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# Standing Committee on Canadian Heritage

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Chair: The Honourable Hedy Fry





## Standing Committee on Canadian Heritage

Friday, October 21, 2022

• (1300)

[Translation]

**The Chair (Hon. Hedy Fry (Vancouver Centre, Lib.)):** Welcome everybody

I call this meeting to order.

Welcome to meeting No. 48 of the House of Commons Standing Committee on Canadian Heritage.

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

[English]

Pursuant to the order of reference adopted by the House on Tuesday, May 11, 2022, the committee is meeting on the consideration 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 of Commons order of Thursday, June 23, 2022. Some members are attending in person and some are attending virtually.

Here are a few comments I'd like to make. I think you all know this by rote, but this might be for the benefit of the witnesses.

Please wait until I recognize you by name before speaking. For those participating by video conference, click on the microphone icon to activate your microphone, and please mute yourself when you're not speaking.

For interpretation for those on Zoom, you have a choice, and everyone knows in the room what to do. Those attending virtually have a little round globe at the bottom, which is the icon you press if you want to get your messages in English or French. As a reminder, all comments should be made through the chair.

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

Before we begin the meeting, there is one small order of business, some housekeeping we need to do. I would like to take a moment and proceed to the election of the new first vice-chair, so I will turn the floor over to the clerk.

**The Clerk of the Committee (Ms. Aimée Belmore):** Pursuant to Standing Order 106(2), the first vice-chair must be a member of the official opposition.

I am now prepared to receive motions for the first vice-chair.

**Mrs. Rachael Thomas (Lethbridge, CPC):** I move that Kevin Waugh be made vice-chair.

**The Clerk:** It has been moved by Rachael Thomas that Kevin Waugh be elected first vice-chair of the committee. Are there any further motions?

**Mr. Peter Julian (New Westminster—Burnaby, NDP):** I'm sorry; I didn't catch the name.

**The Clerk:** It has been moved by Rachael Thomas that Kevin Waugh be elected first vice-chair of the committee.

**Mr. Peter Julian:** He's an honourable man, so sure.

**The Clerk:** Are there any further motions?

Seeing none, it has been moved by Rachael Thomas that Kevin Waugh be elected first vice-chair of the Committee.

Pursuant to the House order of November 5, 2021, I will now proceed to a recorded division.

• (1305)

**Mr. Chris Bittle (St. Catharines, Lib.):** Is it not on consent?

**The Clerk:** I am really supposed to do a recorded division. I am really sorry. I will move very quickly.

(Motion agreed to: yeas 11; nays 0)

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

I want to congratulate our new vice-chair and welcome the new members of the committee.

Kevin, I am so pleased to see you as vice-chair.

**Mr. Kevin Waugh (Saskatoon—Grasswood, CPC):** Thank you, Madam Chair. I have big shoes to fill from Mr. Nater, but I will get help, I know, from Aimée.

**The Chair:** She is very good at helping. Mr. Champoux would attest to that from the last meeting, which I understand he chaired remarkably well.

I would now like to move to the actual order of the day, which is Bill C-18, an act respecting online communications platforms that make news content available to persons in Canada.

For the first hour, we have the Canadian Radio-television and Telecommunications Commission. We have Ian Scott, chairperson and chief executive officer; Rachelle Frenette, general counsel and deputy executive director; and Adam Balkovec, legal counsel.

I think the CRTC has gone through this before many times, so whoever is going to be the spokesperson—it is my belief it might be Mr. Scott—has five minutes. I will give you a 30-second shout-out when you have 30 seconds left.

Welcome, Mr. Scott, and please begin.

**Mr. Ian Scott (Chairperson and Chief Executive Officer, Canadian Radio-television and Telecommunications Commission):** Thank you very much, Madam Chair. I delighted in your first mistaken introduction when you referred to new witnesses. It made me feel young. I'm not new but familiar, and happy to be here with the members. I appreciate being invited before the committee once more.

