister of Innovation, Science and Industry; Mr. Simon Kennedy, deputy minister of the Department of Industry; and Mr. Paul Thompson, associate deputy minister, Department of Industry.

Minister Bains, you have 10 minutes to present, after which we will move to the rounds of questions. The floor is yours.

**Hon. Navdeep Bains (Minister of Innovation, Science and Industry):** Thank you very much, Madam Chair.

[*Translation*]

I want to thank all the committee members for inviting me here today.

[*English*]

I've worked closely with this committee over the last four and a half years, and I appreciate the excellent work you do on a range of important issues that impact Canadians and Canadian businesses.

Before I begin, I would like to recognize the efforts of all Canadians to follow the recommendations of public health officials and keep everyone safe.

[*Translation*]

This is a collective effort by all governments across the country. I've never been prouder to be part of team Canada. My thoughts are with the people who are suffering or who have lost loved ones to this pandemic. I also want to recognize the tremendous work of our front-line workers: the health care providers, the emergency responders, and the many, many Canadians who keep our homes safe and filled with food.

• (1105)

[*English*]

I also want to recognize the contributions of companies big and small, as well as those of our exceptional research community, and thank them for their ongoing work.

Let me start by addressing the restart of the economy.

We know there will be real impacts while the shutdown measures are in place, but we cannot lose sight of the significant gains we have made in keeping people safe. We need to restart the economy only when the time is right, when we are certain we can maintain the health and confidence of Canadians. There needs to be coordination based on science, data and expert advice to realize our shared ambition of seeing our country through this.

I'll also address Canada's industrial response to the COVID-19 pandemic.

Over the past month, we have put the full weight of the federal government behind a plan to recalibrate industrial policy and supply chains. We have deployed industry and innovation programming, such as the industrial research assistance program, the strategic innovation fund, the innovation superclusters initiative, innovative solutions Canada and many other programs, to rapidly scale up industrial production of masks, ventilators and other urgently needed goods.

Industry has answered our call. Through our online portal, we have heard from nearly 6,000 Canadian companies that have stepped up to offer their capacity and expertise. These firms are now pivoting towards making face shields, gowns and other much-needed goods to help keep front-line health care workers safe.

The mantra is simple: It's buy, buy, buy and build, build, build to meet the needs of a pandemic on a scale the country hasn't seen since Canadian industry mobilized to support the greatest generation overseas, and we are now starting to see the results of these partnerships.

Contracts are now in place for more than 30 million medical gowns. Well-known companies such as Bauer, Stanfield's, Canada Goose and General Motors have begun producing personal protective equipment and we are working on contracts with 14 different companies to deliver millions of face shields.

Companies such as StarFish Medical have teamed up with key partners to produce ventilators using intellectual property first developed right here in Canada. More than a million litres of ethanol will be provided by Canadian distilleries through the hand sanitizers manufacturing exchange. As well, 55 million masks have been ordered, and we are working to step up mask manufacturing domestically so that we can assure Canada's access to these vital pieces of personal protective equipment.

This shift has allowed us not only to respond to the need for protective equipment but also to keep many Canadians on payroll.

[*Translation*]

We've contacted every company that put its hand up. We're working with the other levels of government to leverage Canadian industrial expertise.

[*English*]

These partnerships highlight the innovative and collaborative spirit of Canadian industry, and we continue to challenge industry to come up with new and even more innovative solutions.

Throughout this process, companies of all sizes and all types, from every region of the country, have stepped forward with passion and commitment to do everything possible to help us fight the virus and keep Canadians safe.

In addition to working with industry, the government has been supporting Canada's world-class scientists, medical experts and researchers in fighting COVID-19.

[*Translation*]

We're investing aggressively to develop a safe and effective vaccine. We want Canadians to have access to the vaccine and to treatments as soon as they're available.

● (1110)

[*English*]

Ultimately, we want to deliver a vaccine and other treatments so Canadians can return to their regular routines. We want to get the economy moving again and to pave the way for a smooth rebound in the aftermath of this pandemic. Whether we're talking about Canadian companies or world-class researchers at our universities, the co-operation has been excellent.

We all just want to get the job done. That is, after all, the Canadian way.

That concludes my remarks. Again, thank you for the opportunity to speak with your committee today. I'll be pleased to answer your questions.

[*Translation*]

Thank you.

[*English*]

**The Chair:** Thank you very much, Minister.

With that, we will move to our first six-minute round of questions.

The first person to have the floor is MP Tracy Gray.

You have six minutes.

**Mrs. Tracy Gray (Kelowna—Lake Country, CPC):** Thank you, Madam Chair.

Minister Bains, as you're aware, several provinces have put up checkpoints to screen or restrict those travelling interprovincially over the past month. Maintaining supply chains to get our essential goods moving across Canada is very critical during this time. I have heard concerns from truckers and shippers that further restrictions could hurt their ability to move these goods within a reasonable time frame.

Have you reached out to your provincial colleagues to ensure that supply chains aren't affected by these decisions?

**Hon. Navdeep Bains:** I agree it's important to make sure that we recognize that as we move forward around restrictions, that is done with the sole purpose and goal of protecting Canadians' health and well-being. We are working very closely with our provincial and territorial counterparts. I am in continuous engagement and constantly in contact with my provincial and territorial counterparts regarding supply chains and the movement of essential goods, particularly when it comes to food supplies and medical supplies. Those are absolutely essential as we deal with this current health care crisis.

As we work with the provinces to remove some of these restrictions, we want to do so in a coordinated fashion.

**Mrs. Tracy Gray:** Great. Thank you, Minister. Maintaining supply chains is essential during this pandemic and it's very critical.

Last Friday on CBC you weren't able to say the number of PPEs we've received internationally that were defective. Do you have this number now?

**Hon. Navdeep Bains:** As you know, we're going to have challenges and issues when we procure personal protective equipment from our international suppliers. That's why I highlighted in my remarks on that interview and today as well the importance of building up domestic capacity.

I don't have a specific number to disclose at this moment, but I can assure you that we are ramping up domestic supply to deal with challenges we will face with our international supply chains, with our global partners, in procuring this very important piece of equipment. There is—

**Mrs. Tracy Gray:** Thank you, Minister.

The question is, do we have the domestic capacity at this moment to make up the shortfall in those international deliveries? If you're not able to disclose to us what those numbers were, do we have the capacity to fill the exact shortfall in those deliveries?

**Hon. Navdeep Bains:** We assess what we need by working very closely with our provincial and territorial counterparts. My colleagues Minister Anand and Minister Hajdu work with their provincial counterparts to understand their needs. We recognize that we need to do more, not less. We have to have sufficient amounts in the short term but also as we reopen the economy.

I can tell you right now that every single day we are ramping up domestic capacity in a significant way to deal with any potential challenges we will have with personal protective equipment.

**Mrs. Tracy Gray:** Thank you, Minister.

You've said in the past and you've said it here today, and I will quote you, "buy, buy, buy and build, build, build".

How many PPEs has the government bought and how many are being built? Can you give us some specific numbers today?

**Hon. Navdeep Bains:** Sure. Thank you very much for that question.

On face shields, with respect to how many we've purchased, it's close to 35 million, and deliveries have already started.

With regard to gowns, it's 30 million gowns that we've purchased, primarily from a lot of Canadian companies like Stanfield's and Canada Goose that have stepped up in a big way, and many other apparel companies as well. Those deliveries have started.

On hand sanitizer, again, it's 79 million units, with a significant amount being produced domestically as well.

For N95 masks, we have again ordered in the millions, and over five million have been delivered so far.

For surgical masks, over 300 million, again, have been purchased or have been ordered, and we've received 18 million thus far.

With regard to ventilators, this is an issue that's obviously of concern and that has received a lot of attention. We have produced or plan to produce over 30,000 ventilators in Canada, made-in-Canada solutions. Those deliveries have started as well.

Those are some numbers I can share with you today.

• (1115)

**Mrs. Tracy Gray:** Thank you, Minister.

As we're moving forward with this, what is your plan to move all of these essential goods between the provinces and territories?

**Hon. Navdeep Bains:** As I indicated, my colleague, Minister Anand, works very closely with her provincial and territorial coun-

terparts. They have a table set up between the federal government and the provinces, not only to identify the unique needs of each jurisdiction but also to understand how we can logistically make sure we're able to get the supplies out to them. We are coordinating with our provincial counterparts, and Minister Anand is the point person making sure that's done in a timely manner.

**Mrs. Tracy Gray:** Minister Bains, breweries, wineries and distilleries have been hit hard with restaurant closures, event cancellations and few at-the-door sales. Some distilleries have answered Canada's call and are now producing sanitizers and disinfectants in our ongoing fight against COVID-19.

Have you spoken to your provincial colleagues about opening up interprovincial direct-to-consumer shipping to help these growing and now dramatically affected industries?

**Hon. Navdeep Bains:** That's a great question.

This is something I've dealt with often with my provincial and territorial counterparts, but my colleague, Minister Freeland, is the minister responsible for intergovernmental relations as they relate to the Canadian Free Trade Agreement, and how we can better protect consumers and ensure that we have a better flow of goods. This is an issue that I will make sure to raise with her to convey to our provincial counterparts.

**The Chair:** Thank you, Minister Bains.

The next six-minute round goes to MP Erskine-Smith.

**Mr. Nathaniel Erskine-Smith (Beaches—East York, Lib.):** Thanks very much, Minister, for being here.

I want to focus on testing capacity. We are currently seeing 25,000 tests per day. We have the lab space and human resources to do more, and there are some challenges with supplies. Can you speak to some of the work your department has undertaken to ensure that we have the reagent and swabs that we need?

**Hon. Navdeep Bains:** This is an issue that's really important because testing is another priority that we've identified with the provinces. One example that highlights how we dealt with that issue in a meaningful way is we received a significant shipment of essential chemicals required for the production of the reagent you identified. It arrived in Canada, and it essentially allows a company called LuminUltra to produce enough reagent for months of production.

As we continue to ramp up testing, we have that key ingredient, which allows a chemical reaction to detect the virus. That's an initiative that came about when that company, LuminUltra, approached us through that portal, and said that they could build that reagent capacity but needed some essential chemicals in order to do it. We were able to make sure they received that in a timely manner in order for us to continue to ramp up our testing.

**Mr. Nathaniel Erskine-Smith:** Are you confident that we have the reagent capacity now to hit 60,000 tests per day?

**Hon. Navdeep Bains:** The example I highlighted significantly ramps it up to about 500,000 tests weekly for the foreseeable months. We're also building up other measures to make sure that we have a sufficient amount of reagent. I can say that in the short term we have what we need.

