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Chair: The Honourable Hedy Fry



Standing Committee on Canadian Heritage

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• (1105)

[Translation]

Mr. Martin Champoux (Drummond, BQ): I call this meeting to order.

Welcome to meeting No. 47 of the House of Commons Standing Committee on Canadian Heritage.

I would first like to acknowledge that this meeting is taking place on the unceded traditional territory of the Algonquin Anishinabe people.

Pursuant to the order of reference adopted by the House on Tuesday, May 31, 2022, the committee is meeting on the study of Bill C-18, An Act respecting online communications platforms that make news content available to persons in Canada.

Today's meeting is taking place in a hybrid format, pursuant to the House Order of Thursday, June 23, 2022. Members are attending in person in the room and remotely using the Zoom application.

I would like to make a few comments for the benefits of the witnesses and members.

First, please wait until I recognize you by name before speaking. For those participating by videoconference, click on the microphone icon to activate your mic and please mute yourself when you are not speaking.

Regarding interpretation, those on Zoom have the choice, at the bottom of your screen, of either floor, English or French. Those in the room can use the earpiece and select the desired channel. Today, given that the chair will be presiding in French, I think the interpreters into the other language will have a bit more work and the participants will be using the earpieces more often.

Also, a reminder that all comments should be addressed through the Chair.

In accordance with our routine motion on this subject, I am informing the committee that all witnesses have completed the required connection tests in advance of the meeting.

I would now like to welcome new committee members and today's witnesses.

Two representatives of the Alberta Weekly Newspapers Association are appearing by videoconference: Evan Jamison, President of that association and Vice-president Manufacturing, Great West Media, and Dennis Merrell, Executive Director of that association.

We also have Kevin Desjardins, President of the Canadian Association of Broadcasters.

Two representatives of Channel Zero are joining us by videoconference: Cal Millar, President, and Greg O'Brien, News Director, CHCH-TV.

We also have, by videoconference, Brian Miles, Editor of *Le Devoir*.

Also with us is Colin McKay, Head, Public Policy and Government Relations for Google Canada.

And last, Ben Scott, Director of Reset, is with us by videoconference.

Each organization will have five minutes for their presentation at the start of the meeting.

We will begin with the Alberta Weekly Newspapers Association. Mr. Jamison or Mr. Merrell, the floor is yours for five minutes.

[English]

Mr. Evan Jamison (President, Alberta Weekly Newspapers Association and Vice-President, Manufacturing, Great West Media): Thank you for giving us the opportunity to appear before the committee today.

I'm Evan Jamison, the president of the Alberta Weekly Newspapers Association. I'm the third generation of my family in the newspaper business, and also the third generation to sit as the president of our provincial newspaper association. Our association represents all but a few of the community newspapers in Alberta. Today we've come to advocate on behalf of those businesses, often considered to be the lifeblood of the communities they serve.

The passage of Bill C-18 is important to the media landscape in Canada and can help shore up declining revenues at many newspapers, especially the larger ones. There is, however, a significant concern among our membership regarding the level of support it will deliver to smaller publishers. We have heard encouraging reports out of Australia regarding deals signed by publishers of all sizes; however, there's a lot of secrecy around those deals and the level of support being provided to any given news outlet.

The Office of the Parliamentary Budget Officer recently released a report estimating that revenues gained under Bill C-18 could provide 30% of the cost of creating news content. This is encouraging, and we would advocate that 30% is likely the minimum amount needed to have a meaningful impact at most news operations. However, it is unclear where the 30% estimate the PBO used came from, as it was based on unspecified “available information”.

We also wonder how this 30% will be achieved, depending on which platforms are forced to negotiate. It appears to many that Meta is avoiding new deals with news outlets and is working its way out of hosting news content in general. What happens to the 30% if Meta isn't involved? Does Google pay the full 30%? Is the 30% assumption even accurate? Should this be some sort of a mandated target?

We must also keep in mind that the digital world and platforms are constantly evolving. It is difficult to say which platforms and technologies will be dominant into the future. Governments and private lawsuits around the world are challenging the major platforms out of concerns around anti-competitive practices, privacy and misinformation.

How do we support small news operations that do not meet the qualifications of a qualified Canadian journalism operation? There are many independent publishers, often family-run, in print and online, that will be left out of Bill C-18. We need to find ways to support these news outlets. They are often the only source of news in the communities they serve.

As has been pointed out in previous hearings, there is no single solution to support all news outlets. The business models and scales on which they operate vary greatly. What may work at a national scale with broad audiences will not necessarily work in a small town with a limited pool of interested readers.

The situation is dire for many news outlets. Some would blame this on an inability to adapt. Too often we are described as “legacy” or “dinosaurs”, married to the old way of doing things. This isn't the case. Many operators are experimenting with different business and distribution models. Newspapers have long been early adopters of technology—computers, desktop publishing, emails, PDFs, digital cameras, robotics and artificial intelligence. We are not afraid of technology.

The problem is that there isn't a clear path to success in today's digital world, especially for smaller local publishers. Good journalism takes time, is expensive to produce and is ephemeral. Simply regurgitating news releases isn't enough. We must rebuild and strengthen news outlets that have been decimated by years of revenue declines. We need to not only preserve what still exists but also find adequate resources to provide quality news and information to local communities, not just for existing players but also for new entrants.

We didn't come with any silver bullets today, but we do have some suggestions that we think would help preserve quality journalism in smaller communities across Canada. We support Bill C-18 but think more is needed through the continuation of existing programs and perhaps the addition of others. Programs such as the Canada periodical fund's aid to publishers and special measures for

journalism have been critical over many years, with the special measures being a more recent addition. The local journalism initiative, which has funded journalists throughout many news operations by reimbursing their wages, has really helped many operations step up their game and provide better-quality content.

A refundable subscription tax credit in lieu of today's non-refundable credit could be a big game-changer for small outlets especially, because the value of today's tax credit just doesn't make any difference for small outlets. There's just not enough there.

• (1110)

[*Translation*]

The Vice-Chair (Mr. Martin Champoux): You have 30 seconds left, Mr. Jamison.

[*English*]

Mr. Evan Jamison: We should also consider other mechanisms—perhaps a tax on digital advertising sold in the Canadian market, which would be redistributed to Canadian news outlets. Advertising has long supported journalism.

We fundamentally believe that quality news coverage, however it is served, is vitally important to all communities, and we encourage the federal government to work on ways to support our industry in a time of great need. Time is of the essence.

Thank you.

[*Translation*]

The Vice-Chair (Mr. Martin Champoux): Thank you, Mr. Jamison.

I now give the floor to Kevin Desjardins from the Canadian Association of Broadcasters.

Mr. Desjardins, you have five minutes.

Mr. Kevin Desjardins (President, Canadian Association of Broadcasters): Thank you, Mr. Chair and members of the committee, for giving me the opportunity to appear before you today on the subject of this important bill.

The Canadian Association of Broadcasters, the CAB, is the national voice of Canada's private broadcasters. It represents over 700 members across Canada, including a large majority of private radio and television stations, as well as specialized services.

[English]

Canada's private broadcasters welcome the introduction of the online news act as an important step towards recognizing the value of broadcasters' news content and providing the necessary framework for fair negotiation between news organizations and online platforms.

Maintaining professional newsrooms in communities across the country is a fundamental commitment of Canada's broadcasters. Last year, Canadian broadcasters invested \$681 million in news and community information programming.

Unfortunately, broadcast news is a very challenging enterprise. It has depended largely on entertainment programming that draws the largest audiences and the greatest ad revenues. Over the past decade, foreign online platforms have moved aggressively to corner the markets in search advertising. Using their dominant positions, they have dramatically impacted the advertising market through the algorithmic exploitation of user data. Now foreign digital platforms take more than half of those ad revenues out of Canada's economy. They are offshored to entities with little connection to Canadians' values or public interest, and they profoundly undermine Canadian news organizations' ability to support and maintain a robust news-gathering infrastructure. At the same time, these entities are exploiting Canadian news organizations' online content to deepen their competitive advantages in advertising.

Search and social platforms may help to direct audiences to online news sites, but they are not doing this out of the goodness of their heart. In reality, they are retaining most of the value from those user interactions with news sites through their ability to gather, aggregate, resell and exploit user data to advertisers through their algorithms. Nevertheless, social and search platforms provide no compensation to news sites for the value they derive from those interactions.

Today, Canadian news organizations have no realistic option but to agree to the platforms' terms, given their dominant positions online and lack of regulatory oversight. As news broadcasters and publishers struggle to maintain the resources necessary to continue to inform Canadians, it is critical that a policy framework be developed to help recognize the value of their online content. This framework should recognize Canadian news organizations' unique contributions to the public good and the value that is extracted from them by dominant digital platforms. This is why Bill C-18 is so necessary.

We believe that Bill C-18 strikes the right balance. It would enact a fair and reasonable negotiation framework for Canadian news organizations and large global digital platforms, and it would provide an arbitrated backstop should those negotiations not be concluded constructively.

We know such a framework can work. As Professor Rod Sims said earlier to this committee, "Australia's code has been extremely successful in achieving its objective." More specifically, the Australian code has helped to address the power imbalance I referred to earlier and has compelled the platforms to negotiate in good faith. It has helped news organizations of all sizes to maintain and grow their newsroom staffing.

Bill C-18 would not create a "link tax"; nor would it incentivize clickbait. It would not break the Internet, as it has not in Australia. The incentives that are built into the bill clearly focus on sustaining journalism jobs in Canadian newsrooms. Moreover, because a government agency is involved only as a backstop to resolve disputes when no agreement between the parties has been reached, the proposed legislation poses no concerns to press freedom or free speech.

Ensuring the viability of our newsrooms is critical to Canada's democracy. It is particularly essential as Canadians are increasingly confronted with misinformation and disinformation online. We know that when Canadians turn to online news, the most popular sources are sites associated with Canadian broadcasters. The content that is ultimately of most use to citizens and to the continued value of our democracy is developed through trusted news organizations, including television and radio broadcasters.

We do have a certain amendment with regard to clause 51, which is essentially just to strengthen this section and to make sure it does what it was intended to do.

• (1115)

Canada's broadcasters want to continue to be a dependable source for local, national and international news for Canadians, but to do so we require a fair opportunity to be compensated for the value of our news content.

[Translation]

The Vice-Chair (Mr. Martin Champoux): Thank you, Mr. Desjardins.

The representatives of Channel Zero will now have their turn. Mr. Millar or Mr. O'Brien, the floor is yours for five minutes.

[English]

Mr. Cal Millar (President, Channel Zero): Thank you, and good morning.

We appreciate the opportunity to appear today.

My name is Cal Millar. I am the president of Channel Zero, which is an independent Canadian broadcaster, and the owner-operator of CHCH television in Hamilton.

With me today is Greg O'Brien, who is head of news at CHCH and also the former editor and publisher of *Cartt.ca*, which is Canada's leading news outlet for our broadcasting and telecom sectors.

In our brief opening comments, we want to speak to three things today.

First, we'll speak about what the history and current operations of CHCH tell us about the importance of local news, and how it has never been profitable on its own and has always required subsidy.

Second is how government support, designed correctly, does not compromise journalistic integrity or editorial independence.

Third is how Bill C-18 checks both of these boxes, which is why we support it.