You've already introduced my colleagues, who are here to assist me. As I often say, when I need to call a friend, I have my friends with me.

We're very pleased to appear before you. Hopefully we can contribute to your study of Bill C-18.

The proposed legislation aims to address a market imbalance in Canada's digital news marketplace by creating a new legislative and regulatory framework that would ensure that the major digital platforms fairly compensate news publishers for their content.

[*Translation*]

If it is adopted by Parliament, the Online News Act would require the largest digital platforms to negotiate with news businesses and reach fair commercial deals for the news that is shared on their platforms. Those deals would also need to respect journalistic independence and invest in a diversity of Canadian news outlets, including independent local businesses.

Should Parliament wish to assign the responsibility of creating and overseeing the regulatory framework under the Online News Act to the CRTC, we are prepared to take it on.

The legislation proposes to entrust five main functions to the CRTC.

[*English*]

Specifically, these are, first, to consider requests from news businesses to be eligible for mandatory bargaining and requests from digital platforms to be exempt from mandatory bargaining by applying the act's criteria.

The second is overseeing negotiation and mediation and maintaining a public list of external arbitrators that meet qualifications set by the commission.

The third is that we deal with complaints of undue preference or unjust discrimination filed by eligible news businesses against platforms.

The fourth is to contract an independent auditor to publish an annual report on the total value of commercial agreements and other key information.

Finally, we are to establish regulations, including a code of conduct for good-faith bargaining and regulatory charges that platforms must pay to fund the administration of the act, similar to the fees paid by broadcasters and telecommunications service providers today.

We have, of course, been turning our mind to the implementation of Bill C-18 should it receive royal assent.

There are several areas in which the commission must create regulations, which include developing regulatory charges to operate the program, as well as creating a code of conduct to support fairness and transparency in bargaining. As well, the bill will require the CRTC to establish detailed policies to provide news businesses, platforms and the public with clear guidance on how we intend to apply the eligibility criteria as well as the companion exemption criteria. Finally, we will of course have to create efficient procedures to administer the act.

There will no doubt be challenges along the way, as there always are when developing a new framework. I'm confident that with input from the public, news businesses and platforms, we will collectively develop a public record to assist us in implementing the new legislation, again assuming it's the will of Parliament.

● (1310)

[*Translation*]

The good news is that the CRTC is experienced in dealing with matters similar to those that Bill C-18 aims to resolve.

Our mandate is to regulate in the communications sector, and we have extensive experience overseeing mediation and arbitration processes, as well as those relating to undue preference complaints and codes of conduct. We also have experience conducting public proceedings, issuing exemption orders, and maintaining ongoing monitoring systems.

Just as importantly, we recognize the opportunities and challenges created by new players and have a proven track record of implementing policies and adapting approaches over time that enable traditional media, including local broadcast news outlets, to respond to changing market conditions.

[*English*]

**The Chair:** You have 30 seconds.

[*Translation*]

**Mr. Ian Scott:** The members of this Committee may already be familiar with the Independent Local News Fund. Created by the CRTC in 2016, the fund gives independent television stations across the country access to approximately \$23 million in resources.

[English]

Madam Chair and members, we'd be happy to answer your questions.

**The Chair:** Thank you very much, Mr. Scott.

Now we begin the question-and-answer segment. That is a six-minute segment. I'm going to begin with Rachael Thomas for the Conservatives.

Mrs. Thomas, you have six minutes, please.

**Mrs. Rachael Thomas:** Thank you.

Mr. Scott, thank you so much for being with us today and for offering those opening remarks.

Michael Geist has said this with regard to Bill C-18. I'm just going to read his quote into the record. He said:

Bill C-18 doesn't only increase the power of the Internet companies. It also provides exceptional new powers to the CRTC. These include determining which entities qualify as DNIs,

—in other words, digital news intermediaries—

which agreements create an exemption, which Canadian news organizations qualify as eligible news businesses, and whether the arbitration decisions should be approved. On top of that, the CRTC will also create a code of conduct, implement the code, and wield penalty powers for failure to comply. Far from a hands-off approach, the CRTC will instantly become the most powerful market regulator of the news sector in Canada.