**Mr. Nathaniel Erskine-Smith:** Presumably, Health is setting the targets for us to hit with respect to testing capacity. Do you have a sense of the capacity that we require and that you are tasked with helping to build?

**Hon. Navdeep Bains:** There have been different elements to this.

Of course, Health wants to work with the provinces, see what capacity they have and build that capacity. That's really been the goal. Flattening the curve is one aspect, but so is building up capacity and testing capacity.

We are working with the provinces to identify what kind of testing solution they're looking for. Really, they have the ability to ramp up testing, and we want to be there to support them. We are in constant contact with them through the Health department and the Minister of Health.

• (1120)

**Mr. Nathaniel Erskine-Smith:** Minister, with respect to viral testing, we obviously have the lab tests, and with that New Brunswick company, we hope to have an answer to swab supplies, and to be able to ramp up to a minimum of 60,000, the day that we have the lab and human resource capacity for it. On the rapid testing, how much has the government invested so far with Spartan Bioscience?

**Hon. Navdeep Bains:** That's a great initiative. Spartan Bioscience is an example of a Canadian company that we engaged early on through the industrial research assistance program to help with their prototype and proof of concept, with this diagnostic equipment that would allow for testing to be done up front and provide a rapid response, as you indicated.

We made a significant procurement purchase order with them to make sure that we can conduct over eight million tests. This is going to be critical for many of our rural and remote communities, as well as many of the clinics that are dealing with patients. As we look to open up the economy on the front lines, like the airports, this will be an essential tool.

**Mr. Nathaniel Erskine-Smith:** I can't agree with you enough that it is an essential tool for reopening. A capacity of a million tests doesn't go very far, I would say, as we look to reopen the economy.

Do we have a sense of what our investment translates into, in terms of tests and how much more investment is required to scale up to the necessary level?

**Hon. Navdeep Bains:** To give you some additional context, we put out a challenge to Canadian companies and, as I said, we are really mobilizing industry, our science community and our highly skilled innovators. Through the National Research Council, as well as innovative solutions Canada, we made a request to different companies and Canadians to see what kinds of solutions they have for home test kits or rapid testing. We received over 100 submissions and we're evaluating them on their merits. I can identify the ones we can scale up in a significant way to complement what we did for the Spartan Bioscience initiative.

**Mr. Nathaniel Erskine-Smith:** I would also encourage you and your office to reach out to existing manufacturers elsewhere around the world that have tests that work. We know Abbott Labs, for example, has a device that can provide results in 15 minutes and it has not even sought Canadian approval. I would encourage your office and others in the government to reach out to Abbott and to reach out to other companies. Let's make sure we have these devices, which are in operation elsewhere, in Canada as well.

My last question is in relation to digital contact tracing. I'm curious to know what efforts are under way and whether those efforts are going to build off the work of Google and Apple, which seems to me the most sensible way, with an open API. It seems the most sensible and efficient way to get to digital proximity tracing.

**Hon. Navdeep Bains:** When it comes to contact tracing, it is one of the tools that is being discussed fairly often in the media and by the public, and rightfully so, because it's the tool that's being used in South Korea, Taiwan and Singapore with a certain degree of success. We're looking at those international experiences. We are working with a range of companies to understand what solutions they want to provide. The key element here is to make sure that—

**The Chair:** Unfortunately, Minister, that's all the time we have for that round.

**Hon. Navdeep Bains:** I'll come back to that. Sorry about that.

**The Chair:** Thank you.

[*Translation*]

Mr. Lemire, you have the floor for six minutes.

**Mr. Sébastien Lemire (Abitibi—Témiscamingue, BQ):** Thank you, Madam Chair.

I want to thank Minister Bains for joining us today.

First, I want to introduce my colleague Mario Simard, our new innovation and science critic. Mr. Bains, you may know that I'm the new Bloc Québécois industry critic. Simon-Pierre Savard-Tremblay, our international trade critic, and Martin Champoux, our communications critic, are also with us. Mr. Champoux will round out my first remarks.

First, I want to talk about land use and the essential matter of access to the cellular network and the Internet. During the current crisis, many workers are teleworking, especially teachers and parents, who must continue their children's education at home. In Abitibi-Témiscamingue, some families need three Internet connections, if we count their cellular connection and their basic network. They need a landline and a cell phone. This situation results in significant additional costs. During this crisis, data limits are being exceeded, the network is becoming significantly overloaded and costs are exploding.

Minister Bains, as part of your mandate, you must ensure that Canadians have both affordable and high-quality Internet, mobile and media access. In this situation, can you commit to carrying out this task?

Do you find it normal that a member from a region such as my area must purchase a satellite phone to keep in touch with people throughout their constituency?

• (1125)

**Hon. Navdeep Bains:** Thank you for your question.

You're right. This is an extremely serious and important situation. I understand your concern. High-speed Internet access isn't a luxury. It's absolutely essential. That's why we introduced the connect to innovate program to help many rural communities access high-speed Internet.

My colleague Maryam Monsef will be outlining another solution to improve the situation for many communities.

**Mr. Martin Champoux (Drummond, BQ):** Thank you, Minister Bains.

I'll take over from my colleague, while staying on the subject of high-speed Internet access.

**Mr. Sébastien Lemire:** I'll stop you for a second. I can't hear the French interpretation. I can hear the English audio, but I can't hear the French audio. I want to make sure that we have the interpretation.

This shows just how much all Quebeckers and Canadians need a high-speed Internet connection. The connection and audio track are very difficult to obtain.

**Mr. Martin Champoux:** I'll continue with my question.

**Mr. Sébastien Lemire:** Once again, I can't hear the French interpretation.

**Mr. Martin Champoux:** There's no French interpretation, Mr. Lemire, since we're already speaking in French. May I suggest that you connect to the "floor" channel?

Minister Bains, I'll come back to my question. You acknowledged that a high-speed Internet connection is now an essential service in 2020. We can see this clearly with the current crisis. When

we spoke, you said that you intended to speed up the process and shorten the time frame for connecting Canadians. This means that 100% of Canadians and Quebeckers will be connected within a much more reasonable time frame than initially anticipated.

In your opinion, from this point forward, what will constitute reasonable time frames to ensure that everyone is connected fairly?

**Hon. Navdeep Bains:** Once again, thank you for your question.

We must develop another strategy for the time frame. This crisis shows [*Technical difficulty—Editor*]—

[*English*]

Can you hear me now?

[*Translation*]

**Mr. Martin Champoux:** Your connection is a little erratic, but I can hear you, yes.

**Hon. Navdeep Bains:** Thank you for your patience.

You're right and we must change the time frame for [*Technical difficulty—Editor*] rural Canadians—

[*English*]

**Mr. Earl Dreeshen (Red Deer—Mountain View, CPC):** A point of order, Madam Chair.

**The Chair:** We have a point of order on the floor.

Yes, Mr. Dreeshen.

**Mr. Earl Dreeshen:** Madam Chair, on the English side we are hearing the minister speak French loudly and it is difficult to hear the interpreter.

**The Chair:** Minister, when you are speaking French, could you make sure that your blue global button is on "French" and not on "floor" or "off" because otherwise the translation is heard at the same volume as you.

Thank you.

[*Translation*]

**Mr. Sébastien Lemire:** Madam Chair, can the remaining time be adjusted? I want to make sure that these interruptions don't affect Mr. Champoux's speaking time and that he'll have time to ask his questions.

**The Chair:** Mr. Lemire, I can assure you that I stopped the clock during the point of order. Mr. Champoux has one minute and 37 seconds left.

**Mr. Sébastien Lemire:** Thank you.

**Hon. Navdeep Bains:** Once again, thank you for your question.

You're right. We must adjust the time frames for high-speed Internet. My colleague Maryam Monsef is responsible for this initiative. I'm sure that she'll outline solutions that will help people in rural communities.

• (1130)

**Mr. Martin Champoux:** Am I to understand that you can't provide an estimate at this time, that there's still some uncertainty and that we don't know whether this will take two years or five years?

**Hon. Navdeep Bains:** Yes.

My colleague Maryam Monsef will outline exactly how long this may take and the relevant programs. All I know for sure at this point is that the time frame must be changed, because the current reality is very problematic. This issue is a priority for our government.

**Mr. Martin Champoux:** Thank you.

You also said that you would get this work started as soon as the crisis is over. However, this matter is urgent right now. I imagine that teams are ready to proceed with the installation or, at least, to continue to implement measures to speed up the project. Why can't this work begin immediately, Minister Bains?

**Hon. Navdeep Bains:** We'll start soon. The strategy and the program already exist. We invested a great deal of money in them in the most recent budget, about \$1.7 billion. I'm sure that my colleague Maryam Monsef will be outlining solutions soon.

**Mr. Martin Champoux:** Thank you.

[English]

**The Chair:** Thank you, Mr. Minister.

Our next six-minute round goes to MP Brian Masse.

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

Thank you, Mr. Minister, for being here.

When the Prime Minister was asked in southern Ontario about the most pressing issue, he responded by saying, "transitioning away from manufacturing-based employment as a driver in the economy". Do you agree with the Prime Minister's assertion?

**Hon. Navdeep Bains:** I do apologize, Brian.

Can you please just state the initial part? I didn't hear that part because of connectivity.

**Mr. Brian Masse:** That's okay.

When the Prime Minister was in southern Ontario and was asked about the most pressing issue, he responded to the London Free Press by saying "transitioning away from manufacturing-based employment as a driver to the economy".

Do you agree with the Prime Minister?

**Hon. Navdeep Bains:** The Prime Minister and I have promoted advanced manufacturing and increasing our footprint and investing in key sectors like the automotive sector and the aerospace sector. The supercluster initiatives for Next Gen underscore that.

Clearly, we're seeing that community mobilized now and we are very supportive of the manufacturing sector.

**Mr. Brian Masse:** My concern is that the overall culture of manufacturing in Canada has been treated poorly over the last number of decades, resulting in a massive decline not only in jobs but also in GDP contribution to the country. Now it's being trumpeted be-

cause it's needed. My concerns come in line with some of the investment happening.

I think of Connaught Labs, for example, which was the Canadian laboratory responsible for working on the polio cure and which dates back to 1913. It was [*Technical difficulty—Editor*] entity.

I think of Nemark. As you know, Mr. Minister, we invested in Nemark, a manufacturing facility here in Windsor, but the research and development are now going to Mexico, and public money that was announced by your government is now being used to produce for Mexico. The work is being moved there right now.

When we're doing some of these contracts and supply initiatives, what is being done to protect that investment to keep it in Canada, including the intellectual property and the investment in the machinery, so that when this is done we will continue to have that investment in Canada? Are those stipulations part of the deals?