As you know, and also as specifically recognized in Bill C-11, local news is key to local broadcasting. Unfortunately, while in the past local news was sustained with a cross-subsidy from profitable U.S. programming, the draining of Canadian ad revenues to U.S. platforms now makes that impossible.

Mr. Greg O'Brien (News Director, CHCH-TV, Channel Zero): CHCH's history is emblematic of this. Today we are the number one news organization in Hamilton, Halton and Niagara, and the number two-rated television station for local news in the entire greater Toronto-Hamilton area. We air more local news and information programming than virtually any other local broadcaster in Canada, with well over 30 hours weekly. We are available on every platform, including CHCH.com and through our social channels on YouTube, Facebook, Twitter, Instagram and TikTok. We reach our citizenry wherever they are and on whatever platform they use, wherever they are looking for news and even when they don't know they need news.

Our resources, talent and devotion allow us to be on top of things in our area like no others. Just last month, we had a tragic live shooting incident spread across our region. It was national news—a shooting in Mississauga, followed by another in Milton and a final one in Hamilton. Only CHCH News was live at all three scenes that evening, telling our viewers what had happened and what was happening in real time.

Rewind 13 years, and it was a very different story. CHCH, then owned by Canwest Global, was on the brink of extinction. The old model of cross-subsidy from top U.S. network programming was failing. Channel Zero stepped in with a recommitment to local news and information programming and crucial support from what was then the CRTC's local programming improvement fund, or LPIF.

Fast-forward to today, and it is the CRTC's independent local news fund, ILNF, which was introduced in 2017, that provides us with vital support for the production of locally reflective news.

• (1120)

Mr. Cal Millar: The trouble is that the ILNF support, which is based on a percentage of revenue contributions from licensed television distributors, or BDUs, is declining just as the needs are increasing, which is why this bill and Bill C-11 are so important to us.

The other important lesson from our history is this: I challenge anyone to find any evidence that the support and subsidy we have received from funds like LPIF or ILNF have affected our editorial slant or our independence in any way. I can tell you categorically that they have not and they will not in the future, whether they come via the CRTC funds, Bill C-11 or Bill C-18. As long as support is transparent, automatic, not discretionary and from a body that is at arm's length from government, there is simply no real trigger or basis for government or other third party influence over that editorial.

To conclude, in our view, Bill C-18 meets the twin test of introducing a mechanism to provide material support for local news and doing it in such a way as to preserve editorial independence.

Should the committee choose to entertain amendments, we do have one suggestion. We believe that both for the purposes of fair bargaining and to provide greater public transparency, there should be greater public disclosure on deals—namely, on all news businesses that do deals with platforms, including exempt deals, and including the total consideration, if not the deals themselves. We understand that Friends has proposed a specific amendment to clause 32 in this regard. We support that proposal.

Thank you for allowing us to make this presentation. We'd be pleased to respond to any questions you might have.

[Translation]

The Vice-Chair (Mr. Martin Champoux): Thank you, Mr. Millar and Mr. O'Brien. Your allotted time is up.

I would also like to apologize to the previous speakers and those who follow: the reason why I interrupt during a presentation to indicate that you have 30 seconds or one minute left is simply to give the witnesses a bit of guidance.

I will undoubtedly do the same for Brian Myles from *Le Devoir*, who will now have the floor for five minutes.

Mr. Brian Myles (Editor, Le Devoir): Thank you, Mr. Chair.

Distinguished members of the Standing Committee on Canadian Heritage, thank you for having me here today.

Le Devoir is a newspaper of record that is not like the others. It is part of a select club of media that rely on subscriptions, for both the digital and print versions, to cover their costs. Subscription is working: it brings in nearly two thirds of our revenue and means that we can look to the future with what I would characterize as cautious or relative optimism.

We are able to achieve profitability through careful management, optimum use of Quebec and Canadian tax credit programs, and a revenue diversification program. *Le Devoir* has been profitable in six of the last eight years. For the past four years, it has even managed to grow, from 100 to 175 employees. I point this out because few media have managed to make this transition while at the same time hiring so many people.

Nonetheless, the transformation involves constant challenges. There are new ones every year, if not every day. The environment is demanding. We have to compete with influential actors that rely on free content and with Google and Meta on the advertising market. We do not have the luxury of taking losses, nor can we count on support from sponsors.

For these reasons, *Le Devoir* supports Bill C-18. However, we think it might go a little too far. I will come back to this later.

Of course, you are aware that *Le Devoir* has signed contractual agreements with four of the digital platforms. Well before the government stated that it intended to legislate, we had signed agreements with MSN in 2014 and with Apple News+ in 2020. For reasons of our own, we got out in front with the agreements signed with Meta in May 2021 and with Google in October 2021. That does not prevent us from supporting Bill C-18, publicly and privately, and saying that we are going to adhere to the new scheme, obviously.

These agreements were in line with our revenue diversification strategy and made it possible for us to accomplish something important, which is what I would like you to understand today. It enabled us to build renewed relationships with Meta and Google based on trust and collaboration. We knew that sooner or later, the time was going to come for us to bargain with those companies. In fact, that is the central idea of Bill C-18. Rather than facing them from a position of conflict, we simply chose to bring the point when we had to rebuild the relationship forward.

Given the foregoing, it is important for us to be able to bargain individually within the framework of the bill. At *Le Devoir*, we think our interests will be best served by direct bargaining. However, we acknowledge that others will want to bargain collectively.

In our industry, there is unfortunately still a lot of misunderstanding about the impact of digital platforms. At *Le Devoir*, we are uneasy with certain publishers or professors, as respected as they are, when they say that Google and Meta have stolen our advertising revenue and our content. That amounts to ignoring the fact that we voluntarily allow our content to circulate on those platforms. Yes, the business models broke down because of the actions of Google and Meta, but they did not steal anything. We are in an environment of technological innovation without a legislative framework in the world because of a very liberal vision of net neutrality, in which the audience can be segmented on a planet-wide scale. In this situation, those companies are competitors that we cannot compete against.

Media that rely on subscriptions, like *Le Devoir*, cannot disregard the impact of Google and Meta. Those companies make it possible for readers to discover our content. They enable us to expand our base of users and potentially convert them to subscribers. We are in a complex relationship, a relationship of independence and complementarity, that we unfortunately do not talk about enough, as publishers.

• (1125)

With that said, we cannot fail to mention the imbalance that characterizes the relationship between media and the digital platforms. In fact, it is because of that imbalance and the concentration of advertising revenue in the hands of a duopoly that we need Bill C-18.

The Vice-Chair (Mr. Martin Champoux): You have one minute left, Mr. Myles.

Mr. Brian Myles: I am now going to make a few quick comments about how Bill C-18 could be improved.

The imbalance in the market is not just a question of advertising. There is also an imbalance when it comes to subscriptions. The application platforms decide what percentage of revenue they will keep, and they retain important information like email addresses for

themselves. Bill C-18 should contain somewhat more binding provisions regarding subscription-related transactions and the exchange of information.

Le Devoir is also associated with the French fact. We are concerned about linguistic duality. We believe that the Canadian Radio-television and Telecommunications Commission should have a duty to ensure that future negotiations respect linguistic duality and the small francophone markets, in both Quebec and Canada, that exist in a cultural and linguistic situation that is completely different from other media.

We also believe that the best way to proceed is to call for bargaining based on labour costs. That was done in Australia, in fact, where it was set at 30% of labour costs, 20% for Google and 10% for Meta. However, if we take that route, to avoid distortions, we should limit eligible salaries, as was done for the federal tax credit, to ensure that a new system is not created in which the biggest companies are the biggest winners, at the expense of the smaller players, local players, and niche players, such as *Le Devoir*.

On that note, I will thank you and invite your questions.

The Vice-Chair (Mr. Martin Champoux): Thank you, Mr. Myles.

We have two more presentations to hear.

Colin McKay, Head, Public Policy and Government Relations for Google Canada, will now have the floor for five minutes.

Mr. Colin McKay (Head, Public Policy and Government Relations, Google Canada): Thank you, Mr. Chair and members of the committee.

[English]

Thank you for the invitation to participate in your study of Bill C-18.

Access to authoritative news is critical for democracy and core to our mission at Google. For 20 years, we've been helping Canadians find the answers to what they are searching for online, including relevant and authoritative news content. Connecting people to news is a responsibility we take very seriously.

Let me be absolutely clear. Google shares your goal of supporting a sustainable future for journalism and the news in Canada. This includes thoughtful approaches to regulation and continuing to provide meaningful contributions, financial and otherwise. Our concerns with Bill C-18 are serious. So is our commitment to working with the government and the news industry on solutions.

In its current form, Bill C-18 will make it harder for Canadians to find and share trusted and authoritative news online.

[Translation]

The bill will have, at best, unpredictable outcomes for the evolving Canadian news ecosystem.

We have four principal concerns with Bill C-18.

[*English*]

First, the bill includes an undue preference provision that prohibits a platform from disadvantaging any eligible news businesses. We appreciate the desire to prevent a platform from retaliating against a publisher, but that's not what this language does. Under threat of legal action, this measure will restrict Google and other platforms from applying policies and providing features that elevate trusted information sources over lower-quality content. This makes the search less relevant and less safe for Canadians. It is essential that the undue preference language be amended.

Second, unlike the Australian code, Bill C-18 defines eligible news businesses extremely broadly and does not require a publisher to adhere to basic journalistic standards. This will lead to the proliferation of misinformation and clickbait. Combined with the undue preference provision, this means Canadians could be served foreign propaganda outlets alongside reporting from *Le Devoir* or *The Globe and Mail*. This isn't a hypothetical example. This happened in Germany under similar regulatory language. The government's existing framework of qualified Canadian journalism organizations is a model that should be built upon, not undercut.

Third is the payment for links. The Internet is built on the principle of freely linking between websites. We all find information, products and services by clicking through links. Businesses, including news businesses, want to be found by Canadians via search. Google sends billions of visits to Canadian news publishers a year at no cost to them, helping them grow their readership and subscriber base, build trust with readers, and make money. Including payment for links repeats the mistakes other jurisdictions have backed away from. It violates global copyright norms and local legal precedent, including the Supreme Court in *Crookes*. Payment for links also incentivizes cheap, low-quality clickbait content over public-interest journalism and clearly favours large publishers over small ones as they simply have more content to link to.

Fourth, as small and independent news publishers have warned, Bill C-18 lacks transparency and benefits large legacy publishers over small ones because they can afford the regulatory cost of this framework. A fund similar to the Canada Media Fund would resolve the issues we have raised and would ensure that a diversity of Canadian news publishers receive money in a timely, equitable and transparent manner.

This is a history-making opportunity for Canada to craft world-class legislation that is clear and principled on whom it benefits; legislation that actively supports diversity and inclusivity and ensures that financial contributions go to support thoughtful, local journalism; legislation that recognizes the full value exchange that already occurs between platforms and publishers and is laser-focused on supporting an innovative, diverse and sustainable Canadian news ecosystem for the long term.

Bill C-18 is not that legislation.

• (1130)

[*Translation*]

I want to reiterate, Google shares your goal of supporting a sustainable future for journalism and the news in Canada.

[*English*]

In its current form, we do not think the measures enacted by Bill C-18 are in the interests of Canadians, nor are they an effective response to the unique challenges facing Canadian news publishers. The bottom line for us is that Canadians deserve better than what we see in Bill C-18, which, to be frank, is simply bad public policy.

Thank you again for the invitation to appear. I look forward to your questions.