Mr. Scott, what's been outlined here is directly in the bill. This is fact.

I'm just wondering if, in your opinion, the CRTC really should be given this amount of control over news in Canada.

**Mr. Ian Scott:** Thank you.

The list that you just provided in quoting from Mr. Geist is almost exactly the same as the list that I referred to with respect to the responsibilities that the commission has contemplated performing under the legislation. There's no disagreement there.

The final comment, though, is rather editorial in nature, amounting to saying that therefore we are engaging in some massive regulatory activity. I would profoundly disagree. We are being—

• (1315)

**Mrs. Rachael Thomas:** Can I interrupt, then? If there's no regulation involved in making sure that this long list gets held—

**Mr. Ian Scott:** Madam Chair, could I just finish the response?

**The Chair:** Yes, sorry. I think it would very courteous of us to allow Mr. Scott to finish his sentence, please.

Thank you.

**Mr. Ian Scott:** Thank you, Madam Chair.

I'll just say that it is a supervisory role, not an active regulatory role. As you described, yes, we have to fill out certain aspects that are not detailed in the legislation.

**Mrs. Rachael Thomas:** Okay.

It's a supervisory role, but what you're supervising isn't outlined exactly in the legislation. There's actually very great vagueness.

If you're not intending to create regulation, how are you holding entities accountable in your supervision?

**Mr. Ian Scott:** The essence of the legislation is to create an environment to permit parties to reach a negotiated outcome.

**Mrs. Rachael Thomas:** I'm sorry. As the questioner, I do have the floor, Madam Chair.

I don't know why my question is being avoided. If you're not creating legislation, and you denied that—

**Mr. Ian Scott:** That's not what I said.

**Mrs. Rachael Thomas:** You said you're simply overseeing in a supervisory role.

I'm confused, then, because if specifics aren't in the legislation and you're saying the CRTC isn't going to play a regulatory role but only going to be supervising, what exactly are they supervising and how are organizations being held accountable?

**Mr. Ian Scott:** Through you, Madam Chair, I'll try to be more clear.

I did not say that we're not engaging in regulation; I said that the fundamental nature of our activities is a supervisory one. In order to establish the regulatory framework, we will of course have to pass regulations along the lines that you described.

**Mrs. Rachael Thomas:** Okay. Do you believe that the CRTC should be put in control of that many things?

**Mr. Ian Scott:** I think that's what the legislation contemplates.

**Mrs. Rachael Thomas:** I'm asking for your expert opinion as the leader of the CRTC.

**Mr. Ian Scott:** It isn't for me, as the leader of the CRTC, to contemplate what the nature and objectives of the legislation—

**Mrs. Rachael Thomas:** Mr. Scott, with all due respect, you would be able to tell me whether or not you sense, or whether or not your assessment would be that yes, that should be brought within the scope of the CRTC, or no, maybe it's a little too far-reaching.

**Mr. Ian Scott:** I can certainly try to answer that. I believe we have the necessary skills, more so than any other existing regulatory authority, to perform these functions.

**Mrs. Rachael Thomas:** Mr. Scott, the last time you were at committee I was asking you questions with regard to Bill C-11. There was a point in our conversation when I think perhaps you felt a little overwhelmed by my questions and you said that well, the Canadian public just needs to trust us. They just need to trust us. That was what you said.

Mr. Scott, this summer it came to the attention of the Canadian public that over half a million dollars was given to a public anti-Semite, a bigot, a racist, and that this money was given by the CRTC.

**Mr. Ian Scott:** That's incorrect.

**Mrs. Rachael Thomas:** Mr. Scott, I'm curious, then. Why should the Canadian public trust your entity?

**Mr. Ian Scott:** First I have to disagree with your statement. The CRTC did not give funding, and the number is absolutely incorrect.