**Hon. Navdeep Bains:** You raise a very good point, which is that we have some world-class manufacturing here in Canada. We want to mobilize that for made-in-Canada solutions. Canadian companies are stepping up. They are providing solutions. They are helping Canadian front-line health care workers. In this process, we're generating intellectual property; we're generating ideas and know-how, and we want to see those benefits in Canada.

When we engage with companies, we make sure that we clearly align ourselves with made-in-Canada solutions that will remain here in Canada, that will benefit Canadians, and that also enable us to help other jurisdictions by exporting to those countries.

That has always been our goal. We want to see Canadian companies succeed within Canada but also succeed internationally, and when it comes to intellectual property, research and development, we want to make sure those efforts remain in Canada.

• (1135)

**Mr. Brian Masse:** With regard to the purchasing of equipment to scale up, is that in binding contracts with the supply chains that we're supporting now?

**Hon. Navdeep Bains:** That's on a company-to-company basis and depending on what the equipment is, but ideally our overarching goal is to make sure we generate more research and development opportunities in Canada, that we generate more IP in Canada, and that Canadians see those benefits.

**Mr. Brian Masse:** Okay.

One of the challenges we've had in the past with the SR and ED tax credit, for example, has been that it has created micro economies for our researchers and consultants to apply for the grants for companies, and they get a cut of that.



With regard to the contracts we're doing now for the supply chain that you're enhancing, there are some very good stories, which you were really good at outlining. There are many hundreds and thousands of others taking place.

What percentage is being allocated to fees or third party administration? Are they being handled right through by Industry Canada officials themselves directly with the employers, or are we also having part of the government support going to either consultants, advisers or administrators in third party groups?

**Hon. Navdeep Bains:** We are dealing with the companies directly. As I said, we have a portal and over 6,000 companies stepped up and identified opportunities to scale up and support Canadian efforts to build made-in-Canada solutions for personal protective equipment. On many of the initiatives we've put in place we deal with them directly, as I said.

If you want any particular numbers around how much we have allocated through the different programming, we can let you know, but some of the key programs are innovative solutions Canada, as I highlighted in my opening remarks, the strategic innovation fund, and the industrial research assistance program.

I know that SR and ED is still a very popular program, which is administered, of course, by Finance, and we deal very closely with industry to understand their concerns.

**Mr. Brian Masse:** I can tell you that for the portals you have set up people are getting good service from them, but my concern is that we build that portal system versus hiring third parties or an outsourcing of that, especially if people need answers.

Really quickly, as I know my time is running out, are we doing any contract work with privacy issues that need to be enhanced? The Privacy Commissioner has asked for modernization. You've talked about that before.

**The Chair:** Unfortunately, Mr. Masse, that is all the time for this round.

Our next round of questions is a five-minute one, and we will start with MP Rempel Garner.

**Hon. Michelle Rempel Garner (Calgary Nose Hill, CPC):** Thank you, Madam Chair.

Thank you for coming to committee, Minister. It's nice to finally see you here.

Can you confirm that former ambassador MacNaughton is advising the federal government or your department in any way regarding the federal government's response to the COVID-19 pandemic?

**Hon. Navdeep Bains:** Is Ambassador MacNaughton advising ISED? Is that your question?

**Hon. Michelle Rempel Garner:** Yes, or the federal government in any way.

**Hon. Navdeep Bains:** I'm not aware of any formal commitment from him. I know that he is engaged with many, including me, in giving us solutions and ideas on how to help Canadians, so I speak to him on a regular basis.

**Hon. Michelle Rempel Garner:** Okay. That's good to know. The reason I ask is that The Logic reported today that former am-

bassador MacNaughton told a CIBC Capital Markets call that Palantir is advising the federal government on its response to the COVID-19 crisis.

Can you confirm what he said, which was that Palantir is advising the federal government's response on the COVID-19 pandemic?

**Hon. Navdeep Bains:** That's a very good question. We can get back to you on the specifics around that.

**Hon. Michelle Rempel Garner:** Is what he said true, given that you talk to him frequently?

**Hon. Navdeep Bains:** I speak to him as a friend. He is someone who has guided me through many personal issues with my kids and my family. He's been someone I've worked with, so it's in that capacity—

**Hon. Michelle Rempel Garner:** Thank you.

On April 29, in a press conference, the Prime Minister confirmed that the federal government would consider using or promoting contact tracing apps. Companies like Palantir and Clearview AI have said that they're doing this work pro bono. In fact, they've gone out of their way to stress this.

The problem is, Canada's primary federal privacy law, PIPEDA, only applies to commercial activities. Given this gap, if a company builds a contact tracing app for free, at any level of government what is the mechanism that would be used to ensure that the health data they collect on us would not be monetized or sold after the pandemic?

**Hon. Navdeep Bains:** I think that at this stage what I would highlight is that there has been no official arrangement with any company around contact tracing. We are looking at different solutions and examining what possibilities exist there. We have to work with the provinces and territories to make sure we have their buy-in as well, and I can assure you that when it comes to privacy, that is of paramount concern.

The Privacy Commissioner, on contact tracing, said that—

● (1140)

**Hon. Michelle Rempel Garner:** Thank you.

**Hon. Navdeep Bains:** —the public health objectives and privacy protection can be achieved at the same time.

We agree with the commissioner that privacy—

**Hon. Michelle Rempel Garner:** Thank you. That didn't answer my question, but I'm just going to go on to the next part.

You're talking about the fact that PIPEDA exists. I'll draw your attention to an article that The Star published on April 29, 2019. It's called "Facebook is laughing at Canada's toothless privacy laws". The article states that Canada's law doesn't give the Privacy Commissioner "the power to actually tell Facebook to do anything". It says, "If, and it's a big if, Facebook is actually found to have violated Canadian privacy law, the maximum fine it could face in this country is \$100,000."

If an application developed pro bono is used, even on a voluntary basis, in contact tracing efforts, would you say it's a fair characterization to say that functionally nothing really exists to prevent this data from being sold to, say, an insurance company, for the use of, let's say, premium setting, given that Canadian health data is worth considerably more than \$100,000?

**Hon. Navdeep Bains:** You mentioned PIPEDA and the \$100,000 fine, and I'm glad you mentioned that. Those are some of the changes we brought forward through the regulatory process. It's a \$100,000 fine per breach. If you're a company and you have breaches in the thousands and the millions—and that's often the case—that's a significant fine. That \$100,000 fine makes it very clear that the company must disclose any breaches to the individual and the Privacy Commissioner. This is an important step to protect Canadians.

**Hon. Michelle Rempel Garner:** Are you confident, though, that apps that would be developed pro bono or with government would fall under PIPEDA?

**Hon. Navdeep Bains:** We take privacy very seriously. Our government introduced the digital charter and that's why—

**Hon. Michelle Rempel Garner:** This is a pretty big question right now, because your government is considering using these apps. Are you confident that an app developed pro bono would fall under PIPEDA?

**Hon. Navdeep Bains:** I'm trying to respond, so thank you very much for the opportunity.

As I said, privacy is a very important issue for our government, and if we—

**Hon. Michelle Rempel Garner:** It's a yes-or-no answer.

**Hon. Navdeep Bains:** Moving forward, we will make sure that it adheres to the stringent PIPEDA provisions that we put in place. We also proposed changes to the digital charter to make sure that—

**Hon. Michelle Rempel Garner:** Have you made the provinces aware of this potential gap at all? Have you mentioned this potential gap with any of your provincial counterparts who are looking at contact tracing efforts with companies that are developing it pro bono?

**Hon. Navdeep Bains:** We work very closely with the provinces and territories to engage them on a range of issues, including issues around contact tracing.

As I said, different solutions are being proposed, but privacy will always be paramount.

**Hon. Michelle Rempel Garner:** I'll take that as a no. Thank you.

**The Chair:** Thank you so much.

The next set of questions goes to Madame Lambropoulos. You have five minutes.

**Ms. Emmanuella Lambropoulos (Saint-Laurent, Lib.):** Thank you, and thank you, Minister Bains, for being with us to answer our questions this morning.

One of my main questions is inspired a bit by what Mr. Erskine-Smith mentioned earlier on testing kits. Quebec plans to reopen a lot sooner than a lot of the other provinces and has a plan to send students back to school within the next two weeks, even though it is one of the provinces with the highest number of COVID-19 cases.

I was wondering if that's been taken into account when considering where the testing kits should go in order to safely reopen society in Quebec and make sure that we're protecting people who are going out from those who may potentially be spreading the virus.

**Hon. Navdeep Bains:** We would allocate the personal protective equipment or testing initiatives where the needs are. That's why we constantly coordinate with the provinces and territories to better understand their needs. There are different burn rates within different jurisdictions. Different jurisdictions within provinces and municipalities pursue their own procurement strategies and are making purchases and looking at made-in-Canada solutions as well, so it's important that we coordinate with them.

When it comes to testing more broadly and reopening the economy, we've been very clear that this should be guided by the advice of the public health authorities. We have worked very hard to save lives, to make sure we don't overwhelm our health care system, to flatten the curve. We don't want to undo that, so it's important that we act in a thoughtful and measured way, in a coordinated way and in a collaborative way. That's why we work very closely with the provinces and territories, particularly the Province of Quebec, as they rethink some of these initiatives.

**Ms. Emmanuella Lambropoulos:** Thank you very much.

Another question I have is about ventilators. I know that CAE and a couple of other companies are partnering to produce 30,000 ventilators. I was wondering when you think the first ones will be delivered.

• (1145)

**Hon. Navdeep Bains:** When it comes to ventilators, we've seen CAE, StarFish Medical, the Dr. Art McDonald initiative and company after company step up in a very thoughtful way and come forward with a solution.

I had the opportunity to speak with Marc Parent, the CEO of CAE, and CAE has a great initiative. They have the history, the technical know-how, the understanding. They were able to rehire people to help build some of these ventilators. We went from a letter of intent to a purchase order, and now they will be delivering the ventilators in a matter of weeks.

This is really promising news for us, because we know we are in a position to help not only Canadians but possibly other jurisdictions and other countries as well.

**Ms. Emmanuella Lambropoulos:** Thank you.

This is my final question. I had asked it in a previous meeting and I am hoping you can answer it today.

What exactly is the procurement process, and what role does ISED play in this particular process? A lot of companies came to me once we announced Canada's plan to mobilize industry. A lot of them had written to me, and I kind of led them through the application process. What are the next steps after that?