[*Translation*]

The Vice-Chair (Mr. Martin Champoux): Thank you, Mr. McKay.

Ben Scott, Director of Reset, will now have the floor for five minutes.

[*English*]

Dr. Ben Scott (Director, Reset): Thank you very much for the invitation to this committee.

My name is Ben Scott. I'm the director of Reset. We are an international non-profit organization that works with governments to help realign the incentives of the technology industry back to support the values of democracy.

I can give you a comparative perspective of how these issues and bills like Bill C-18 are being considered all around the world. Though I'm currently based in England, I lived for years in Canada and have a great deal of familiarity with the Canadian market.

What I can tell you is that lots of folks around the world see the same problems you do—journalism in crisis, as you've heard from colleagues on this panel; market power in the digital advertising industry held by a handful of titans—and an opportunity to intervene to make sure that journalism continues to flow to the public. What you have in Bill C-18 is among the best bills I have seen of its type.

The point I want to begin with today is a simple but fundamental one, and as the only non-industry representative on this panel, I feel I have a duty to make it. This legislation must not be about publishers; it must be about the public. Too much of this debate plays out as if government were simply refereeing a contest between big tech and big publishers. That's wrong. What justifies this market regulation is the public interest in making sure that quality journalism is delivered to the people. Like you, other governments are looking at this problem and trying to make sure that they address the market failures in the right way, because these aren't just failures among industries; this has hastened the destruction of public service journalism in ways that really undermine democratic integrity.

This committee knows well the stats in Canada: \$5 billion out the door in terms of news industry revenues, 450 news outlets closed over the course of the last 15 years, a third of Canadian journalism jobs gone. That's a crisis. There are many factors causing that crisis, but one of the more obvious ones is the market power over digital advertising held by two companies.

I'll refer you to some analysis done by the British Competition and Markets Authority, which breaks down the digital ad market into services provided to publishers, services provided to advertisers and the exchanges in between. Google has, according to the CMA, a 90% market share in the first two of those segments, and a 50% market share in the exchange. That's market power by any reasonable definition, and that's the reason why so much revenue is flowing away from news organizations. But we're only intervening here on behalf of the news organizations because they provide a public good called journalism, which the people need. There's nothing in here about a link tax; there's nothing in here that's going to break the Internet. This is about restoring fairness in the marketplace so it provides a critical public service.

So far, what I see is that Canada is doing as well as or better than other countries at keeping the public at the centre of this conversation. I want to make three points that I think are essential for making sure this bill delivers for the Canadian people.

The first one is that Bill C-18 has to prioritize fairness and inclusivity. It has to offer deals that are equitable and on similar and reasonable terms for small publishers and large publishers alike.

Second, we have to insist on the fact that any new revenue that comes in—it might be up to 30% of revenue, and that's a big number, as you've heard—has to go towards journalism production, not towards buybacks or debt load. It has to go towards the production of news. That's the reason why this legislation matters.

• (1135)

[*Translation*]

The Vice-Chair (Mr. Martin Champoux): You have one minute left, Mr. Scott.

[*English*]

Dr. Ben Scott: The third piece is transparency. We have to ensure that the terms of these deals are subject to rigorous regulatory oversight and as much transparency as the industry will bear. That ensures that these negotiations don't fall into the trap we're in now, where secret deals are made between publishers and platforms and

no one has an idea of whether they are fair or whether they are delivering for the public or not.

This bill is not a perfect solution. It's not a permanent solution, but it matters. This is real money for real journalism that restores fairness and transparency in this market. Laws like this are going to be made all around the world. Canada, in my view, has an opportunity to lead and set a high standard that will deliver for the Canadian public and set an example for others to follow.

Thank you very much.

[*Translation*]

The Vice-Chair (Mr. Martin Champoux): Thank you, Mr. Scott.

All of the witnesses have now had their turn to speak. We will now move on to the first round of members' questions.

The first question will be from the Conservative Party, with Rachael Thomas going first.

Ms Thomas, the floor is yours for six minutes.

[*English*]

Mrs. Rachael Thomas (Lethbridge, CPC): Thank you.

My first question goes to Mr. McKay.

Mr. McKay, the Department of Canadian Heritage has denied that this bill gives any sort of monetary value to links. However, when the heritage minister, Minister Pablo Rodriguez, was asked by CTV's Evan Solomon about this, he actually confirmed that, in fact, he did attribute a monetary value to the links. Referring to the links, he said, "there's a value to that. If you click on the link and go to the news, there's a value". There seems to be a discrepancy, then, between what the department officials are saying and what the minister is saying.

I'd be curious, with regard to an industry perspective. Do you feel that there is, in fact, the discrepancy here that I have pointed out? I would be curious to know whether or not you agree with that, and then whether or not you feel it might be of benefit to bring the minister to the committee so that we would have opportunity to clarify this. Would that be good for you?

Mr. Colin McKay: Thank you very much for the question.

I'll start off by underlining that we share the same spirit of ensuring a sustainable news industry in Canada, both today and in the future. We agree with many of the observations made by my fellow witnesses.

To the question you're asking, in terms of payment for links, the legislation specifically creates an obligation based on making links to journalism sites available, and that creates the structure upon which Bill C-18 is built. There is difference among the department and the minister and then platforms on whether that constitutes a link tax, but I would underline that it confers value to links and then creates an incentive for publications to look for the repetition and promotion of links, which feeds into the conversation about what exactly is defined as an eligible news business.

To your second point, I will say that we are here because we want to participate in a thorough conversation about the details of this legislation so that it can move forward and be implemented in a way that achieves the public policy goals. That includes hearing from the minister and hearing from other stakeholders in future meetings.

• (1140)

Mrs. Rachael Thomas: Thank you.

Another portion of this bill—and I believe you touched on this very briefly in your opening remarks—has to do with the discretionary power that is being left with the CRTC given this legislation in its current form, which is the form that the government is hoping to push it through in.

What are your concerns with regard to the lack of clarity around the powers being given to the CRTC and how they might regulate you?

Mr. Colin McKay: I've tried to make the point today that there are some very broad terms with little definition contained within Bill C-18 that rely upon regulation and interpretation by the regulator. When we, as a company and a platform that serves billions of clicks to Canadians a day, evaluated that, we came to the conclusion that there are immediate implications of how the legislation is written.

It's always preferable that legislation provide clarity and direction rather than leaving it to interpretation by the regulator, especially when we're talking about a situation where you could have the amplification and promotion of misinformation or even disinformation, and certainly when you're talking about the concerns that have been raised by the other journalism organizations on this panel, which speak to innovation, capturing Canadian audiences and generating new revenue models.

Mrs. Rachael Thomas: Mr. McKay, my last question for you has to do with this idea that Bill C-18 would level the playing field. That's one of the things the minister is trying to promote as his messaging or his talking points with this. However, we've heard subsequent testimony that this is actually not the case. For example, Jen Gerson of The Line said that Bill C-18 will actually “favour incumbent media players over innovative models, small outlets and news start-ups.” In other words, it will continue to award the big players or legacy media with a whole lot of money, but local newspapers and smaller sources of media, particularly those with fewer than two full-time employees, will be put at a great disadvantage, so in fact it doesn't level the playing field.

I realize you're not in that business. You're the tech company that is going to help promote these individuals or give access to their news sources, but I'm wondering if you can give your thoughts on this, as well as the possibility of this bill doing.... I guess I want you to discuss or talk to me about tipping the scales and what this legislation will do to facilitate greater favour towards legacy media and perhaps a disadvantage to the smaller guys.

Mr. Colin McKay: The legislation before us addresses a policy challenge that was identified two years ago: the threat to existing journalism organizations in Canada. It attempts to create a regulatory framework to address that.

We heard today, from the other witnesses, that there are many strategies and possible solutions to help bridge into a future generation of journalism.

Not only is Google an advertising platform, but we're also a partner with journalists. Through our Google news initiative, we are working with them, as Mr. Myles described, to understand how readers are changing their behaviours, and how to capture revenue and information from that behaviour. For us, Bill C-18 addresses an immediate problem, but, as Mr. Scott identified, it does not solve for the future.

That's the challenge before you today.

[*Translation*]

The Vice-Chair (Mr. Martin Champoux): You have 15 seconds left, Ms. Thomas.

[*English*]

Mrs. Rachael Thomas: Thank you.

Mr. Jamison, I invite your response to this question, as well. I think we're out of time for this round, but I'll get to you next time.

[*Translation*]

The Vice-Chair (Mr. Martin Champoux): Thank you.

It is now the Liberal Party's turn.

Ms. Hepfner, the floor is yours for six minutes.

Ms. Lisa Hepfner (Hamilton Mountain, Lib.): Thank you, Mr. Chair.

My first question is for Cal Millar.

[*English*]

Cal Millar is my former boss at CHCH news.

I appreciated the rundown of the history of CHCH, from your perspective. As you know, I started there in August 2001 and worked there right up until my election last year. I witnessed firsthand a lot of those changes you mentioned.

I guess it was 13 years ago when Channel Zero took over CHCH. When I started, we were under the Global banner. At some point during that summer, we heard from Global that we would go black, as a station, if they didn't find a buyer for us within a month. Channel Zero stepped up, became the knight in shining armour, and took over CHCH.

What we saw was an expansion of news coverage under Channel Zero. We were live news, seven days a week. We had, I think, more local coverage than anyone in North America. We managed that for.... It was an exciting time. The newsroom was full. There were people at the courthouse. There were people at city hall. There were people knocking on doors and talking to people in Hamilton. It felt like really important work.

It only lasted for a couple of years like that, Cal, and I'm wondering if you can talk about the business decision that ended live news every day. When we saw mass layoffs once again at CHCH, I was one of the few to survive that, and we cut the coverage back down.

What was going on behind the scenes? What happened?

• (1145)

Mr. Cal Millar: Thank you, Ms. Hepfner.

This is a great opportunity to talk about that history. When we decided to make the acquisition of CHCH in the early part of 2009, the CRTC had, at that time, already determined that local news was under siege and in crisis. It feels repetitious to talk about local news still being in crisis 13 years later.

The CRTC, under then chair Konrad von Finckenstein, devised something called the “local programming improvement fund”. Knowing that money was going to be there, we were able to, first, make the decision to acquire CHCH, and reorient it toward local news. We were able to, as you said, expand news coverage to all day, all the time, because part of the quid pro quo in accepting that money was us having to hit certain benchmarks of local news. We expanded the news offering. We had market success in the expanded news offering.

Unfortunately, when the then chair moved on, there was an interim chair for a short period of time. That commission made a decision to discontinue the local programming improvement fund completely, so we went from having a subsidy for local news to having no subsidy whatsoever. It happened very quickly. In a matter of two fiscal years, the money went from substantial to nothing. To your point, what we had to do for the second time—and I don't know about “knight in shining armour”—was step in and make tough decisions to ensure that CHCH would survive.

Fortunately, a couple of years later, the commission realized this was a bit of an overstep—I think I would call it an “error”. By the end of 2017, if I have my date right, the ILNF, the independent local news fund, was established. That, again, gave us the ability to staff up, increase the number of hours of local programming, and serve our audience and community in a way that was missing in the previous two years.

Ms. Lisa Hepfner: Can you talk about the importance of CHCH to the communities of Hamilton, Halton and Niagara, and how it has led to the extremely high viewership numbers?