The CRTC has granted two cost awards in relation to an accessibility procedure to the organization you cited. We completely condemn the remarks of that individual. They were not part of the record of that proceeding.

The other point to which you were referring—

**Mrs. Rachael Thomas:** Mr. Scott, there is actually—

**Mr. Ian Scott:** May I finish the sentence?

**Mrs. Rachael Thomas:** No, you may not, Mr. Scott. The floor is mine.

Mr. Scott, I wonder if you would table for us proof that the CRTC did not, in fact, have anything to do with that half-million dollars that was approved.

**Mr. Ian Scott:** I don't know what it is you would like me to table. It's taken by the broadcast participation fund, which operates entirely independently from the CRTC.

**Mrs. Rachael Thomas:** Are you saying that the CRTC had nothing to do with any of the funds that went to Mr. Marouf?

**The Chair:** The time is up. I'm sorry about that. We're going to have to return, Mrs. Thomas, whenever you get another chance.

The next person for the Liberals, for six minutes, is Mr. Anthony Housefather.

• (1320)

**Mr. Michael Coteau (Don Valley East, Lib.):** Madam Chair, on a point of order, can I say something?

**The Chair:** I'm sorry. I don't know who's making a point of order.

**Mr. Michael Coteau:** It's Michael Coteau.

We invite guests to this committee to exchange information and to answer questions. I think it would be kind if we extended a courtesy to them to at least let them finish the sentence they are making.

I understand that we as members have the floor, but if we ask someone a question, they have to be able to finish the answer, or at least their sentence in that answer, before they are interrupted several times.

I just wanted to mention that, Chair.

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

I already mentioned earlier on that the witnesses should be allowed, for courtesy's sake, to finish their sentence at least.

Thank you very much.

Now—

**Ms. Marilyn Gladu (Sarnia—Lambton, CPC):** On a different point of order, Chair, I'm getting some feedback from your microphone when you're talking. I'm not sure if anyone else is experiencing that. Maybe you can just raise your microphone.

Thank you very much.

**The Chair:** I will say something, and can you tell me if you're still getting feedback?

Now it's good. Thank you, Marilyn, for pointing that out.

**Mr. Ian Scott:** Madam Chair, pardon me for interrupting.

Could I ask for your indulgence just to be able to respond to the last part of the question? I think it's important that I provide the information requested on the record.

**The Chair:** Mr. Scott, please be brief. Thank you.

**Mr. Ian Scott:** I will. I want to be very specific and, hopefully, be helpful.

**Mrs. Rachael Thomas:** I have a point of order.

**Mr. Ian Scott:** The CRTC made two cost awards with respect to accessibility proceedings under the Telecommunications Act—

**Mrs. Rachael Thomas:** Madam Chair, I have a point of order, please.

Mr. Scott, there has been a point of order called.

**The Chair:** Excuse me, Mr. Scott.

Yes, Mrs. Thomas, go ahead on your point of order.

**Mrs. Rachael Thomas:** Thank you.

Madam Chair, I don't know if you will recall that at the last committee meeting you chaired there was a Liberal member who was asking questions to a witness, and she consistently cut him off in order to ask the questions that she wanted to ask.

**The Chair:** Ms.—

**Mrs. Rachael Thomas:** No. I have a point of order, Madam Chair.

**The Chair:** Is it about the order of the day? That's what a point of order is about.

**Mrs. Rachael Thomas:** Madam Chair, you ruled in favour of that member and said that the floor was hers and she could use her time accordingly, so I'm curious as to why the ruling is different today, because it seems inconsistent with previous rulings. I just highlight that for the benefit of the chair and the committee.

**The Chair:** Ms. Thomas, I will answer that question. I think that above all when we have witnesses, we should try to be courteous. I am hoping that everyone will be courteous. Courtesy means letting people finish their sentences.

Thank you, Mr. Scott. Please finish your sentence.

**Mr. Ian Scott:** Just quickly, the two awards that the CRTC gave to CMAC related to an accessibility proceeding. They were for \$16,815 and \$15,332. All other cost awards granted to CMAC, to our knowledge, were done by the broadcast participation fund, an independent organization.