**Hon. Navdeep Bains:** As Brian Masse mentioned before, this is a very customer-oriented initiative, directly dealt with by the government and the companies without any third party intervention. We deal with them on a regular basis through the portals to let them understand the opportunities.

When it comes to ventilators, I'll give you an example. We had Health Canada and procurement and medical experts together to evaluate some of these proposals so we could quickly make a determination, sign a letter of intent and work with Procurement Canada to get that purchase order out.

It's about creating SWOT teams that can analyze some of these proposals that are more technical in nature. When it comes to other promising opportunities, we deal with Procurement Canada. If we can help companies with a procurement initiative, we work with Minister Anand's office.

**Ms. Emmanuella Lambropoulos:** Thank you very much.

I'm not sure how much time I have left. I should be timing myself.

**The Chair:** You have 39 seconds.

**Ms. Emmanuella Lambropoulos:** In that case, I'm just going to thank you, because by the time I get through the question, you're probably not going to have time to answer it. I thank you very much for your time today.

**Hon. Navdeep Bains:** Thank you very much. When it comes to CAE, it's a great Canadian success story. This is a company that is a world leader in flight simulations and is a point of pride for us, and now they're pivoting very aggressively to building ventilators here in Canada, at a very significant scale of 10,000 ventilators. As I said, this will allow us to get this very important piece of equipment to Canadians and to other parts of the world as well.

**The Chair:** Thank you, Minister.

Our next round of questions goes to MP Patzer. You have five minutes.

**Mr. Jeremy Patzer (Cypress Hills—Grasslands, CPC):** Thank you very much, Madam Chair.

Minister Bains, you mentioned that about 6,000 companies have been engaged through the online portal. How many of those companies have been engaged, or are now actively producing PPE for Canada?

**Hon. Navdeep Bains:** I can get back to you with the specifics on that.

There are some companies that we just partner up and match with other companies if they're looking to scale up production or produce a certain amount of equipment. Some we work through purchases as well. LuminUltra is an example. They're looking for

other key raw materials. There are companies like Canada Goose and Stanfield's, for example, that were willing to ramp up, but they needed the raw material, so we looked at construction house wrap as a way to make sure we met Health Canada's requirements for medical-grade downs. There are all these different types of initiatives.

We can get back to you on the companies we have engaged directly versus those that we kind of supported with partnerships with other companies.

**Mr. Jeremy Patzer:** I would appreciate that. Actually, in our committee meeting last week I did ask your deputy minister about a report, and one thing I want to ensure is that we get that report as quickly as possible. The last report took almost three months to get, our supplementary estimates, so if you could expedite that report, I would greatly appreciate it.

**Hon. Navdeep Bains:** If I can, Madam Chair, I will highlight a very quick example to illustrate the complexity. Flavio Volpe from the Automotive Parts Manufacturers' Association indicated to us that 77 companies in the automotive sector alone have engaged in this process to retool and scale up to deal with personal protective equipment. Imagine that, as we get the aerospace and the biotech sector and other companies that have stepped up. The magnitude is fairly significant and—

• (1150)

**Mr. Jeremy Patzer:** Thank you. I appreciate that.

One thing I wanted to address is that earlier in your opening statement, minister, you mentioned several well-known companies that are retooling to make sure they fit the requirements for PPE production, which is great, which is fantastic. However, the majority of these well-known companies are located in either Montreal or Toronto. I have been looking through several of your announcements and through a lot of the contracts, trying to find companies out our here in the Prairies that are participating, but I'm having a hard time finding any. I'm wondering why that is, and if you know of any off the top of your head from the prairie region. If you could let me know about that, I would appreciate it.

**Hon. Navdeep Bains:** I can tell you right now that we've seen companies right across the country step up in a big way, and we'd be more than glad to provide you with the names of the companies out west that have been involved in this process. It is a point of pride, because we have expertise across the country.

**Mr. Jeremy Patzer:** Absolutely.

In March I took some manufacturers here through the online application process. They were in contact with your office and with Minister Anand's office, and they were told to just kind of sit on the sidelines. That bothers me, because there was an announcement just recently—this week, I think it was—about a company called Medicom. They're in Montreal, and they were given a contract to produce masks, but in the report it says they can't actually start producing until July. There are several companies here in the Prairies that would love to help out and would be able to help out and could produce PPE long before July. I'm just wondering why we are waiting until July.

Just as a point of reference, in France and in the U.S. that same company ramped up mask production on February 7, so why not Canada?

**Hon. Navdeep Bains:** Medicom is actually delivering masks presently. The specific issue that you're raising is the additional capacity that they're going to build up. That will take place in a few months, as they retool and get the equipment they need for additional masks. They'll be producing close to 40 million masks, both N95 and surgical masks. It's the same thing with GM Canada.

Medicom is already engaged with us and is delivering masks at the present time. I just want to highlight the difference. The current capacity for producing masks—

**Mr. Jeremy Patzer:** Is that in Canada, though, or are you relying solely on those coming from France or the U.S. or other countries? Are those masks being made in Canada now?

**Hon. Navdeep Bains:** One thing we need to recognize is that the supply chains are integrated, so they need to work with other jurisdictions in order to deliver these products. That is why we're working with them to build up domestic capacity in order to deal with some of these supply chain issues that we've been encountering over the past few weeks and months.

**Mr. Jeremy Patzer:** Well, this again is—

Thanks, Madam Chair.

**The Chair:** Sorry about that.

The next round of questions goes to MP Jowhari, for five minutes.

**Mr. Majid Jowhari (Richmond Hill, Lib.):** Thank you, Madam Chair; and thank you, Minister.

In your opening remarks, at least the way I understood it, you stated that the restart of the economy depends on two factors: One was that the time had to be right, and the other was the need for close coordination between the provinces, territories and municipalities, as well as the data and evidence, on which I believe you were pointing to the public health authority.

My colleague talked about the testing vis-à-vis the capacity and the supply. As we're launching these initiatives for small businesses and the economy, they're taking root. Now we are to focus on the restart of the economy, and it was very interesting that you opened your remarks on that aspect. Is there a road map? Are there clear roles and responsibilities for these various levels that you've talked about? Are there some timelines that need to be developed? Do we have some guidelines to monitor?

Let's start with the roles and responsibilities that you believe the different levels of government have to play to be able to put this road map together.

**Hon. Navdeep Bains:** This is going to require a collaborative effort. We have to work with the provinces. We have to work with them when we're sequencing things. We also have to work with industry.

Let me just illustrate some examples that highlight that need, because the situation is very different across the country in each and every province.

Let's take the fisheries as an example, out east and out west primarily. When you're on a boat, social distancing is a bit of a challenge, so you need certain protocols in place for that. We want to make sure that's done in a very thoughtful way to protect people in the fisheries industry.

Then we can also focus on, say, the automotive sector. There's a fair amount of automation and a fair amount of space between the workers already, and workplace safety standards have made it very clear that they need to keep a certain distance from one another. Therefore, it's—

• (1155)

**Mr. Majid Jowhari:** Minister, do I understand that you're saying one approach might be sector by sector?

**Hon. Navdeep Bains:** No. What I'm demonstrating to you is that when the provinces are going about a reopening of their respective jurisdictions, they have to understand the unique needs within their own sectors and within their own communities.

**Mr. Majid Jowhari:** How does the Government of Canada play a role in monitoring this situation or in developing guidelines?

**Hon. Navdeep Bains:** One of the overarching guidelines and views we've had is that we have to be very clear that public health authorities and agencies are engaged so that the health and well-being of Canadians is not compromised. As I've stated, the Prime Minister has stated, and many of my colleagues, including the Minister of Health, we've worked very hard to flatten the curve and to build up capacity, and we have to be mindful of a potential second or third wave if we don't take into account the advice of our public health agencies and the individuals responsible.

**Mr. Majid Jowhari:** What tool do we use to monitor that? Are testing and the number of tests being done the tools to use? Are there guidelines around testing that are being developed?

**Hon. Navdeep Bains:** Testing is one such example, and in this conversation today, contact tracing has been another initiative. These are examples of tools that we need to look at to demonstrate confidence for the broader Canadian public, to make sure they understand that their health will not be compromised, to make sure that people feel empowered when they go out there and feel they have appropriate tools at their disposal to keep them safe and protected.

**Mr. Majid Jowhari:** Is it fair to say that testing and contact tracing, whether it's digital or by other means, are going to be the drivers, or is it data that the government is going to look to, to be able to provide the general guidelines?

A lot of my constituents and lot of small businesses are looking for a road map with certain timelines and certain key drivers to tell them when the economy or their industry or segment is going to start. Is something in the works whereby we could say it's going to happen with that road map and those drivers within a month, two months, or three months?

**Hon. Navdeep Bains:** Very quickly, I want to highlight that each jurisdiction is going to have its own timelines. They're going to deal with the unique economic circumstances in the different sectors that are going to be engaged in this process. We need to be thoughtful and deliberate about that and understand that we can't have a one-size-fits-all policy. We're going to have unique guidelines, but each jurisdiction is going to be sequencing this process in different stages.

**The Chair:** Thank you very much.

Our next round of questions goes to Simon-Pierre Savard-Tremblay.

[*Translation*]

You have the floor for two and a half minutes.

**Mr. Simon-Pierre Savard-Tremblay (Saint-Hyacinthe—Bagot, BQ):** Good afternoon.

I'd like to acknowledge all my colleagues. I want to take a moment to ask all my colleagues to use the headset. It makes a real difference in terms of sound quality. There has been a major discussion on the viability of technology in the parliamentary setting. This would be a good opportunity to lead by example. Thank you in advance.

Minister Bains, thank you again for being here. You mentioned in passing the idea of investing in the automotive industry. However, we can see that the oil industry is currently experiencing difficulties as a result of the economic crisis and war. This is a lose-lose situation. When the price of oil is low, consumers are very tempted to purchase a huge amount of it. There's no incentive for energy conversion in relation to the industry. High oil prices lead to a significant amount of investment, because we see this as a business opportunity.

Has the idea of an ecological transition, as it has often been referred to in the industry, been dropped because of the crisis?

What type of investments will be made in the automotive industry that you referred to earlier?

• (1200)

**Hon. Navdeep Bains:** Thank you for your question.

I want to emphasize the importance of the aerospace sector. It isn't just the automotive sector. The aerospace sector is absolutely crucial to our goal. It makes vital equipment. One example is CAE Canada.

In terms of our environmental goals, as always, the environment is a priority for our government. We'll continue to work hard to find solutions for the transition. We'll meet our environmental goals for the 2030 and 2050 targets.