Can you also expand that to talk about the experience of the pandemic and what sort of reaction you got from communities for the service that CHCH provides?

Mr. Cal Millar: I'd be happy to do that.

Perhaps I'll do it in reverse, because the pandemic.... I'll start with the specifics and go out to the global. I may let Greg comment a bit on that in the global sense.

On the specifics, through the pandemic, we were live and on the ground. We were interrupting programming at all times, because we knew that our community wasn't served by any other news outlet. There is a Torstar local newspaper, The Hamilton Spectator, which has some editorials in our area. However, we cover an area that covers Niagara, Halton and Hamilton, and even up toward Kitchener-Waterloo, and there were no other immediate television broadcasters in that area to be able to deliver the news of what was happening on the ground as we were experiencing shutdowns and as we were experiencing mounting illnesses, deaths and COVID cases.

We took it upon ourselves, as did many other local broadcasters across the country, to interrupt as necessary. We would run the Prime Minister's news conferences. We would run—

• (1150)

Ms. Lisa Hepfner: I'm sorry, Cal. I'm running out of time.

Can you sum it up for us? You saw viewership grow during that time, I understand.

Mr. Cal Millar: Absolutely. While we served the community, viewership was through the roof, because people needed to know what was happening. We provided that service.

[Translation]

The Vice-Chair (Mr. Martin Champoux): Thank you, Mr. Millar and Ms. Hepfner.

Since the entire Bloc Québécois delegation on this committee is currently busy chairing the meeting, with the permission of my colleagues on the committee, I will allow myself the opportunity to ask the witnesses one or two questions at the end of each round.

For now, it is the New Democratic Party's turn.

Mr. Julian, the floor is yours for six minutes.

Mr. Peter Julian (New Westminster—Burnaby, NDP): Thank you, Mr. Chair. I would like to say you are doing a very good job. I am certain the committee will allow you to ask the witnesses your questions in turn.

I would like to thank all the witnesses for being here.

To begin, I have a question for Mr. Myles, from *Le Devoir*.

Mr. Myles, you talked about the four agreements that *Le Devoir* has signed with MSN, Apple News+, Meta and Google, respectively. Are you prepared to disclose the outcomes of those agreements?

Of course, transparency is an issue of which much has been made in the testimony we have been hearing for several weeks.

Mr. Brian Myles: The agreements were signed by two private enterprises and are subject to confidentiality clauses, and so I cannot tell you the answer today.

However, I reiterate that we are going to adhere to the legislative environment and the legislation that results from the passage of this bill. The bill provides that the CRTC may access the content of agreements to ensure that they are fair. In that event, *Le Devoir* will be happy to be a responsible Canadian business.

With that said, I would like to add certain qualifications, to assist in understanding. A lot of information in the public domain has circulated, so I what I am going to tell you is not confidential. There are two methods of bargaining: the negotiations can deal with the digital impact for a news medium or with the cost of labour in a newsroom. Australia took the approach based on labour, and I believe that is the most promising one.

Mr. Peter Julian: Are you at least able to disclose today what the impact of those agreements has been on *Le Devoir* in relation, for example, to the number of journalists or to editorial capacity?

Mr. Brian Myles: I would reiterate that these agreements are confidential. However, the reason we made the effort of signing them is that it was important. It has enabled us to take a significant step forward in our digital transformation.

Le Devoir's model is unique. We base our operation on subscriptions, which represent two thirds of our revenue. We have a strategy that seeks to diversify revenue and we have at all times exercised prudent management. When it comes to financial management, our organization wields an iron fist in an iron glove. All of these things must be considered as a whole. The subscription-based model, even for the digital version, the business agreements, tax credits, and prudent management are all factors that have made it possible for us to increase the number of journalists in the newsroom from 50 to 100 in barely four years.

The agreements with companies like Meta, Google and Apple News+ enable us to establish good relations, understand each other better, and discuss the exemplary practices to be adopted. That is invaluable.

Mr. Peter Julian: You made some suggestions for improving the bill.

The one relating to the importance of linguistic duality is one I will understand.

You also talked about the duty to have an exchange of information. Can you tell us a bit more about that recommendation?

Mr. Brian Myles: People say all the time that data is the oil of the digital age. Take the example of an application environment like Apple News+. When someone subscribes to Apple News+, they become a customer of Apple News+, and Apple, not *Le Devoir*, retains their email address.

Without the email address, we are unable to build a direct relationship ourselves with a user community, so it is important that a minimum of that kind of data be sent to us, so we can understand what our audience segments are in the digital world and so we can also grow them and bring them into our ecosystem, instead of sharing them in the Google or Meta or Apple ecosystem.

Mr. Peter Julian: Thank you, Mr. Myles.

• (1155)

[English]

I'm now going to turn to Mr. Jamison.

Thank you so much for being here. I'd be interested in knowing which publication, which newspaper, your family has been involved with for three generations.

Also, I deeply appreciate your comments around Bill C-18. What I gather from both your appearance and the appearance of the Saskatchewan Weekly Newspapers Association is that there is broad support in Alberta and Saskatchewan for moving ahead with Bill C-18, including other measures, and we certainly understand that. Your point about how time is of the essence is extremely important.

This is a message, of course, for my Conservative colleagues: When they have newspapers representing about half of their caucus supporting Bill C-18, I would hope they would be on board as well.

You raised the issues both of transparency and of not leaving out smaller publications. What amendments would you suggest in terms of the bill to ensure that very small community publications are included? Should the threshold of two journalists be lowered so that community newspapers at all levels, even in small communities, can benefit?

Mr. Evan Jamison: Our family is involved in Great West Media. That originally came out of the St. Albert Gazette, which is our flagship newspaper. My grandparents purchased the Gazette in the late 1960s. Then, through the 1980s and 1990s, we acquired other papers across the province, mostly in rural areas throughout Alberta. We also operate a printing facility here in St. Albert. It serves many publishers across Alberta and northern B.C.

The question around eligibility and small publishers has been a difficult one, because we have many of them. There are many small communities across Canada, and especially here within Alberta, that are served by pretty small operations. Small can be good. Many of them do a tremendously good job. Many of them are family-run operations of brothers and sisters and whatnot.

[Translation]

The Vice-Chair (Mr. Martin Champoux): Please conclude your answer quickly, Mr. Jamison.

[English]

Mr. Evan Jamison: I'm sorry.

It is really difficult as to how you get below that two-journalist threshold. We understand the difficulties of how you keep some limitations on a program so that you are trying to deal with quality news operations. I don't know if we have a good answer on how you actually deal with really small operators under a Bill C-18 type of scenario, other than using these other programs that have been in existence and that have helped these operations survive.

[Translation]

The Vice-Chair (Mr. Martin Champoux): Thank you, Mr. Jamison.

Thank you, Mr. Julian.

Before moving on to the second round of questions, if the committee permits, I would like to ask the witnesses a few questions myself.

Mr. Myles, in your opening remarks, you said that we had to be concerned with linguistic duality. Obviously, we are very familiar with the Canadian context: there are two official languages, French and English, and there are official language minority communities.

What can Parliament do to ensure that linguistic realities are taken into account in bargaining between media and the giants of the web?

Mr. Brian Myles: We must first call things what they are and pay real attention to them, in order to accomplish something appreciable. I stress that we, the francophone media in Quebec or outside Quebec, are always in an anglophone North American ocean. When we bargain with Silicon Valley companies, even though those companies have representatives in Canada, sooner or later we end up bargaining in another language and the cultural referents are not the same.

In order for the vitality and fragility of francophone culture to be understood, the CRTC must have a duty to ensure that linguistic duality is genuinely respected, and the CRTC must be given the necessary resources to do this.

The Vice-Chair (Mr. Martin Champoux): Earlier, I heard one of the speakers talk about the Local Journalism Initiative. I know you are on a jury that evaluates the projects submitted under that program. We often hear certain people say that small players might be at a disadvantage in negotiations, in the context of the legislative measures that will result from the passage of Bill C-18.

Does this kind of program have to be reviewed to make sure that the small players in the media industry are not continually trying to survive, and are instead able to regain a bit of vigour? How do you see that?

• (1200)

Mr. Brian Myles: I am going to add to what Mr. Jamison said earlier. I belong to the school of thought that wants a bundle of measures to support the news media. We didn't say it, but we believe that all of the federal programs contained in the Budget Implementation Act, 2019, No. 1, should be retained, even if Bill C-18 were passed.

The model applied under Bill C-18, referred to as the Australian model, compensates the news media based on digital coverage or number of journalists in a newsroom. Ultimately, it is difficult to support and accept for small weekly papers, for small publications and for emerging players, which do not have a big market position or broad digital coverage and which have small newsrooms. Those media may be disappointed with Bill C-18.

That is why we have to reform the Local Journalism Initiative, or LJI. I have been on the jury, and we did our best based on our knowledge and the parameters we had. By force of circumstances, the program benefited a number of companies that were national players and were very well established in their market. To be completely transparent, I have to say that *Le Devoir* has been able to fund positions using the LJI. I believe this program could be reformed to ensure that it places greater priority on small players and on emerging players. The question of the number of paid jobs in a newsroom should also be reviewed. The LJI could help to encourage more innovation and the growth of publications in fragile markets. I think we could produce a better LJI that was targeted to the needs of local communities.

The Vice-Chair (Mr. Martin Champoux): Bill C-18 is therefore not a cure-all for journalism, but there are still measures that we should keep in place for media that are more vulnerable at the present time.

Mr. Brian Myles: The bundle of measures and diversity of revenue are key to the future for the news media.

The Vice-Chair (Mr. Martin Champoux): I have a question for Kevin Desjardins from the Canadian Association of Broadcasters.

If Bill C-18 were passed, what would that mean for CAB members? If it were not passed, what would the consequences be for them?

Mr. Kevin Desjardins: The positive consequences would include keeping newsrooms open across Canada, whether they are large, medium-sized or small broadcasters, or even hiring journalists in those newsrooms.

If the bill were not passed, those newsrooms would have even more difficulties. As has been said several times today, newsrooms are going through a crisis right now. That is why it is important to us that Bill C-18 be passed.

The Vice-Chair (Mr. Martin Champoux): Thank you, Mr. Desjardins.

We will now start the second round of questions. To begin, the Conservative Party will have five minutes.

Mr. Waugh, the floor is yours.

[English]

Mr. Kevin Waugh (Saskatoon—Grasswood, CPC): Thank you, Chair.

I've watched the last couple of years major organizations like Torstar buy small and medium companies, and then close them a year later—side deals—so they take their competitors out just like that. We've seen it in the Maritimes, and we've seen it here in Ontario. We've seen it all over this country. The big get bigger. They buy small and medium newspapers and then six to eight months down the road they close them.

It's interesting, Mr. Julian, that you talk about.... In our party, we represent everybody and that's why we're concerned with Bill C-18. Steve Nixon was here, from the Saskatchewan Weekly Newspapers Association. Probably half of my small newspapers in Saskatchewan don't qualify for Bill C-18. They will go under. I don't have to tell you that one of the newspapers sold for a dollar in my province recently. There is no value in small and medium newspapers in Saskatchewan, so how is Bill C-18...?

I'll ask the Alberta Weekly Newspapers Association this, because in your province there's a split. You may want Bill C-18, but I look at other owners in your province who wouldn't be eligible for any of this money, so how do you speak on behalf of everyone in the province of Alberta with Bill C-18?