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

Now I go to Mr. Housefather for six minutes.

**Mr. Anthony Housefather (Mount Royal, Lib.):** Thank you, Madam Chair. It's actually Chris. I'm in the next round.

**The Chair:** I'm sorry. I have you down as the first person on this round.

Chris, you have six minutes.

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

Mr. Scott, can you describe the CRTC's current work on arbitration?

**Mr. Ian Scott:** Yes. We do both mediate and arbitrate in all areas of our work, but particularly in telecommunications and broadcasting.

The most active areas are actually in broadcasting, and they largely relate to disputes between program suppliers and program distributors. They're frequent. We have a staff that deals with this regularly, and we have a reasonably good track record in resolving disputes through mediation. When that fails, we use final offer arbitration as our approach.

**Mr. Chris Bittle:** You would say that this is an area of expertise of the commission.

**Mr. Ian Scott:** It is.

**Mr. Chris Bittle:** This perhaps doesn't speak to Bill C-18, but to the work you do. Do you know what percentage of these disputes are settlements versus final offer arbitration?

**Mr. Ian Scott:** I do not have those statistics committed to my memory. I'd be happy to undertake to try to find some, but I would say this: Most are resolved through mediation. In my term, I believe there have been perhaps four or five matters dealt with through final offer arbitration. Even in those cases, sometimes once the final offer arbitration process is established, the parties turn over their cards, if you will, and enter into an agreement.

• (1325)

**Mr. Chris Bittle:** It's probably very similar to my own work in litigation. There are a lot of settlements at the doorsteps of the courthouse and a desire to get an outcome that both sides may be a little unhappy with.

There's a fair amount of international expertise in this area. Have you been able to connect with other international regulators or experts in other nations?

**Mr. Ian Scott:** I have.

Obviously, we've been trying to prepare. We have a working group that involves several regulatory agencies, but I specifically have met with the Australian authority and the French authority, both of whom have different models that address this issue. I've also discussed it with the British competition authority and the Irish authority.

**Mr. Chris Bittle:** What, if anything, have you taken from these meetings?

**Mr. Ian Scott:** "Best practices" would be the short answer.

Obviously, the legislation proposed in Canada is modelled predominantly after the Australian model. That is what I've been most focused on. From a very self-interested perspective, many of my discussions with them have been on what the really hard parts are and what work has to be done.

You'll understand that the model assumes that the outcome will be a negotiated commercial outcome and that the regulator will only get involved, if you will, where that fails to happen, but there's a great deal of regulatory work to be done in the event that our en-

agement is required. That has consumed a lot of resources on the part of the Australian regulator. That's probably my biggest take-away.

**Mr. Chris Bittle:** Has the commission been observing, or can they observe, the arbitration process or any outcomes that are happening in Australia or be involved in any way, or is that outside of the...?

**Mr. Ian Scott:** No, we can't be involved in any way. We certainly follow their public announcements and we follow media statements as to descriptions of how the regime has worked. We have no privileged knowledge of their processes.

**Mr. Chris Bittle:** Throughout this study, there's been some concern—and genuine concern—raised by smaller players in the Canadian news media that they don't stand to benefit from this legislation. We've heard from, on the other hand, an expert witness from Australia that this wasn't particularly the case.

As the regulator, how do you prevent a barrier for entry for small market and smaller players in the Canadian marketplace? Has the commission turned its mind to that?

**Mr. Ian Scott:** On a very general level, we're used to dealing with both small and large parties in our processes, so we can always accommodate small groups.

I'd also note that similar to the environment in which copyright tariffs are established, smaller players can group together. I think it's contemplated in this process that it's not likely to be singular small players seeking to reach agreement but, quite possibly, collectives of the smaller players. However, in any event, we would be equally attentive to small players as to large ones.