**Mr. Simon-Pierre Savard-Tremblay:** I'll nevertheless ask you again about the investments that you mentioned in the sector. What type of investments will they be? What will be supported? Will any transition conditions be attached to these investments?

In short, what's the goal of all this?

**The Chair:** I'm sorry, but we don't have time for the response.

[*English*]

The next round of questions goes to MP Masse. You have two and a half minutes.

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

Mr. Minister, we New Democrats have declared that Wi-Fi and Internet connections are an essential service that should be available for Canadian businesses and also for schools that are sending work home right now. What do you say to the telecommunication companies that are not providing sufficient release for school platforms, especially in rural and remote areas?

I know that some of the hubs' prices and fees are very expensive and are causing considerable hardship for a number of families. What's your government's plan to either reduce those fees and services or for expectations to provide more cost-efficient connections for Canadians, especially in rural and remote areas? We know there are urban issues too, but rural and remote areas in particular are getting whacked right now.

**Hon. Navdeep Bains:** Our government understands the importance of focusing on quality service, on world-class networks at affordable prices. Those have been the priorities of our government, and we're making sure that during and after this crisis we continue to advance those goals.

I would like to underscore that our networks have kept up with the demand. It's been remarkable, and we have some of the best networks in the world. I want to acknowledge the field technicians who are out there every day making sure that Canadians remain connected.

You highlight a very good point around rural connectivity. This is an area where clearly there's a digital divide. There are two sets of experiences: one for those who live in urban Canada and another for those Canadians who live in rural communities. We have put programs in place, but we need to do more, and I am confident that my colleague Maryam Monsef will be presenting initiatives to improve rural connectivity.

**Mr. Brian Masse:** If there is a problem with pricing to consumers, will the government, and you, step in to regulate some of that pricing? I am asking because we have so many kids now who are doing online schooling, and it's becoming an extra burden and a barrier to equal education.

**Hon. Navdeep Bains:** Pricing again is something we've worked on very aggressively to make sure that prices go down. Because of our policies and because of the initiatives we've put in place, prices have gone down, but we need to do more.

One example I want to highlight is an initiative called "Connecting Families". This is a \$10-per-month Internet plan available to those families that receive the Canada child benefit. I'm confident that if Canadians make themselves aware of this program, more of them will take advantage of this initiative.

**The Chair:** Thank you, Minister. That's all the time we have for that round.

We're now moving into the third round, and the first five-minute question goes to MP Dreesen.

Minister, I understand that you were to leave at noon. Do you still have a few more moments for us?

• (1205)

**Hon. Navdeep Bains:** Yes, Madam Chair. I can make myself available.

**The Chair:** Thank you so much.

With that, we will move to MP Dreesen for five minutes.

**Mr. Earl Dreesen:** Thank you very much, Madam Chair; and thank you to the minister for being here today.

Minister, quite frankly, Canadians are at a stage now where their confidence is being strained. We're getting a lot of flowery words from the government of things that are happening, but what we see in rural parts of the country is convenience stores that are open and small businesses that are being shuttered. We have packed parking lots at big box stores, but everybody else has closed because of COVID-19. The products that would normally be sold in these communities are being purchased now in the big box stores because they happen to have food associated with them, but this is certainly the way to destroy the backbone of rural Canada, so that's really a critical part that we have to keep in mind.

I'll go back to a discussion that I believe the Bloc member brought up in talking about oil and gas. Quite frankly, your mandate letter makes it clear that you don't even have oil and gas in that mandate, and it's frustrating to see that it would not be in the mandate of an industry minister. Of course, some of the actions we've seen from this government have proven that there is a major lack of concern.

Meanwhile, Canadian companies are at the forefront of innovation and breakthroughs that could help us in the current battle against COVID-19. To me, it's a mystery why the Liberal government has decided to turn its back on Canadian high-tech start-up companies by excluding them from eligibility for the Canada emergency wage subsidy.

Could you talk about why some of these high-tech start-ups are finding it so difficult to engage in that program?

**Hon. Navdeep Bains:** I can start with the last point that you raised in terms of high-tech companies. We've introduced a \$250-million program through the industrial research assistance program, to help high-tech companies, start-up companies, pre-revenue companies, companies that are scaling up, SAS enterprises and so on. When we have broad-based programs, we recognize that some companies might not necessarily get the support they need, so we quickly pivoted and supported our start-up ecosystem through that initiative. If necessary, we will scale that up.

In terms of the challenges that businesses are facing, we have put forward record liquidity measures through the Business Development Bank of Canada and Export Development Canada, as well as by working with our financial institutions. Right now, hundreds of thousands of loans have been issued to small businesses.

The point I want to underscore there is that for many communities, small businesses are too big to fail. Prior to COVID-19, we had over one million small businesses, employing over eight million Canadians. That is why we are working around the clock to support our small businesses through the different measures we've introduced over the past several weeks.

Very quickly, because you raised the point, when it comes to the oil and gas sector, I work very closely with Seamus O'Regan to make sure that we look at investments to not only see that sector thrive, because they are facing a set of challenges, but also to focus on the small and medium-sized enterprises and how we can help them transition this energy sector to a low-carbon economy.

**Mr. Earl Dreesen:** I think the point you just made is one of the issues that people are understanding: that this is the attitude of this government. We can shut it down here in Canada if you like, if that's what the government plans, but it is simply going to come from other places in the world that, quite frankly, don't care about the environment.

I know we've had this discussion many times, so I certainly understand where this government is coming from in that regard.

Getting back to small businesses being too big to fail, going into more debt is not going to help them. They're going into debt while other companies are able to keep their doors open because they might be selling some food in that area. All the things that need to be purchased are being purchased from these larger companies rather than the small companies. We're going to see the hollowing-out of small communities as a result. We keep saying all these flowery things about how we're really helping, but if all you're doing is giving debt and more debt to these small companies, they're not going to be able to get ramped up again. We have to recognize that.

When everyone asks if they can borrow some money from BDC or EDC, which of course small companies aren't going to be able to do, this is very hollow for the small mom-and-pop shops that have never had a salary. Quite frankly, the money many of them send out for salaries is more than they get from their business. I think it's something you have to think about.

Thank you very much.

● (1210)

**The Chair:** Thank you, Mr. Dreeshen.

Our next round of questions goes to MP Ehsassi. You have five minutes.

**Mr. Ali Ehsassi (Willowdale, Lib.):** Thank you very much, Minister, for appearing before our committee today.

I think it would be fair to say, given the various activities that you have undertaken over the course of the past month, that you have essentially become the mobilizer-in-chief, and you are in contact with various segments of our economy.

I don't think you had enough of an opportunity to talk about the great work that Canadian scientists are doing. I know that's something you take a personal interest in.

I wonder if you could provide us with more of an update on the excellent work that our scientists at the University of Saskatchewan are undertaking. I know our government did make available an additional \$23 million to them so they could continue with their cutting-edge research.

**Hon. Navdeep Bains:** Very briefly, Madam Chair, because I didn't have the opportunity to respond to the questions from the previous round, when it comes to rural and remote communities, we've invested significant amounts of money in the regional development agencies, and these agencies exist across the country to help small businesses with the health care crisis we're dealing with.

Again, I want to underscore that the oil and gas sector is going to be part of the transition. We work very closely with them, and I have a great working relationship with Seamus O'Regan as well. We understand this area has been hit hard, not only by the health care crisis, but also with regard to the price war between Russia and Saudi Arabia. The sector is facing many challenges that are not necessarily within our control.

To respond to the questions asked by the parliamentary secretary around science and science mobilization, I think it's a remarkable story. As a government we believe in science. We reinstated the mandatory long-form census. Our government made historic investments in science. We have some of the best world-class researchers and scientists, and they are empowered and engaged with vaccine development, therapeutics and other countermeasures. All of it is designed to help and protect Canadians, and we're very excited about the work they're doing.

VIDO-InterVac, the one that was highlighted, is the international vaccine centre in Saskatchewan, where they are now looking at building up clinical trial capacity.

We've made sure we not only mobilize scientists but also give them the resources for clinical trials for the development process,

and ultimately we want to focus on broad biomanufacturing production as well. We've invested over \$1 billion in this initiative to complement the investments we've made in the past.

We've also ramped up our production facility at the National Research Council.

These are part of the different initiatives that were announced by the Prime Minister and by Minister Hajdu as well, on top of the testing initiatives, the immunity task force, and Genome Canada. They are all designed to mobilize the science community and our researchers to deal with this incredible challenge we're facing.

**Mr. Ali Ehsassi:** Thank you very much for that.

Let's turn to a very different type of push. It's not the push for developing a vaccine but the push that we're seeing from various provinces to reopen. I know that the program you have with IRAP is very important to those efforts. You did touch on IRAP. Could you tell us how crucial IRAP is in assisting various provinces to return back to business?

● (1215)

**Hon. Navdeep Bains:** Over the last four years, we have significantly invested in a new industrial policy called the innovation and skills plan. In order to have a strong, innovative economy, we need to invest in scale. We need to invest in towns and people, in upscaling and in rescaling. That is our competitive advantage. That is what will differentiate our companies and enable them to succeed on a going-forward basis.

The program we identified that works with companies across the country in different provinces is the industrial research assistance program, which will enable companies that were not eligible for the wage subsidy to be able to support highly skilled innovators. This is about retaining top-tier talent within Canada.

**The Chair:** Thank you, Minister.

Our next round of questioning goes to MP Rempel Garner. You have five minutes.

**Hon. Michelle Rempel Garner:** Thank you.

Minister, just going back to the line of questions I had before, I'm wondering if you could point me to any section of PIPEDA that would apply to a contact-tracing application that was developed pro bono.

**Hon. Navdeep Bains:** Again, it's a hypothetical. I don't know which pro bono app you're talking about. As I said, we are engaging with many different companies to look at different solutions, and of course PIPEDA and the Privacy Act would apply.

**Hon. Michelle Rempel Garner:** I'm also wondering about the nature of consent. I'm assuming that your department is doing some research on how privacy would apply to this. Let's say one of these apps had some sort of terms and conditions, as we know all of these apps do, and essentially asked you to sign away your rights to this data, or your privacy. As we know, many apps already do. What would your interpretation of the nature of consent be in that situation? How can you sign away rights to your health data and...?

It's a situation in which you potentially need to have access to this app so that you're not in contact with a deadly virus. Is your department doing any work specifically to deal with that? Again, I kind of don't want the word salad about "privacy is important". What is the specific work that you guys are doing to ensure that it wouldn't be the case in that situation?