Mr. Jamison or Mr. Merrell, go ahead.

• (1205)

Mr. Dennis Merrell (Executive Director, Alberta Weekly Newspapers Association): I can take this.

I'm Dennis Merrell. I'm the executive director of the Alberta Weekly Newspapers Association.

It's true that we have a mix of small community newspapers and some larger ones that do qualify for the QCJO designation and would be able to participate in bargaining with Google and Facebook. We actually have a number of even smaller independents that could qualify, but they haven't yet applied. It's probably, as you suggest, Mr. Waugh, about a fifty-fifty in our province. About 50% are probably able to participate, and the other half are not able to. It does put us in a bit of an awkward spot for sure.

Mr. Kevin Waugh: It should, because it does in my province. It would be higher. It could even be 80% to 20% against Bill C-18, because they don't have two people on staff right now.

I want to go to Le Devoir.

Mr. Myles, you've already made the agreements with MSN, Apple TV+, Meta and Google. How much did you reap out of those, since you have said you've been profitable for the last six years? With Bill C-18, as you know, it's all in secret. Can you please supply some numbers, since you've already had the agreements with Meta and Google? Give the committee, if you don't mind, some numbers that we can chew on. What did you get from Google and Meta to supply your organization with a profit?

Mr. Brian Myles: I perfectly understand the question, but I'm not allowed to give an answer regarding the amounts. Those were two private corporations that made confidential deals.

However, I can state that Le Devoir was profitable before those deals, and that the secret of our success relies on a strategy to diversify our revenues. We don't rely on a single source. This is why I stress the emergency or the need for the media industry to think at a higher level than only Bill C-18.... Think about your business model, and think about the whole stream of revenues that you can gather from your audience. So—

Mr. Kevin Waugh: I will interject, because I'm short on time.

We're hearing from the PBO that there's \$329 million thanks to Google and Meta. Here you are, in front of the committee, not telling us what your deal is. It's all in secret.

You're one of the biggest newspapers, if not the biggest, in Quebec. How are we going to save the middle and lower-class newspapers in this country? We don't have an idea what you got, what the medium ones get, and what the small ones should be asking for. The \$329 million goes pretty quickly, if you don't mind my saying so.

Mr. Brian Myles: I will willingly give the amounts if there's a law in place. If we're obliged to do so, I will inform the CRTC of the amounts; however, I cannot do it now.

As far as the sense of fairness is concerned, I guess you can boost the LJI. You can ask the provincial governments to do their part. In Quebec, there's a 35% tax deduction that adds up to the federal one. It's the only province that did so. I believe the provinces have a bigger role to play. You can cap the amounts that are available for media. If you use, for example, 30% of the labour costs in a newsroom, you can actually make that threshold a bit higher for small players, and you can lower it for bigger ones.

[Translation]

The Vice-Chair (Mr. Martin Champoux): Thank you, Mr. Myles. I have to interrupt you, because we have already gone several seconds past the time allowed. You may have an opportunity to give more details when you answer a question from another member.

It is now the Liberal Party's turn.

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

[English]

Mr. Michael Coteau (Don Valley East, Lib.): Thank you, Mr. Chair.

I want to start by confirming the numbers that Mr. Scott gave us.

Mr. Scott, you said that over the last 15 years we've gotten to a point where an equivalent of \$5 billion a year is leaving Canada because of the change in the system; 450 news businesses have shut their doors, and half of the reporter jobs have been eliminated. Is that correct?

Dr. Ben Scott: Those are numbers from the Department of Canadian Heritage.

• (1210)

Mr. Michael Coteau: Those are incredible numbers.

I'll go over to Mr. McKay.

Mr. McKay, as the largest company in the room, and probably in the country, how do those numbers...? As a Canadian, reflect on Google and its position or outlook on the industry as a whole. When you hear those numbers, how do you react to that?

Mr. Colin McKay: The numbers you've cited are a signal of the crisis that's overtaking the industry and has been for several years. That includes some concern about advertising, but as mentioned by other members of the committee, it also concerns the restructuring of the business in Canada.

What I'm here to communicate to you and to the committee is that we've been in Canada for 20 years. We've been working with journalism organizations across the country—small, medium and large—for many years to try to help them make the transition and to try to help them both identify and exploit the opportunities not only in becoming an online presence, but in figuring out new revenue models, like Mr. Myles has been identifying and Mr. Jamison cited.

That is our approach to working with the industry today, and it will continue to be. We want to make sure that as there are shifts in one part of the industry, smaller and medium-sized organizations identify and then exploit the opportunities to grow their readership, to grow their impact and to find new audiences.

Mr. Michael Coteau: Would you agree that Google has played a role in that transformation, both in a positive way—because obviously Google is an innovative company that has changed the world—but also in these numbers that Heritage has provided?

Mr. Colin McKay: I'd like to take a step back from the numbers that the department has provided and speak to the concept of value exchange. As Mr. Myles has been hinting at—

Mr. Michael Coteau: I'm going to keep asking questions, if you don't mind.

With those changes that have occurred in the last 15 years in Canada, we know that Google's response is to create these relationships with these media companies. You talked a lot about transparency. You talked a lot about fairness. You said that larger companies and smaller companies under the bill were not equal.

I wanted to talk to you about the deals that you have with publishers already. How many deals do you have with publishers in Canada so far?

Mr. Colin McKay: We have deals that cover 150 publishers, 90% of which represent small, local or regional communities.

Mr. Michael Coteau: What is the value of those 150 publishers? Is there a number out there?

Mr. Colin McKay: There is not a number that I can disclose.

Mr. Michael Coteau: There is a number, though.

Mr. Colin McKay: There are a number of commercial agreements that would have a total number, but I'm not—

Mr. Michael Coteau: Would you say that you've reached 50% of the amount you're willing to contribute? Are we going to see that number double to 300? Is there any type of long-term goal that you have? Do you want to double that number?

Mr. Colin McKay: The long-term goal for us is to work with journalism organizations to ensure their vitality and continued contribution to Canadian society. It's an underlying principle of ours because it's essential to both our services and the expectations of customers.

Mr. Michael Coteau: Of the 150 publishers you have these secret deals with—these deals that are not open to the public—is there a range? Can you tell us what the smallest amount and the largest amount would be?

Mr. Colin McKay: I'm afraid not, but I would like to point out that they are commercial agreements. As in any industry, commercial agreements are between two parties and are normally kept confidential. As has been discussed, the CRTC will have an oversight role, but—

Mr. Michael Coteau: I want to keep asking my questions. I don't want to go into the CRTC piece. Maybe someone else will ask you this.

Would you agree that news is part of the public good?

Mr. Colin McKay: Yes, definitely.

Mr. Michael Coteau: Okay. I think most people would agree that it's part of the public good.

Would you agree that...? These types of relationships are commercial and sensitive, but do you think eventually Canadians would be privy to this type of information? How much are Google and Facebook actually contributing to these news companies, these publishers?

[Translation]

The Vice-Chair (Mr. Martin Champoux): Please answer quickly, Mr. McKay, as there are only a few seconds left.

[English]

Mr. Colin McKay: This bill will not address the question you're identifying or the problem you're identifying. It will not grant transparency to these deals.

Mr. Michael Coteau: At the end of the day—

[Translation]

The Vice-Chair (Mr. Martin Champoux): I'm sorry, Mr. Coteau, but your speaking time is up.

[English]

Mr. Michael Coteau: Okay, thank you very much, Mr. Chair.

[Translation]

The Vice-Chair (Mr. Martin Champoux): Thank you, Mr. Coteau.

I have a little note for the witnesses in the room: you don't need to do anything with the microphones, because the technician looks after turning them on at the right time.

I will now take my turn to speak, if I may.

My question is for Mr. McKay.

If Bill C-18 passes, how much will it cost me, as a member of the public or a consumer, to access a page via Google? Would there be a charge to me?

• (1215)

Mr. Colin McKay: As a member of the public?

[English]

It's free.

[Translation]

The Vice-Chair (Mr. Martin Champoux): Right.

You characterize Google as a bulwark against misinformation. We often hear you say that Bill C-18 could open the door to misinformation. This week, we all received the results of a survey you commissioned from Abacus Data. I find some of the questions commissioned by Google for that survey a little perplexing, in terms of your determination to combat misinformation.

One of the questions asked concerns the sweeping powers the CRTC would supposedly have over the media industry and media content if Bill C-18 were passed.

Did the questions you asked in that survey clearly explain what the powers of the CRTC are? If you were able to do that, you are better than us, because we still do not know what powers the CRTC is going to have, precisely, if Bill C-18 is passed.

What was the precise question you asked that enabled you to reach the conclusion that 70% of people are worried about the sweeping powers the CRTC would have? Can you tell me what the question was?

[English]

Mr. Colin McKay: The concern that Canadians reflected in that survey—which is a snapshot in time—is reflective of our concerns about the legislation not having detail that provides us with certainty of the impact this legislation will have on the availability of information and the amplification of disinformation for Canadians.

[Translation]

The Vice-Chair (Mr. Martin Champoux): So it is not necessarily a concern on the part of Canadians; it is a concern on the part of Google that emerges from the results of that survey, which suggests that it is Canadians who are concerned.

I have another question. I asked you earlier how much it would cost me, as a member of the public, to access a page via Google. In your survey, you asked a question with the result that Canadians are certainly not inclined to pay fees, even minimal ones, to access a page via Google. What was the question that you put to Canadians in your survey to suggest to them that they would have to pay to access web pages via Google?

I am trying to understand, because you say you want to combat misinformation. It seems to me that we have a bit of a dichotomy here.

[English]

Mr. Colin McKay: I can't speak to the exact question. I can make that information available to the committee.

[Translation]

The Vice-Chair (Mr. Martin Champoux): We would like to receive that information, Mr. McKay, because it is in a survey that you are using to put forward your views on Bill C-18. I think it is somewhat important that we know exactly how your survey respondents were guided through the process. We would appreciate it. I imagine you understand that this is out of a concern for transparency. We will be eagerly awaiting it.

I will now yield the floor to my colleague Mr. Julian for two and a half minutes.

Mr. Peter Julian: Thank you, Mr. Chair.

[English]

Yes, we would really need that information. We all have to combat disinformation. Another member of the committee and I were very disturbed by how Google approached that particular opinion poll. That information would be helpful.

I have a number of short questions, Mr. McKay. I'd like a yes-or-no answer.

Can you confirm that the worldwide income for Google last year was \$256.7 billion?

Mr. Colin McKay: I don't have that number in front of me, unfortunately.

Mr. Peter Julian: That is a staggering amount of money. It's a quarter of a trillion dollars.

Can you confirm, as well, that Google vehemently opposed the bill that was put in place in Australia, which is working very well and serves as a model for the bill here?

Mr. Colin McKay: We spoke quite loudly about the need for a workable solution in Australia, which they have landed upon.

Mr. Peter Julian: So you confirm that Google opposed that, too. I'm glad that you have confirmed that. That is consistent with positions that Google has taken.

At a previous parliamentary hearing, you were asked about the number of staff and employees that you have cracking down on on-line hate. We've had concerns levelled against Google around homophobia, racism, anti-Semitism and Islamophobia.

At the time, you were asked how many full-time staff work in Canada and you weren't able to give that figure. Could you give it to us now?

Mr. Colin McKay: I don't have a figure for that today. What I can tell you is that we have global teams that deal with this and address any one of these number of issues that are problematic for all of us.