**The Chair:** You have 30 seconds, Mr. Bittle.

**Mr. Chris Bittle:** Very quickly, some.... We've heard a bit today, and in the last meeting on this bill there was a suggestion that it's Communism. It's believed that this is massive government intervention in the news sector.

Do you have a reaction to that comment?

**Mr. Ian Scott:** No. As I said to Ms. Harder, it's not our role to design the legislation or establish the objectives. I understand you'll have the minister before you and I'm sure he could answer that question.

**The Chair:** Thank you.

Thank you, Mr. Scott.

I'm going to move now to Mr. Champoux for six minutes.

[*Translation*]

**Mr. Martin Champoux (Drummond, BQ):** Thank you, Madam Chair.

Mr. Scott, I'm going to continue along the same lines as my colleague Mr. Bittle.

We've heard the concerns expressed by Google, which conducted a pseudo-survey last week. We've also frequently heard people say that the CRTC would be given excessive powers under Bill C-18.

Do you think there's any scenario, no matter how twisted, in which the CRTC could become a kind of omniscient dictator? Do you think that could be possible?

• (1330)

**Mr. Ian Scott:** I really hope the answer is no.

[English]

As I was trying to describe earlier, I see our role in this as facilitating a framework for parties to reach a commercial agreement. It's not very different from what I described to the member a moment ago about the type of mediation and arbitration we do with broadcast programmers.

In this case, it won't be us doing the arbitration, as the act contemplates that to be in the hands of external mediators and arbitrators. However, I think it's the same thought; we're there to support a commercial negotiation and we'll only get involved in a detailed way failing a successful commercial negotiation.

[Translation]

**Mr. Martin Champoux:** I hear a lot of general criticism of the CRTC. People start attacking the CRTC's powers the instant we start talking about its involvement in anything.

In the specific case of Bill C-18, do you think another organization could take charge of overseeing or administering the rollout of the act that's passed? Does any Canadian agency other than the CRTC have the necessary structure to do that?

**Mr. Ian Scott:** I don't really think there is. The CRTC has experience in this kind of situation and is well positioned to do the job, but my colleagues may have something to add on the subject.

**Mr. Martin Champoux:** All right.

Let's say that, for some reason, those who oppose the CRTC's taking charge are successful. How long do you think it would take to set up an agency capable of overseeing this? Would it be complicated? Would it require expertise? Based on your experience, would it be possible to establish that agency within a reasonable timeframe?

[English]

**Mr. Ian Scott:** As I said in my opening remarks, we are doing as much preliminary work as we can until, obviously, Parliament has done its work and we know the outcome, assuming Parliament passes the act into law.

How long it will take is hard to answer, because not everything is within our control. A number of the elements require regulations by statutory instrument, and we can develop those, but there's a consultative process. The Department of Justice is involved—

[Translation]

**Mr. Martin Champoux:** Mr. Scott, it was a hypothetical question. If someone said that the CRTC wouldn't be handling it and that we'd have to establish a new agency, I was wondering if it would be possible to do so within a fairly short timeframe. I mainly wanted to point out that the industry is in crisis, that it's been waiting for a long time and that we can't waste any more time. It needs us to level the market as soon as possible. So I think the CRTC, as

imperfect as it may be, is nevertheless the agency in the best position to do the job.

I don't have a lot of time left in this round, and I wanted to discuss other concerns about protecting the quality of journalism. That's a very important topic for me, and I know it is as well for my colleagues, media companies and news businesses.

Shouldn't the act provide for a kind of commitment or general standards to apply to every journalism organization? I'm thinking here of criteria requiring news organizations to meet standards of journalism quality in order to be recognized. Shouldn't that be included directly in the act?

**Mr. Ian Scott:** You're asking a lot of questions.

[English]

To go to the question of journalistic standards, obviously that's not what we are going to be engaged in. With respect to the quality of journalism, I would say that obviously financial support will be of great assistance, but there are other co-regulatory bodies that work together to address the quality of journalism.

Perhaps I'm not answering your question precisely.