**Hon. Navdeep Bains:** Privacy is important, and I can't say that often enough, because Canadians say that to me and I have no hesitation in saying it. That is a priority of ours—

**Hon. Michelle Rempel Garner:** What are you—

**Hon. Navdeep Bains:** —and that's why we advanced the digital charter.

When it comes to consent, as you highlighted in your remarks, plain and simple language is one of the initiatives we put forward through the digital charter as a way to make sure that we empower Canadians and that they have more control over their data.

When it comes to any particular solution, I'm not aware of any specific initiative that we have endorsed at this stage. Therefore, it's a hypothetical. I again want to underscore that protecting Canadians' privacy has been, and will continue to remain, a priority for our government.

**Hon. Michelle Rempel Garner:** We're kind of beyond the point of hypotheticals. The Prime Minister has said that the government is looking at contact-tracing apps as a way to deal with reopening the economy, so I kind of reject your assertion. If you're saying it's hypothetical and your department hasn't gotten on this yet, I don't really think that you are taking privacy seriously.

I guess I'll ask again: Given that this is something that your department should have been seized with, given the Prime Minister's comments, what part of PIPEDA would apply to an app that is developed pro bono?

**Hon. Navdeep Bains:** Again, we haven't endorsed any particular app. Companies are approaching us with solutions. We're listening to them. We're engaging with them. When it comes to apps, they have to be voluntary. They have to comply with the Privacy Act. They have to comply with PIPEDA. These are—

**Hon. Michelle Rempel Garner:** But what I'm saying is that I'm not sure PIPEDA would apply in this situation, right? So what are you doing to—

**Hon. Navdeep Bains:** It gets to what you're talking about. That's what I'm saying. You are yourself posing a question and answering

it, so maybe you can speak to the specific app that you're trying to highlight.

**Hon. Michelle Rempel Garner:** Well, the Prime Minister has said that you guys are looking at different options. One would assume that if you are trying to engage with companies to do this, in the art of negotiation, you would have a set of standards to go with. Your response to me suggests that you're just treating it like a hypothetical.

You said earlier that you're talking to many different companies. If you're talking to companies, what framework are you using to ensure that consent wouldn't be waived away? Have you developed a formal privacy consent framework that you're giving to these companies? Is there anything whereby you're materially setting out the demarcation line for Canadian health data and that we don't want it monetized or sold? What's there?

• (1220)

**Hon. Navdeep Bains:** We've been engaged with the Privacy Commissioner on contact tracing, and the commissioner mentioned recently that public health objectives and privacy protection can be achieved at the same time. We agree with this commentary by the Privacy Commissioner, so it's about moving forward—

**Hon. Michelle Rempel Garner:** So what are you doing?

What are you doing? As the Prime Minister said, you're engaged with companies. What are you telling them, especially since PIPEDA might not apply in this situation?

**Hon. Navdeep Bains:** Privacy cannot and should not be compromised.

**Hon. Michelle Rempel Garner:** But that's not doing something. That's a statement. That's not an action.

**Hon. Navdeep Bains:** I think so. Maybe it's a statement—

**Hon. Michelle Rempel Garner:** Canadians want action—

**Hon. Navdeep Bains:** We've been very clear on what—

**Hon. Michelle Rempel Garner:** I'd like you to say, "Here's what I'm telling companies."

**Hon. Navdeep Bains:** Wait a minute. I'm trying to answer, but you keep on interrupting.

**Hon. Michelle Rempel Garner:** You're kind of giving me word salad, so forgive me.



**Hon. Navdeep Bains:** No, I'm giving you a response. You might not like the response, but I'm being very clear about what our priorities are. We've been very—

**Hon. Michelle Rempel Garner:** I don't like the response.

**Hon. Navdeep Bains:** That's your prerogative, but I'm doing my best to answer.

**The Chair:** That is all your time, Ms. Rempel Garner.

The next round of questions goes to MP Longfield. You have five minutes.

**Mr. Lloyd Longfield (Guelph, Lib.):** Thank you. I'm going to be splitting my time with the member from the west coast, Paul Manly from the Green Party, in order to have his perspective as part of our conversation. I appreciate his being part of the meeting today.

I'd like to go from the hypotheticals to reality. Auto parts manufacturing is part of the North American chain and in fact the global chain. As we are influenced by other regions, such as the United States, opening up their truck manufacturing, and since we have auto parts manufacturers in Ontario supplying that chain, is ISED working with Health Canada to ensure that we have the proper PPE for workers who are being pulled back to work because of supply commitments in the global chain?

**Hon. Navdeep Bains:** Yes. When it comes to Health Canada, I want to underscore that as of April 28, a total of 763 medical device establishment licences have been issued. We're working very closely with Health Canada on personal protective equipment to make sure we maintain standards, and Health Canada is acting in a very nimble and flexible manner to make sure they accommodate the feedback we're getting from industry with regard to mobilization in many sectors, including the automotive sector, as you've highlighted.

I can tell you right now that ABS Friction, which is located in your riding, is part of a Canadian consortium that is making ventilators, and that's a success story of companies coming together, mobilizing and engaging the superclusters. We've created a process whereby Health Canada, procurement and medical experts have created a SWOT team to provide a quick solution in order for us to scale up.

**Mr. Lloyd Longfield:** Thank you.

We also have Precision Biosystems working on testing equipment. Testing is also going to be very important. We need to ramp up testing. In a few seconds—so we can move over to Mr. Manly—how are we engaging with companies like Precision Biosystems?

**Hon. Navdeep Bains:** We're working very closely with them. They approached us through the portal. We're in a process now of working on next steps with them.

These are incredible and innovative companies that have solutions that are going to protect Canadians. It's a point of pride, because it reflects our incredible industrial base, our innovation ecosystem. It's all about protecting Canadians and making sure that we support our front-line health care workers. Mutually, it's a point of pride.

**Mr. Lloyd Longfield:** Thank you. I'm sure proud of them as well.

I'll turn it over to you, Mr. Manly.

**Mr. Paul Manly (Nanaimo—Ladysmith, GP):** Thank you for sharing your time, MP Longfield.

I have a comment for Minister Bains. My brother lives in Taiwan. They're not testing a lot of people there. If you look at the world stats, it's 2,600 tests per million there, compared to 20,000 here in Canada.

Their solution is very simple. They had their first presumptive case on the same day that Canada did. They're down to 429 cases. They've had only six deaths. They just have masks. Everybody wears masks. You can get three masks at the pharmacy. They're like the surgical masks, not the N95, but like those that are made with the K10S pulp that's produced here in my riding, at Harmac. You get three masks a week. In every building you go into, there's hand sanitizer where you enter.

They're not using contact tracing. They're not testing everybody. My brother teaches there. The kids all wear masks, and he wears a mask. They shut down the school for two weeks, and that was it. We need a solution like that here in Canada, so that we can produce masks for citizens and get the economy up and running again.

I also want to know what's being done about the issue of the Internet. I have some constituents who live half a kilometre away from a major development, and Telus and Shaw are saying that it will cost \$5,000 for them to get high-speed Internet half a kilometre down the road.

These are two issues that I'm interested in hearing about.

• (1225)

**Hon. Navdeep Bains:** I think the Taiwan example is one that we're looking at to see what they've done. We're also looking at what other jurisdictions have done.

Just to illustrate the domestic capacity that we've built to deal with some of those opportunities, the domestic capacity for hand sanitizer is now at 15 million litres per month. That's six Olympic-sized swimming pools. That's an example of the kinds of capacity that we've built within Canada to deal with the reopening of the economy and making sure that people have easy access to hand sanitizers. On masks, we've highlighted the domestic capabilities as well. On Internet connectivity, just very quickly, we'll continue to engage with the telecommunication companies to deal with the digital divide.

**The Chair:** Thank you so much, Minister.

[Translation]

It's now Mr. Lemire's turn.

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

**Mr. Sébastien Lemire:** My first question for the minister is very straightforward. As Minister of Industry, are you prepared to acknowledge that access to the Internet and cellular networks is an essential service?

**Hon. Navdeep Bains:** I agree that high-speed Internet isn't a luxury. It's absolutely essential. That's why our government has invested in the connect to innovate program, for example. This program has helped 900 communities across Canada and Quebec. We'll continue to work every day to find solutions to improve the digital economy.

**Mr. Sébastien Lemire:** You said earlier that the time frame must be changed because the strategy is problematic. In your opinion, what would be a reasonable time frame? The current deadline is 2030. Would 2022, or two to three years from now, be a reasonable deadline?

**Hon. Navdeep Bains:** You asked a very good question. My colleague Myriam Monsef is responsible for the strategy. She'll soon be outlining solutions for all Canadians, because this issue is very important to our government. I'm sure that we'll be working with all the members to find solutions.

**Mr. Sébastien Lemire:** I'll also be working on this issue. In my opinion, the program must be flexible and adapted to the situation in each region. Currently, the programs are ill adapted or not at all adapted to the regional realities. We expect affordable and high-quality cellular and high-speed Internet networks, with fibre optics, LTE or satellite. We also expect that 100% of Quebecers will be able to access these networks, and not 95%, as set out in the current program. I look forward to working on this issue with Minister Monsef.

**Hon. Navdeep Bains:** We'll indeed be working together. Thank you for your efforts.

**Mr. Sébastien Lemire:** A cash infusion is the key to success.

Thank you, Minister Bains.

[English]

**The Chair:** Thank you very much.

Our last round of questions in round three go to Brian Masse.

You have two and a half minutes.

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

We saw that the Business Development Bank was involved with the loans and the government liquidity programs. They quietly raised their rates to prime effective May 1 and took a 1.75% reduction reference off their website. Were you aware that the BDC is actually raising its borrowing rates right now? What do you think about that, and will there be some intervention in that regard with the BDC?

• (1230)

**Hon. Navdeep Bains:** Our overarching objective is to do more, not less, to be flexible and nimble and to help as many Canadians as possible. That's why we put forward these liquidity measures, by making sure that we strengthened the balance sheet of BDC to give out more loans, and we're engaged with them to make sure they

come forward with the best possible option. We know how challenging this is for Canadians and Canadian companies, so we'll continue to engage with BDC to determine what the [Technical Difficulty—Editor].

**Mr. Brian Masse:** Just as a follow-up, doesn't it seem kind of absurd that we would be facilitating businesses working with the BDC and at the same time allowing them to raise borrowing costs for businesses that we're trying to save right now?

It would make sense to actually have lower costs. Why does the BDC get away with raising rates at a time when we're trying to facilitate the economy?