Mr. Peter Julian: I'm a little concerned that Google is unable or unwilling to provide that figure. You were asked a few months ago. You're being asked again today. I get a sense of stonewalling. I don't feel comfortable with that. Google has a responsibility to come clean.

Is it your commitment to this committee that you will provide that number this week?

• (1220)

Mr. Colin McKay: What I can underline for the committee is our commitment to addressing those issues, which is ongoing and has been for years. We are making those investments in teams around the world to both identify and deal with the sort of online commentary and discourse that Canadians are identifying and that individuals around the world are concerned about.

Mr. Peter Julian: You will not provide those figures to us.

Mr. Colin McKay: I'll get back to the committee.

Mr. Peter Julian: Do you commit to providing those figures to the committee this week?

Mr. Colin McKay: Yes.

Mr. Peter Julian: I appreciate that, Mr. Chair. I think that's important information.

[Translation]

The Vice-Chair (Mr. Martin Champoux): Absolutely.

That is all the time you have for this round, Mr. Julian. Thank you.

We will continue with the Conservative Party.

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

[English]

Mr. Martin Shields (Bow River, CPC): Thank you, Mr. Chair. I appreciate the time.

I'd like to go to Mr. Jamison and Mr. Merrell. This has to do with the Alberta piece, in the sense of representing the news media.

When I think of the ones in my riding—like The Strathmore Times, The Chestermere Anchor, The Brooks Bulletin and The Drumheller Mail—they don't fall within the parameters that you've talked about in your organization. They talk to me about the 30% of federal funding for advertising that came to their newspapers or weeklies that's now gone to the majors. Their suggestion is that the 30% of advertising that the federal government now sends out of this country to the internationals should come back to the weeklies. That would solve the problem.

Do you have any response to that particular comment?

Mr. Evan Jamison: I guess I'm not terribly clear on what you mean by the 30% going to the majors. I think we have all seen, no matter what size of operation, that—

Mr. Martin Shields: It's to Google and Facebook.

Mr. Evan Jamison: Yes, absolutely. I don't have the numbers sitting right in front of me, but it's well documented that the federal government has moved a tremendous amount of its advertising spending into major online platforms and away from local newspapers.

Mr. Martin Shields: So, if that advertising was returned to the weekly papers, papers in my riding suggest that this would resolve this issue.

Mr. Evan Jamison: I don't know if that would be the case for everybody. It would certainly be helpful. It's something that we have advocated for over time, both at the federal and the provincial level: trying to get more government advertising into local papers. They're a very effective means of reaching the local communities.

Mr. Martin Shields: One of the things I've done is survey my constituents about which papers they read. Number one, they identify their local newspaper as their first source to get local information and, two, as the most trusted source of information. Would you agree with that?

Mr. Evan Jamison: Yes, we have done a lot of research over the years that would confirm that—that the local Canadian newspapers are well trusted and people look to them first for information. As I said in my opening statement, those are often the only operations providing local news.

Mr. Martin Shields: The second part of that is the one they don't trust, which Bill C-18 would benefit most: the legacy media. That's the one my constituents don't trust, and they don't see more money going to the legacy media as an advantage. Do you have a response to that?

Mr. Evan Jamison: I guess it depends on what you mean by “legacy”. It seems to be kind of an opaque term, because we get termed as “legacy”, our papers that have been operating since the early 1900s. What is legacy? Is that an issue that some people have with larger outlets?

I think, in fairness, everybody wants to try to do a good job of journalism in their communities, but most really lack the resources to do that properly anymore. Of course, there are different issues with particular companies across Canada, but I think everybody really does want to do a good job. They just do not have the resources to sustain that anymore.

Mr. Martin Shields: When you mentioned the resources, you were sort of hedging on how to solve the problem because.... A number of the weekly papers in my riding, as you're familiar with, do not have two full-time journalists. I can't think of any that have two. So, how would you resolve that?

Mr. Evan Jamison: Of course, many of them are wearing multiple hats. Whether they are full-time journalists or not, many people in small operations, even in mid-size operations, wear many hats every day.

There have been thoughts around whether the LJI program could be supplemented to help bring those operations up to two-person newsrooms. Would additional government advertising spending help with that? There are any number of different programs that we've talked about over time that might help bring those newsrooms back.

As I said before, it's not necessarily just about trying to maintain what is currently there. It's about trying to find a way to provide adequate resources to provide good-quality news content to these different communities. For a lot of them, that means that they need to add back because so many of them have been decimated. They're shells of their former selves. A lot of operations are trying to be the best they can, but they aren't doing what they should be doing because they just cannot afford to do it anymore.

• (1225)

Mr. Martin Shields: What would be your ultimate solution, then, to resolve the issue with the two journalists? What would you recommend as an amendment?

Mr. Evan Jamison: It's really challenging, because when you spread this out over all the communities in Alberta.... There are many small communities, and it's an expensive issue. I don't know if there's any one particular thing. You know, we talk about the LJI. We talk about things like the aid to publishers that have helped over time. I don't know if there is any one thing. I think it's highly likely that it's going to be a combination of many factors to help all the different business models and different types of operations that are out there. It's going to be a combination of several different things to make that work.

[Translation]

The Vice-Chair (Mr. Martin Champoux): Thank you, Mr. Jamison.

Mr. Shields' speaking time is up.

It is now the Liberal Party's turn.

Ms. Hepfner, the floor is yours for five minutes.

Ms. Lisa Hepfner: Thank you, Mr. Chair.

[English]

I will go back to Mr. McKay with Google and these agreements that we know have already been signed with some news producers in Canada. In these agreements, does Google insist on a non-disclosure agreement, and if so, why?

Mr. Colin McKay: These are standard contractual agreements with publishers and other organizations and they're mutually agreed terms.

Ms. Lisa Hefner: Is the non-disclosure agreement part of that mutually agreed term?

Mr. Colin McKay: It's a part of most commercial agreements, as I understand.

Ms. Lisa Hefner: Without asking you for details about how much each news producer is getting, can you tell us how Google decides how much each organization will get?

Mr. Colin McKay: We don't make that decision. We talk to each organization about the package that would be included in an agreement that would help them address their challenges as a news organization. That includes the level of revenue exchange, I guess you would say, but also programming, technical support and other elements.

Ms. Lisa Hefner: With these agreements that are already in place—I understand they are two- or three-year agreements—would Google be prepared to renew all of those agreements if Bill C-18 does not pass in the House of Commons?

Mr. Colin McKay: We've been negotiating these agreements since striking these partnerships with journalism organizations, since before Bill C-18 was introduced. It's a reality of the journalism industry in Canada and globally. We remain partners and we're committed to the success of journalism.

Ms. Lisa Hefner: Thank you for that.

I'll go over to Mr. Scott.

I appreciated, in your opening statement, your reframing the argument to a public interest perspective rather than the public versus the tech giants. You said that the revenue has to go towards the production of news. Tell us how you see that best happening. How can we best ensure that extra revenue from Google and Facebook would go towards the production of news?

That's for Mr. Scott, with Reset. Thanks.

Dr. Ben Scott: I think you can bake that into the criteria reviewed by the regulator when they look at the deals and make sure the companies receiving these commercial agreements can demonstrate that they're putting money into the production of news. I think most publishers would be very happy to do that, because that's what they want to be doing with the money.

Ms. Lisa Hefner: Thank you.

I'll go to Mr. Kevin Desjardins.

We've been talking about how, under the QCJO requirements, an organization should have two journalists. What do you think about that? Do you agree that we need more journalists and that anything that will promote and help organizations to hire more journalists is a good thing? Do we maybe need more support so the smaller organizations can hire more journalists and so that overall we have more journalists in Canada?

• (1230)

Mr. Kevin Desjardins: Thank you. I appreciate the question.

I think that bar of two journalists is a pretty low bar. I respect the fact that there are small publishers of community papers, say, that may have a struggle in some ways, but I think the point is that there are probably a lot of people who are used as freelancers, stringers

and whatnot, and maybe for some of those organizations it motivates them to bring those people on as full-time employees.

If that's a piece of the legislation that motivates getting more journalists employed in newsrooms, then I think that's a good thing, rather than us trying to bend ourselves backwards into a pretzel to figure out a way to make sure that certain newsrooms are allowed to continue to use part-timers, stringers, volunteers or what have you. I think two is a pretty low number, and I think the hiring of more journalists in newsrooms is something we should be encouraging.

Ms. Lisa Hefner: Do we need more support from the Canadian government as well to make that happen, like the local journalism initiative, for example? Do we need to add to those programs to be able to help more news organizations qualify for this new structure?

Mr. Kevin Desjardins: I think one of the themes that came up through some of the discussions today is the fact that people are pointing to a number of different initiatives.

I would say that Bill C-18 is something that can really help us in moving forward and in helping to keep journalism sustainable and vital, but it's not the only thing. There have to be a number of different things that are working together.

We've put some things into our pre-budget submission in terms of addressing the way that advertising tax exemptions are managed. There are a lot of different things out there. Cal, from CHCH, mentioned the independent local news fund. All of these things have to work together, and I don't think there is a single solution.

[Translation]

The Vice-Chair (Mr. Martin Champoux): Thank you, Mr. Desjardins.

Thank you, Ms. Hefner. Your speaking time is up.

We have time to do a third round of questions. We will start with the Conservative Party.

Ms. Thomas, the floor is yours for five minutes.

[English]

Mrs. Rachael Thomas: Thank you.

Chair, just on a point of clarification, I'm up in this next round, but my colleague Marilyn is also up for questions and she hasn't had a chance to go yet. I just want to make sure we're going to get to her.

[Translation]

The Vice-Chair (Mr. Martin Champoux): Yes, absolutely.

[English]

Mrs. Rachael Thomas: Perfect. Thank you.

I have a couple of quick comments that I'll state for the record.

Mr. Desjardins, I believe the point you were making with regard to employees.... You were saying that two is a "low bar" and that it's no problem and should be expected.

I would just highlight, for those who might be reading this material or listening to this, that that is actually a rather privileged position. Nothing says that two journalists working full time equals good journalism. If that is in fact the goal of this legislation—to continue to support good journalism—then there is no reason we should have a bar of two journalists. Instead, the criterion should in fact be good journalism. I would just like to highlight that for the benefit of anyone who might be watching.

Mr. Coteau insinuated that there is this secret deal that has taken place between Google and media sources. He insinuated that we therefore need Bill C-18 in order to help prevent that. I would like to expose that actually Bill C-18 doesn't require any transparency. In fact, it perpetuates secrecy. All of these negotiations can be had behind closed doors, and the results of these negotiations don't have to be made public. Let's be very clear about that.

My question is for Google, which of course is Mr. McKay, who is here at the table today. My question for him is this. Publishers used to use newsstands in order to have their newspapers displayed or magazines displayed—

[*Translation*]

The Vice-Chair (Mr. Martin Champoux): Just a moment, Ms. Thomas. Mr. Coteau has a point of order.

You have the floor, Mr. Coteau.

[*English*]

Mr. Michael Coteau: On a point of order, Mr. Chair, I just want to make it very clear that my question specifically to Mr. McKay was around his relationship—or Google's relationship, I should say—with publishers. That was the questioning. The member opposite just said that I said we needed Bill C-18 to open up this transparency. I never made that statement, so maybe she could correct her record.

[*Translation*]

The Vice-Chair (Mr. Martin Champoux): Do you have a comment on that, Ms. Thomas?

[*English*]

Mrs. Rachael Thomas: Can I continue?

[*Translation*]

The Vice-Chair (Mr. Martin Champoux): Certainly, you can continue.

[*English*]

Mrs. Rachael Thomas: My question for you, Mr. McKay, is this. Publishers used to use newsstands. Magazines and newspapers would have an opportunity to be sold through these newsstands. We know that those publishers would actually pay the newsstands in order to make those available. Today in modern society, Facebook, Twitter, Google, etc., function as those newsstands, making access readily available.

Again, if this bill is about access, if it's about making news readily available to Canadians, if it's about the public good, then I have questions with regard to that. I'm wondering to what extent this bill will actually ensure that that is the case versus to what extent it will stifle the opportunity that Canadians have to be able to access a

plethora of sources, rather than just a select few that happen to be able to enter into negotiations.

Mr. McKay, do you care to comment?

• (1235)

Mr. Colin McKay: Thank you very much for the question.

As it stands, Canadians come to Google Search to seek an answer to a question. We provide them with multiple trustworthy and authoritative sources. They are presented in order of relevance and then trustworthiness and quality of information. That includes many Canadian publications. It also includes many other Canadian sites.

The challenge I identified in my opening remarks is that this legislation contains terms that would create an imbalance in the relationship between Canadian media and the presentation of information fairly in Google Search. It would incentivize, in some cases, misinformation and clickbait that may not be generated by the sort of journalism organizations this legislation is meant to support and help grow.

Mrs. Rachael Thomas: Thank you. I think that's a good point. While the intent might be good, to help facilitate journalism, to help make sure Canadians are given access to news, to ensure that the public good is protected—I can get behind those ideals—this legislation actually appears to do the exact opposite, which is the point you've raised here today.

My next question is this. If a news source, a publisher, doesn't want Twitter or Facebook or Google to be able to promote their site or provide a link, they have the ability to opt out—but they don't. They don't opt out. They seem to be benefiting, then, from these platforms that are perpetuating their links. Otherwise, why stay in?

Do you care to comment?

Mr. Colin McKay: There very definitely is a value to any site, including publishers and journalists, making their content available on search and on other services. There is also an opportunity, as Mr. Myles identified, for them to handle those information seekers and those users to convert them into readers and into subscribers as soon as they land on their website.

We are, in effect, providing that newsstand service, but at no cost and with immediate response and relevancy to Canadians.

Mrs. Rachael Thomas: In fact, it is no cost to them, but it actually is a cost to you.

Mr. Colin McKay: Yes.

Mrs. Rachael Thomas: It's a cost to the tune of what?

Mr. Colin McKay: I can't speak to the total cost of our network and our search engine, but it is a substantial cost. It's an investment we've been making in Canada for the past 20 years.

Mrs. Rachael Thomas: Google reported that it's a cost of \$500 million.

Thank you, Mr. McKay.

[*Translation*]

The Vice-Chair (Mr. Martin Champoux): Thank you, Ms. Thomas.

We will now go to the Liberal Party.

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

Mr. Chris Bittle (St. Catharines, Lib.): Thank you, Mr. Chair.

[English]

I guess I'm a little shocked. Mr. McKay has said a couple of times that Google is a partner of journalists and journalism. It's shocking to me, because in meeting after meeting we have all of your partners come up to support this bill and condemn your practices.

My first question is for Mr. Scott.

Globally, is Google a partner of journalists and journalism?

Dr. Ben Scott: I'll use the newsstand analogy that just came up in the last round of questions.

Imagine that the newsstand industry in Canada was owned by one company with a 90% market share. They took 80 cents out of every dollar of advertising that went to every newspaper that put their paper in that newsstand, but in order to reach audiences, they have to be in the newsstand. That's a partnership of a sort, but one that is incredibly exploitative.

I also think it's ironic to hear Google say that agreements they make behind closed doors with news publishers are commercial licensing agreements, but when those same commercial licensing agreements are mandated by law, they are link taxes. This is the kind of doublespeak that you don't often hear from partners.

Mr. Chris Bittle: Thank you so much. With friends like Google, who needs enemies?

You mentioned that countries around the world are grappling with Google, with the Australian model and with legislation like Bill C-18. Can you expand on why Bill C-18 specifically is a good solution to many of the problems faced by other countries?

● (1240)

Dr. Ben Scott: I think other countries have the same problem that you're facing in Canada, and they're coming up with similar solutions. I know you've heard from Rod Sims, who has done this in Australia. The Australian model has a lot of lessons to be taken from it.

Everybody faces the same problem, which is a crisis in journalism. Everybody sees the same diagnosis, which is that monopoly and the digital advertising industry is a huge contributing factor to that crisis. They are looking for ways to intervene to make sure the public gets journalism.

I think what Bill C-18 has going for it is that it leans in the direction of greater transparency. I would argue for more. It leans in the direction of mandatory minimums for using funds to support the production of journalism. I would argue that those should be more explicit. It leans in the direction of trying to make sure that every publisher—whether it's a small, rural organization or a large, urban organization—gets an equitable deal.

Those are all important improvements on the Australian bill and things that I think could be clarified in this bill to make the Canadian law the world leader.

Mr. Chris Bittle: Thank you so much.

Mr. Desjardins, are you a partner of Google?

Mr. Kevin Desjardins: I am not, personally. I do believe there are some relationships between our members and Google. As I said, there are 700 members across the country, so it is difficult for me to nail it down. I do know that some have entered into those negotiations.

I think one point we're coming to is this idea that a link has value. I think the whole purpose of why we're here and what we're talking about with Bill C-18 is the fact that the link is creating more value for the global platforms than for the Canadian journalism organizations. That is the discrepancy we're trying to address here.

If we ask whether there is value in sending people to TVA Nouvelles, CTV News, Global or my radio station members or what have you, yes, there's value, but who is retaining the majority of that value? The majority of that value is being retained by the platforms.

Mr. Chris Bittle: Very quickly, do you think these “partnerships” would exist without the threat of Bill C-18, or the Australian model and other legislation across the country?

Mr. Kevin Desjardins: I would say that the place we want to get to is one where all journalism organizations are entering into those partnerships, as opposed to having a foreign platform choose the winners and losers in Canadian journalism.

Mr. Chris Bittle: Thank you.

[Translation]

The Vice-Chair (Mr. Martin Champoux): Thank you.

It is my turn to ask a few questions.

I think some very interesting points have been raised.

Mr. Myles, I am going to come back to you to talk about the option of non-participation, that is, the possibility of a media outlet simply withdrawing from the platforms. One of my colleagues made a comparison. It may be somewhat clumsy, but he said it was a bit like someone wanting to start up a delivery company and deciding to do it with a horse-drawn cart rather than buying trucks.

Does a media company have a choice, today, as to whether or not to use the digital platforms?

Mr. Brian Myles: We have a choice. We are not forced to do business with Google, Meta, Twitter or Apple. We choose to put our content on those platforms because the discoverability funnel and the megaphone that those companies represent are much more powerful and supportive than our own.

Today, *Le Devoir* has more subscribers to its digital version than to its paper version. Every day, we receive statistics on visits by both casual users and subscribers. The primary gateway they use is keyword searches on Google. The second is sharing on social networks. Direct connection, where people type “ledevoir.com”, comes in third, but far behind the other two. So no, we cannot do without the digital platforms.

Other witnesses have explained this very well: the issue is the redistribution of the value created in that relationship. These are complementary relationships and they are partners, but the relationship is necessarily unequal, since 80% of advertising revenue is in the hands of two companies.

• (1245)

The Vice-Chair (Mr. Martin Champoux): I would like to ask you a quick question. Time is flying, and I really want us to have the time to complete the round of questions.

We have also talked about professionalism and the quality of the journalism. Do you think the criteria set out in Bill C-18 for a business to be recognized and accredited are too broad? Do you think that somewhat more stringent journalistic norms and rules should be applied?

Mr. Brian Myles: No, not at all. The issue is to determine how to make the smallest players eligible and how they can be provided with a level of support that enables them to get by.

I note that the Guidance on the income tax measures to support journalism sets out the rules to be followed in order to obtain the status of a qualified Canadian journalism organization. The guidance contains all of the answers and arguments we need for our purposes. I would draw your attention to point 2.27, which states that it must be engaged in journalism and must produce general interest news and content that is "produced in accordance with journalistic processes and principles." Misinformation can be avoided if the criteria that already exist are applied.

The Vice-Chair (Mr. Martin Champoux): Thank you, Mr. Myles.

It is now the NDP's turn.

Mr. Julian, the floor is yours for two and a half minutes.

[English]

Mr. Peter Julian: Thank you very much, Mr. Chair.

I'll start with a comment. The Financial Times reported, just a few months ago...the headline reads, "Australia's media thrives after forcing Big Tech to pay for content". The judgment of what's happened in Australia...there is no doubt it made a big difference in reviving the media sector. I would note that Country Press Australia did a terrific job negotiating on behalf of smaller weeklies right across Australia.

That is a response, I think, to Mr. Jamison's legitimate concern about making sure Alberta papers...and we heard the same from Saskatchewan newspapers. They support Bill C-18, but they want to make sure more newspapers are able to benefit.

The reality is that the question of the principle of this bill... There is no doubt that all the evidence shows this will make a huge difference for media in this country. Our job, as members of Parliament, is to make the bill better. I reject those around the table who say that the bill is not perfect so we have to oppose it. That's absurd. Our job is to make sure this bill is better.

I haven't yet had an opportunity to ask Mr. Scott, Mr. Millar and Mr. O'Brien.... I would like to compliment the team of CHCH. You

do a great job providing news, not only in greater Toronto, but right across the country. Thank you for your work.

Could you take a moment to talk about other amendments this committee should be considering, so we can make Bill C-18 a better bill?

I'll start with Mr. Scott.

Dr. Ben Scott: Just briefly, I'll re-emphasize the points I made in my opening comments.

First, I think we have to make sure that deals are equitable for small and large news outlets alike.

Second, we ought to make sure that new revenues are used for the production of news content and not for other business purposes.

Third, we should increase transparency in all ways that are feasible under this legislation: at the very least, mandatory reporting by the CRTC on a more regular basis than annual and, if possible, aggregated market data so that when new deals are struck under the terms of this legislation by news organizations that don't have one yet, they can make informed decisions about whether they're settling for something that is similar to what other organizations are getting.

[Translation]

The Vice-Chair (Mr. Martin Champoux): Thank you, Mr. Julian.

The order that was established allows two more parties to ask questions.

For the Conservative Party, Marilyn Gladu will have the floor for five minutes.

Ms. Marilyn Gladu (Sarnia—Lambton, CPC): Thank you, Mr. Chair.

I would like to thank all the witnesses who are with us today.

[English]

Because I'm new to the committee, I want to start with a comment so you can understand where I'm coming from.

To me, freedom of the press is critical for democracy. In communist states, the government controls the media so that it can be sure its propaganda is the only thing people receive. We definitely don't want to see anything like that in Canada, so when I look at Bill C-18, I have a couple of concerns.

I see that here the government is the one that sets the criteria for who the actual media organizations are, and then the CRTC decides which outlets are going to receive the payment. That doesn't sound like freedom. If I see that we're only focusing on general news, then that sort of distinguishes it from targeted journalists, so again I have a concern there.