**Hon. Navdeep Bains:** We want to be sure we help as many businesses as possible. That's why we've given BDC [Technical Difficulty—Editor] to provide more support to businesses. They have to do a risk assessment of how they proceed on a going-forward basis to provide more loans and help more companies. [Technical Difficulty—Editor]

**Mr. Brian Masse:** Sorry, but there is a translation problem, Madam Chair. Something changed over. Sorry.

**The Chair:** One moment. We're just going to check the translation.

Minister Bains, we are having difficulty hearing you. Therefore, the translators can't actually do the translation.

I'll just check quickly with the clerk and IT to see if they can double-check that.

**Mr. Brian Masse:** Could rephrase my question? I had the same problem. Can I quickly rephrase my question so we can get a proper question on the table?

**The Chair:** I will give you one minute, MP Masse. That's about the time it cut out.

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

To follow up, it seems patently absurd to engage the BDC as a financial tool to help businesses and at the same time allow them to increase the borrowing rates on the companies we are trying to save right now. Incurred debt from credit cards and borrowing are going to be a significant legacy, so wouldn't it make more sense to have the BDC not raise the interest rates on those businesses we are trying to save right now?

**Hon. Navdeep Bains:** Thank you for that question, Brian. I can tell you right now that the goal is to make sure that we get money out as quickly as possible to businesses, particularly those businesses that need it in order to survive the next few months. I will follow up on the issues around rates and program criteria and eligibility with my colleague, Mary Ng, who is responsible for BDC, but I can tell you right now that we have issued hundreds of thousand of loans through our financial institutions and BDC to help small businesses.

**The Chair:** Thank you very much.

That is the completion of three rounds. Since we still have some time on our clock, we can move into a fourth round.

Minister, are you able to stay with us, or do you need to leave?

**Hon. Navdeep Bains:** Thank you very much for the opportunity. I have a prior commitment, but it's been an honour to be here to go through all the questions and all the rounds and have an opportunity to speak to committee members.

Thank you for your hard work. I look forward to the next opportunity to address you on any questions or issues you may have.

• (1235)

**The Chair:** Thank you, Minister.

I understand we still have the officials with us. We'll move into the fourth round.

MP Rempel Garner will begin. You have five minutes.

**Hon. Michelle Rempel Garner:** I'll be splitting my time with MP Gray.

I'll direct my questions to the deputy minister.

My question is simple. Under the Treasury Board Secretariat Canada directive on privacy impact assessments, government departments and agencies must conduct a privacy impact assessment in a manner that is commensurate with the level of privacy risk identified before establishing any new or substantially modified program or activity involving personal information.

Can the deputy minister confirm if a privacy impact assessment has begun with regard to the potential use of contact tracing apps?

**Mr. Simon Kennedy (Deputy Minister, Department of Industry):** Obviously, as the minister said, we're looking at a variety of different companies and organizations that have come to us on this issue. Absolutely any of the discussions we're having would involve the Department of Justice and would involve a privacy impact assessment, so that will be part of the consideration.

**Hon. Michelle Rempel Garner:** Have any of those activities begun yet?

**Mr. Simon Kennedy:** We've begun to look at some of the privacy implications of some of the possible alternatives that are out there, but as the minister said, the government has not made any decisions to proceed on any specific proposal, so we're not really at this space of having a formal decision to proceed. However, as part as our regular support to the government, we're certainly discussing those kinds of issues with Justice and also with the Privacy Commissioner.

**Hon. Michelle Rempel Garner:** Have the Department of Justice, the Privacy Commissioner or you provided any advice to the minister regarding any potential gap in PIPEDA regarding whether it would apply to an application that would fall under the non-commercial activity exemption?

**Mr. Simon Kennedy:** It's important to just point out that the government has been very clear with us about the primordial importance of privacy in any of the work we're doing. What I would say is that notwithstanding whether—and I'm speaking here hypothetically—information were to be collected for public purposes or by a non-profit, some of the things the hon. member was sort of

conjecturing about—for example, whether there's any onward use of that information later, say, for commercial purposes—are all subject to PIPEDA and are also subject to provincial privacy legislation.

I can say pretty categorically at this point, when I look at the various proposals that have been brought forward, we would not be entertaining anything that would create privacy risks, and we would have significant frameworks and rules that would apply in the event there was concern about onward use of data. As well, anything that we did would certainly be with full transparency of the Privacy Commissioner and also in consultation with the Justice Department, so just to assure committee members, there's—

**Hon. Michelle Rempel Garner:** Sure, but can you point to any jurisprudence from a similar situation in which the government has...? Again, in the media, most of the conjecture is that these apps would be provided “pro bono”. Do you have any jurisprudence you can point to regarding a similar situation that has come into place, there's been a free app and companies have then had onward use of data, following which there has been a successful conviction or a fine on behalf of the government?

**Mr. Simon Kennedy:** At this point I can only rearticulate the principles and explanation I've just given. If at some point the government indicates it's supporting one approach or another, I'd be more than happy to come back and go into chapter and verse on why that option met the kind of principles I just enunciated.

It's a little hard to talk in theoretical terms. There is no proposal that the government is currently backing. As we're looking at the various players that are coming in and as we're looking at various options, all the considerations and numbers are noted, and we are certainly taking those into account. We would not allow a situation in which—

**Hon. Michelle Rempel Garner:** I'll send it over to Ms. Gray because I'm over my time. Thank you.

**Mrs. Tracy Gray:** Great. My questioning is also for Mr. Kennedy.

When we're looking at opportunities for industries as we move to reopen our economy, under the regulatory reconciliation and co-operation table work plan set out by the Canadian Free Trade Agreement, federal-provincial standardization for corporate registration was due at the end of 2019 to reduce regulatory burdens. The table itself says that businesses face substantial amounts of red tape when registering their companies as they seek to expand operations in other provinces. Can you confirm whether this specific issue has been resolved?

• (1240)

**The Chair:** Be very quick, deputy minister.

**Mr. Simon Kennedy:** I can come back to it, but there's been a lot of work to advance that file.

I'd be happy to give details later.

**The Chair:** Thank you very much.

Our next round of questions goes to MP Longfield.

You have five minutes.

**Mr. Lloyd Longfield:** I'd like to start off with the coordination we have with the provinces on opening plants. Toyota in Cambridge has announced an opening, and the provincial ministry of labour has gone through the plant to look at the isolation measures being planned. It is delaying some parts of the operation opening until some provincial standards are met, and we're working through Health Canada also in terms of testing and PPE.

We as MPs have been pressed to give some timelines on when plants will be opening. Could one of the representatives from the department talk about the coordination efforts we have with provincial jurisdictions in order to achieve the safe opening of our plants?

**Mr. Simon Kennedy:** Certainly we work and the minister works very closely with the Canadian Automotive Partnership Council, which, as the member will know, brings together the major assemblers, the parts companies, the labour unions and so on. We are certainly talking to the council about these issues regularly.

Federally, we're also working very closely with our colleagues in the health ministry, the public safety ministry and the labour ministry, all the ministries you might expect to be involved in determining who the essential workers are and in the production of personal protective equipment.

On the specific issues of when plants would reopen and what some of the safety issues are, mostly it's about jurisdiction. I would have to defer to my colleagues in the health ministry and the Public Health Agency because those are really health-related decisions. Just to assure the member, there's a lot of close work with them, and we bring that industry knowledge to the table when they make those decisions.

**Mr. Lloyd Longfield:** As we go through this crisis, we see the importance of cross-jurisdictional co-operation not only from the political side but also from the departmental side, and it's a glimpse that most Canadians don't see on a day-to-day basis or appreciate.

**Mr. Simon Kennedy:** You mentioned the automotive sector in particular. Just to assure the members of the committee, we work very closely with our colleagues at the provincial level and very closely with our colleagues at the federal level, so we have good conversations with the Ontario officials who work with you.

**Mr. Lloyd Longfield:** Cargill, another large manufacturing plant, if you want to call it that, is also a food-processing plant. It has a plant in Guelph and is facing a lot of the same issues. Since February, Cargill has been doing all temperature testing at the gate as people come into its plants. Then the company does rotational testing through the day, random testing, so that by the end of the day 90% of the people in the plant are tested for temperature. We know that people can be asymptomatic, so further testing needs to be looked at.

I mentioned Precision Biosystems. It's one of the companies providing opportunity for additional testing. How are we coordinating these new technologies and the additional testing to further improve the health and safety of the workers who may have to go into a back-to-work situation?

**Mr. Simon Kennedy:** I could talk briefly about the work we're doing on testing specifically.

ISED's primary role is to work to try to build the Canadian industrial capacity for personal protective equipment and testing. Members will have seen that global supply chains have proven themselves to be very challenging in this environment.

With regard to testing in particular, in our main role we work with the Public Health Agency, the health ministry, the procurement ministry and some of the sectoral ministries to identify all of the components needed to do the testing at volume. That's with regard to both the lab-based test and the point-of-care test.

For example, as the minister mentioned, we ran a competitive process to identify Canadian companies that could make point-of-care tests, and we had a jury that looked at whether a company was able to scale up quickly, whether the technology would be approved by Health Canada and whether it had good tech that would deliver a good test result. We're going to be moving forward shortly to try to scale up some of those firms. That's just one example.

• (1245)

**Mr. Lloyd Longfield:** I'm thinking ahead that we will have some technology to then export to other countries that are also facing start-up issues.

**Mr. Simon Kennedy:** Yes, that's certainly our hope. That's part of the mandate. Obviously we want the health response to be first, but if there are real opportunities for export and IP and those sorts of things, that's certainly a consideration.

**Mr. Lloyd Longfield:** Thank you very much.

**The Chair:** Thank you.

Our next set of questions goes to MP Patzer.

You have five minutes.

**Mr. Jeremy Patzer:** Thank you, Madam Chair.

Mr. Kennedy, I want to confirm something with you. At our last meeting, I asked for a report on your department's engagement with Canadian industry with regard to procurement. Today, Minister Bains said he would get me a report on the list of businesses that have been engaged throughout the process. Will I be getting two separate reports, or will this all come in one report?

**Mr. Simon Kennedy:** I'll be happy to pull that together on behalf of the department. Obviously we work closely with the minister's office on that, so we can send one report.

**Mr. Jeremy Patzer:** Thank you very much. Hopefully we can get that as quickly as possible.

The next thing I want to run by you goes back to the rural broadband issue.

The CRTC has created its broadband fund to bridge the digital divide in Canada. The program was rolled out in 2016, and I've talked to people involved in telecoms, like VPs and CEOs. They're saying that it's not going to be until the end of this year that the first dollars from that program will be rolled out.

If it takes four years to get money out, how are we going to resolve the issues that these programs and companies have?

**Mr. Simon Kennedy:** Well, obviously, I think we want to move as quickly as we can. There is a substantial amount of money that has been devoted to broadband, and the onus is on us to try to move as quickly as possible.