Let me go to my questions.

My first question is for Google. You mentioned in your opening remarks a term called "undue preference".

I know that in social media these algorithms are to basically, theoretically, try to help you so that when you're searching for something, you don't have to go through five pages of links before you find something that's actually what you're looking for, but I notice that the language in the bill is trying to prevent discrimination or undue sorting out of organizations. It sounds like those two things are in conflict.

Could you expand on your concern with undue preference?

• (1250)

Mr. Colin McKay: Thank you for the question.

I think it's worth underlining that I'm here today to discuss, as other witnesses have, amendments that would make this bill better and to ensure that we support journalism in Canada as a society, as well as a company and an industry.

Our primary concern, as I discussed, about undue preference is that it is tied to this framework, and it is tied to an enforcement mechanism through the CRTC that is in effect a challenge to how commercial contracts are conducted and then how information is presented within our products and services.

Through our evaluation, the real threat is that those challenges could come not from well-meaning actors and established participants in journalism in Canada, but from those sorts of edge cases and smaller organizations that may not even be based here but can use this tool to seek the promotion and the raising of their content within the context of how information is presented to our users.

Ms. Marilyn Gladu: Okay.

You also talked about some of the other places in the world that have implemented similar systems. I think it's important to always try to learn from the mistakes of others or the learning experiences that they've had. Could you tell me what it is that you didn't like about the Australian system? I think you also mentioned the German system.

Again, that's for Mr. McKay.

Mr. Colin McKay: For the context of our conversation today, the Australian system produced the expected and desired result. There are contracts that have agreed-upon terms with journalism organizations of all sizes, and the news out of Australia is that this is addressing the public policy challenge in that country.

That should be the outcome of Bill C-18, which we're considering today, and our suggested amendments seek to resolve the undue and unintended consequences of those items that I've identified and other items that we'll include in our submission to the committee to follow shortly.

In the context of other countries, what we see consistently is that if the enforcement mechanism is not thoroughly thought out, and thought out in the context of bad actors, it ends up being gamed and misused by bad actors. That has a negative consequence on the user experience and the discoverability of information, and then also acts in a contrary manner to the public policy goals of the legislation that was originally drafted.

We're very much in favour of this sort of conversation and continued deliberation about how to perfect Bill C-18 to arrive at our shared goals.

Ms. Marilyn Gladu: In fact, when we talk about the Australian situation, I noticed that at the beginning Facebook or Meta had actually blocked all the Australian content. I didn't see them in the list of witnesses, and there were a number of other witnesses I didn't see.

I would like to move a motion that the committee have a minimum of three additional meetings to hear from witnesses on Bill C-18, with one of those meetings being with the Minister of Canadian Heritage, and that the committee does not move to clause-by-clause until the completion of these three meetings.

[*Translation*]

The Vice-Chair (Mr. Martin Champoux): Thank you.

Do you want us to debate your motion now, Ms. Gladu?

[*English*]

Ms. Marilyn Gladu: I think that, because freedom of the press—

[*Translation*]

The Vice-Chair (Mr. Martin Champoux): Just a moment, Ms. Gladu. Mr. Julian has a point of order.

The floor is yours, Mr. Julian.

[*English*]

Mr. Peter Julian: We saw this just before the break, as well, Mr. Chair, where the Conservatives sabotaged the hearings, so we couldn't get final answers. I think it's profoundly disrespectful. There's still another member of our committee who wanted to ask questions.

I would ask Ms. Gladu simply to table her motion, so that we can complete questioning witnesses. Then, of course, we have committee business already scheduled.

• (1255)

[*Translation*]

The Vice-Chair (Mr. Martin Champoux): Thank you.

Ms. Gladu, I will add that the question you are proposing, to add meetings, falls under committee business, which we will be addressing in camera after hearing the witnesses.

Do you still want your motion to be put to the committee and for us to discuss it right away or do you think we could just table the motion and discuss it a little later?

[*English*]

Ms. Marilyn Gladu: My concern is that we're going to go in camera. I want to hear the discussion in the public realm, because I think we need to hear from the Minister of Canadian Heritage. That is normal for bills that would come before our committee. I would like to see Facebook or Meta come forward, as well. And where's the CRTC?

[*Translation*]

The Vice-Chair (Mr. Martin Champoux): Right.

On the list of people who want to speak we have Ms. Thomas, Mr. Bittle, Mr. Julian, and Mr. Waugh, I believe.

Ms. Thomas, the floor is yours.

[*English*]

Mrs. Rachael Thomas: Thank you.

First off, I want to thank the witnesses for being here. I do recognize that we are in the last four-minute stretch of this meeting before moving on to committee business.

The reason why it was so important to move this motion now... I think we've been rather accommodating to the committee, waiting until the last four minutes. The reason why that's important... There are discussions that can be had behind closed doors, in camera, in order to protect the identity of certain individuals. That is appropriate. At the same time, there are other discussions that should take place in the public domain for the sake of accountability and transparency. That is most appropriate. In this case, this one does call for a public discussion.

The motion on the table, of course, is asking for three more meetings with regard to Bill C-18 and—

[*Translation*]

The Vice-Chair (Mr. Martin Champoux): Ms. Thomas, I am going to interrupt you, if I may. We do not have the text of the motion, so it is very difficult for us to follow you. Would it be possible to get the text of the motion? Could you send it to the clerk, please?

[*English*]

Mrs. Rachael Thomas: Sure. We can make sure that it is sent to the clerk.

Do you want me to pause until you receive it, Chair?

[*Translation*]

The Vice-Chair (Mr. Martin Champoux): No, you can continue.

[*English*]

Mrs. Rachael Thomas: Thank you. We'll make sure that it gets to the clerk right away.

For the benefit of the committee, just to clarify, it's a pretty simple motion. What we're asking for is a minimum of three more meetings with regard to Bill C-18. We're asking that the Minister of Canadian Heritage be a part of one of those meetings, so that we would have an opportunity to hear from him with regard to this piece of legislation. We're asking for this to take place before the committee moves to clause-by-clause consideration of the bill.

I will continue to speak to that.

We've seen a pattern in the past where pieces of legislation have been rushed through without due process. Bill C-11 was one such example, which, if successful, will have a significant impact on the virtual sphere. Bill C-18 will also have a significant impact on news outlets, on publishers, on—

Mr. Chris Bittle: I have a point of order.

[*Translation*]

The Vice-Chair (Mr. Martin Champoux): The floor is yours, Mr. Bittle.

[*English*]

Mr. Chris Bittle: Thank you.

It's almost one o'clock. Perhaps we can dismiss the witnesses.

[*Translation*]

The Vice-Chair (Mr. Martin Champoux): Absolutely.

Ms. Thomas, I will thank the witnesses, if I may.

Gentlemen, since we have embarked on a discussion of a different kind, we will let you leave. We can then continue the discussion on the motion before the committee.

My sincere thanks for being with us today, and I wish you a pleasant rest of the day.

Ms. Thomas, the floor is yours again.

[*English*]

Mrs. Rachael Thomas: The point I really wish to raise is this: With such an important piece of legislation, I do believe that due process is necessary, so we are asking for three more meetings. We're asking for the minister to come forward. That's been established.

The reason for this, which I would like to go into for just a moment here, is this: We've seen in the past that important pieces of legislation have been rushed through the committee without due process, and important witnesses have not been heard from. In this case, Bill C-18 is absolutely a pinnacle. It will forever change the way that news is potentially produced but also how it's accessed. There are many further considerations that need to be given attention. The way we can do that is by hearing from the several dozen witnesses still on the list who have not been called forward, and also from the minister.

One of the reasons it's so important that we hear from the minister—there are a few—is that we actually, just in general, haven't heard from him at this committee at all. It would be normal for a minister to come forward and to speak to his mandate letter. It would be normal for a minister to come forward and speak to the estimates or the budget, and we haven't actually heard from the minister in that capacity. Specifically, the estimates seem like a really good reason for the minister to show up. On this piece of legislation, it would be appropriate for the minister to show up.

My concern is that this committee is going to rush this process. To ensure that that's not the case, but rather that due time and due process are given, we are asking for the support and co-operation of the other members around this table to ensure that, as stated, a minimum of three meetings are given and that the minister is heard from.

Further to that, one of the reasons why it is so important to hear from those other witnesses who are on the list is that a number of them—many of them—have written to the committee and asked for their voices to be heard. It's in a non-partisan capacity, so there's actually a huge opportunity here to engage in co-operation together.

Further to that, yes, there is another list that is more partisan in nature. There are witnesses that Conservatives have put forward. There are witnesses that Liberals have put forward, and the NDP, and the Bloc. Of course, that, again, is due process at a committee: that we would have the opportunity to put forward witnesses, and that we would also have the opportunity to hear from those witnesses.

Again, my concern is that, without this motion, without giving some sort of direction or framework to the time we will spend on Bill C-18, this bill will be rushed through without hearing from this slate of very important voices from all parties, with a variety of angles being held.

For this reason, we would move this motion.

• (1300)

[*Translation*]

The Vice-Chair (Mr. Martin Champoux): Thank you, Ms. Thomas.

Mr. Bittle, the floor is yours.

[*English*]

Mr. Chris Bittle: Thank you so much, Mr. Chair.

It's disappointing, again, that we're in this spot where the Conservatives are filibustering. This is an important piece of legislation. We've heard the numbers in terms of media outlets closing. Further delay on this bill can be perilous to media outlets.

The minister is eager to testify, but we need to go into committee business to talk about other issues, including Hockey Canada and sports in general. I think that needs to be done in the way we originally scheduled it. The minister will testify; the minister is eager to testify and has done so before. Mrs. Thomas may not remember because she filibustered through it the last time he appeared.

I move that debate on this motion be adjourned.

[*Translation*]

The Vice-Chair (Mr. Martin Champoux): Just a moment, please. I am going to take a few seconds to consult the clerk.

The motion before us now, which will be put to a roll-call vote, is to decide whether we will adjourn the debate.

(Motion agreed to: yeas 6; nays 4.)

• (1305)

The Vice-Chair (Mr. Martin Champoux): We will therefore return to our agenda.

I propose that we take a short break, the time for going in camera to continue with the matters on the agenda. The meeting has to end at 1:30.

Do you want to speak, Ms. Thomas?

[*English*]

Mrs. Rachael Thomas: I have a quick comment on that.

I would propose a motion that we actually stay in public for the business portion of this meeting, rather than going in camera.

[*Translation*]

The Vice-Chair (Mr. Martin Champoux): Do all committee members agree to proceed with the vote?

Mr. Julian, the floor is yours.

[*English*]

Mr. Peter Julian: Mr. Chair, in this particular circumstance, given that we're talking about sensitive information from Hockey Canada and from other sports organizations and other victims who have contacted us, I oppose the idea of providing those names and that information in public. I think we have to be very careful and prudent, given the information that all of us have received. I believe it is appropriate to have this discussion in camera.

[*Translation*]

The Vice-Chair (Mr. Martin Champoux): Ms. Gladu, I see that you want to speak, but I am told that this is not a question that can be debated. We have to proceed directly to the vote.

The question is as follows: do you want the meeting to continue in public?

(Motion negated: nays 6; yeas 4.)

The Vice-Chair (Mr. Martin Champoux): We will suspend the meeting and go in camera.

[*Proceedings continue in camera*]

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