I will say that in some cases these are what amount to large capital investment projects, so there is a bit of due diligence in having an application period and then adjudicating to make sure that the best projects are selected first, the ones that yield the biggest bang for the buck in reaching citizens in rural areas. Then, sometimes, you have to work with the telco and the communities to move the equipment and actually build out the projects.

Sometimes these can take a fair chunk of time. It's kind of the nature of the project, but I would agree completely with the member's view that we have to do this as quickly as we can, and as the minister said, this crisis is just underlining some of the challenges around lack of connectivity, so I think the ministry would completely agree with the need to try to execute as fast as possible.

**Mr. Jeremy Patzer:** Yes, for sure. I think that for some people it has been frustrating that it's taken four years to go through that process.

The government's goal is to connect all Canadians by 2030, but I believe the CRTC mandate is that, since the funds will start rolling out at the end of 2020, by 2025 all Canadians should have access to 50 Mbps download speed and 10 Mbps upload speed. So if your government's goal is 2030 and the CRTC's is 2025, what can we expect realistically?

**Mr. Simon Kennedy:** Madam Chair, I think that's probably more of a political question in terms of the goals the government sets. It's the civil service that obviously tries to execute against those goals. The minister indicated that it's likely that some of this will be revisited and perhaps accelerated, and I'd be happy to speak to that once the government decides, but we certainly want to roll out the existing programming as quickly as we can.

**Mr. Jeremy Patzer:** For sure. Will you prioritize Internet connectivity and cell coverage for rural and remote communities and businesses as a roll-out, and particularly as a way to kick-start the economy coming out of COVID-19?

**Mr. Simon Kennedy:** Madam Chair, with the money that we've set aside—it's a billion dollars at the moment that my ministry is responsible for delivering, and that would be under the authority of Minister Monsef—there was a consultation that took place. I believe it was late last year, but we sort of just came off a consulta-

tion, and the plan in the next short while will be to go forward with the launch so that we can start taking applications and making those decisions.

The consultations afforded an opportunity to talk to rural communities and others, indigenous groups and so on, to get a sense of their priorities, and the design will try to respond to the kinds of concerns that we've heard. Certainly, the issue of rural connectivity is a key one. I can't get into the details. Obviously we'll have to put the program up on the website and start taking applications, but we want to make sure it closely adheres to the kinds of challenges that people told us about when we did the consultations.

• (1250)

**Mr. Jeremy Patzer:** For sure.

Yesterday, we heard from Minister Joly about these regional relief funds that will go through the regional economic development groups. I think the number was \$287 million for regional development funds; but proportionally, it's a much smaller amount for rural areas compared with urban areas.

Will your department commit to ensuring that rural areas are prioritized? That's where the greatest divide is.

**Mr. Simon Kennedy:** There are actually two distinct elements to the funds that were announced that the honourable member is talking about. One was for community future development corporations, and the other was for regional development agencies. I don't think a priori there's any sense that one is for bigger communities and one is for smaller communities.

My colleague Paul Thompson, whom I work closely with, has been stickhandling this at the bureaucratic level. He could provide more details if the committee is interested.

**The Chair:** Unfortunately, that's all the time we have for that round.

Our next round of questions starts with MP Erskine-Smith.

You have five minutes.

**Mr. Nathaniel Erskine-Smith:** Thanks very much. I want to start by asking about the DP-3T standard.

Mr. Kennedy, are you familiar with the standard?

**Mr. Simon Kennedy:** I have a feeling that you're going to tell me I should be, but at the moment my powers of recall are limited.

**Mr. Nathaniel Erskine-Smith:** That's okay. If you're not familiar with it, I have no issue with that, but I would like you to become familiar with it. We saw this conversation go on in the EU about what the standard ought to be for digital proximity tracing, and this is the standard that they are landing on. I would encourage you to direct your staff to give you a briefing on that standard.

To the extent that the work is under way to develop a digital proximity application, are you looking to rely upon the Apple—Google framework? Are you in touch with Apple and Google on this front?

**Mr. Simon Kennedy:** Certainly in the course of our work, as you might appreciate, we are well aware of what they've done. They've certainly reached out to us and there have been conversations. I'm certainly not looking for any sympathy, but I want to underline that we've had many firms reach out to us offering solutions. We say that we've had conversations. I want to indicate that it's not as if there's one thing that we've looked at. We've actually had a lot of different organizations approach us with possible options. We wanted to look at those and try to make sense of which ones might be the most promising and which might be more problematic.

Apple and Google are certainly some of the firms we've spoken to.

**Mr. Nathaniel Erskine-Smith:** It makes sense to me that you're going to look at the applications that companies submit. When you are looking at them, I would just say that the real role of an application, in my view, would be that it's got to operate on the front end with the API firms, Apple and Google, which are going to be on the operating systems. That's going to, I think, be the best way of triggering adoption rates, and the application will then have to speak to provincial databases on the back end. I think we ought to be working with Apple and Google. As long as we're looking at the DP-3T standard, and certainly that work can feed into it, I think it's a good idea. I would encourage you to pursue that.

By the way, on the privacy side, these companies may well be agents pursuant to PIPEDA, at least in Ontario, and so they would be captured by our privacy regime as it relates to health information.

My only other question on digital contact tracing is with respect to adoption rates. We see that Singapore has an adoption rate of under 20%. That's not going to be a really important contribution, I would say, in some ways to contact tracing.

Can you speak to some of the limitations of digital contact tracing?

**Mr. Simon Kennedy:** I think the honourable member has hinted at some of the concerns that are out there. For anything to work, there has to be a certain critical mass of users. I'm not personally an expert in these matters. Obviously, if something is not adopted, then it has less utility. So it's not just a matter of the technical functionality of the solution; it's a matter of whether citizens trust it and feel they can use it. Then it has to be respectful of their privacy and needs.

Because I know that this type of issue tends to get media coverage and so on, I want to re-emphasize what the minister said, that foremost for the government—and the Prime Minister has talked about this—is the knowledge that Canadians want their privacy to be protected. We want to be looking at these kinds of possible solutions because they could be really useful in the fight against COVID-19, but not at the expense of some of these fundamental rights.

I would also note that, as all members know, we live in a federation. Health data is provincial, so obviously we've been talking with our partners at the provincial and territorial levels too. It's not necessarily simply a case of the deputy minister dreaming something up and then we roll it out. We live in a big country and we want to make sure that these kinds of considerations are factored into the discussion.

• (1255)

**Mr. Nathaniel Erskine-Smith:** That's completely appreciated and I think you're right to highlight the importance of privacy. Also, as someone who was very vocal on privacy issues in the last Parliament, and continues to be, I think the DP-3T standard is a privacy gold standard.

At the same time I think it is fair to have a credible conversation before we commit to anything. If an opt-in system is going to have very low adoption rates and we already have serious civil liberty concerns.... We have a lockdown here in Ontario. If it meant getting out of a lockdown a month early because I have an app on my phone, and it's done in opt-out system, I think it's a conversation we should have, and it shouldn't be precluded right from the get-go because of privacy concerns.

Thanks so much.

**The Chair:** Thank you, Mr. Erskine-Smith.

[*Translation*]

We'll continue with Mr. Simard.

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

**Mr. Mario Simard (Jonquière, BQ):** Mr. Kennedy, I don't know whether you're aware that the Canadian Institutes of Health Research has stopped reviewing calls for proposals from researchers. This situation is crippling all health care research laboratories. It's creating insecurity for researchers. If one sector requires support in a pandemic, it's the research sector. My question is twofold.

First, do you know when the review of calls for proposals will begin again?

Second, has an infectious diseases working group been established at the Canadian Institutes of Health Research to recommend research priorities and, above all, potential funding methods?

**Mr. Simon Kennedy:** Thank you for your question.

First, the Canadian Institutes of Health Research doesn't fall under the Minister of Industry's jurisdiction, but under the Minister of Health's jurisdiction. Any specific questions regarding the Institutes of Health Research should be referred to my colleague, the deputy minister of health, or to the minister.

I apologize for not having an answer. However, regarding the impact of COVID-19 on researchers, universities and research centres in general, we're well aware that the impact is serious. We're discussing this issue with the Department of Finance and the other central agencies.

**Mr. Mario Simard:** Okay.

I want to address the research issue from a perspective that concerns you. We know that many research laboratories, and not only the laboratories associated with the Institutes of Health Research, are facing a decrease in funding as a result of the current crisis. Unfortunately, these research laboratories don't have access to the wage subsidy.

Have there been any discussions about maintaining expertise in the laboratories by giving them access to the wage subsidy?

• (1300)

[*English*]

**The Chair:** We are actually at one o'clock, but I would like to give MP Masse the last two and a half minutes if he'd like to go ahead.

Mr. Masse.

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

I have one quick question for the deputy minister. Could he distinguish the exact difference, that change, in the Investment Canada Act policy that was recently announced? Can he give a quick synopsis of that?

**Mr. Simon Kennedy:** Yes, Madam Chair, I'd be happy to do that.

This was just additional guidance. It's not actually changes to the legislation, but guidance on how we will apply the legislation. That came out a number of weeks ago.

The specific concern is just to make sure that market participants, the investment bar, the people who advise firms, are put on

notice that we'll be watching for concerns about what I would maybe call "predatory behaviour". We're aware, for example, that there are firms that have depressed valuations because of the crisis and we wouldn't want to have very important Canadian companies necessarily be taken out because they happen to be in a weak position or there happens to be a vulnerability related to the crisis.

Just to note, we also have particular concerns on all of the issues around the supply chain for medical goods, services and products. We have particularly pointed concerns with regard to certain strategic assets, if you like, in the health sector. We want to make sure there as well that the market takes note that it's an area we'll be looking at a little more closely. I would say there's a particular focus on state enterprises and non-commercial actors who might be engaged in those kinds of purchases. If it's a private transaction and it's driven by the market and it's the sort of thing we would have seen before the crisis, we may be less concerned, but if it's a strategic acquisition perhaps for non-economic reasons, that's something that would be more worrying.

I would simply note that other jurisdictions have done something similar. The honourable member may be aware that Australia put out guidance that is very similar to what we have done. So a number of our peer countries have taken similar steps.

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

That's all. Thank you very much for the opportunity.

**The Chair:** With that, we will end our time today. Just a reminder that our next meeting is on Monday, May 4 from six to eight p.m.

I want to thank everyone again. Today we were able to get in four great rounds, so thank you so much for your collaboration. With that, I wish you a great afternoon and I will see you all on Monday.

This meeting is adjourned.







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