• (1335)

**The Chair:** You have 30 seconds, Mr. Champoux.

[Translation]

**Mr. Martin Champoux:** The idea is to guarantee high-quality journalism. We don't want to make room for organs of propaganda, for example. We don't want just anyone to be able to be recognized as an "eligible news business".

Consequently, shouldn't criteria be included in the act requiring any business seeking recognition as an "eligible news business" to abide by a code of journalistic conduct and standards?

**Ms. Rachelle Frenette (General Counsel and Deputy Executive Director, Canadian Radio-television and Telecommunications Commission):** Thank you for your question.

My understanding of the bill...

[English]

**The Chair:** I'm sorry, Martin. We have now gone well over time. I'm hoping that somebody might pick up that thread so that we can get an answer to it.

We will now go to Mr. Julian. Peter, you have six minutes, please.

[Translation]

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

[English]

Thanks for being here today.

Mr. Scott, I want to come back to the issue of the Community Media Advocacy Centre. You've just testified that \$32,147 was given in two payments to the Community Media Advocacy Centre and Mr. Marouf. Can you tell us how much was provided by the broadcast participation fund?

My second question is related to the measures that have been taken. We've seen rising anti-Semitism, rising Islamophobia and rising racism, often violent. We had the convoy and the flying of Nazi flags. We have a threat in terms of racism and hate in our society. What measures has the CRTC taken, both for your own operations and also for any funds that are related to the CRTC, to ensure that those who hate do not receive any more funding?

**Mr. Ian Scott:** I share your characterization of the current situation. You may have seen our public statement that was released last week.

To the specifics, the amounts that you cited, as I said on the record a moment ago, are those that we gave. I don't have the precise number in front of me for the broadcast participation fund, but the total that was quoted in the media, and by installments, was a little over half a million. The rest is all from the broadcast participation fund. I'm not aware of any other cost awards of any kind.

**Mr. Peter Julian:** I'm sorry to interrupt. Half a million dollars is an accurate figure, then, from the broadcast participation fund.

**Mr. Ian Scott:** I don't have the...but my understanding is that, yes, I know they participated in several major broadcast proceedings, and it is that independent organization that awards funding. I have not seen anything to disagree with those numbers.

**Mr. Peter Julian:** Okay.

What are the measures, then, that the CRTC has taken, to funds that you provide funding for?

**Mr. Ian Scott:** I don't mean to be picky, but we don't fund organizations and we haven't funded that organization.

These are cost awards after the fact. When parties participate in our proceeding, they can seek some costs if they represent a broader public interest—not a private interest—and if they have made a significant contribution to the proceeding. Thereafter, the panel or the commission, whatever is relevant, will make a determination. They will accept the cost application. It gets looked at, assessed and awarded, but it's after the fact. No one has a right to costs. We have no contractual relationships with that or any organization of its type.

**Mr. Peter Julian:** My question still stands, and that is what vetting procedure have you put into place? I ask because obviously another organization, the convoy group, can throw themselves in and have an active participation and then seek an award, so to what extent has this episode of rampant anti-Semitism served the CRTC to ensure that groups that are vehicles of hate are not given funding or given awards?

**Mr. Ian Scott:** Again—and I absolutely share your view, and this is a new situation for us—I have instructed staff. They were already looking at it since we first saw public reports about Mr. Marouf's comments, recognizing that he and the organization had been a party to commission proceedings.

There are two things I would say. One is that we're quasi-judicial in nature and we control our processes. I can tell you that if Mr. Marouf or organizations or individuals that hold views like that seek to intervene in our process in the future and we're aware that they are anti-Semitic or otherwise preaching hate, it's within the powers of the commission not to allow their participation. More

importantly, I have instructed staff—I'll just finish this quickly—to review our cost award process to address this very situation, should it arise again.

• (1340)

**Mr. Peter Julian:** Okay, so that is in process, but at this point, it is not implemented.

**Mr. Ian Scott:** We have no public hearing involving a cost award at the moment, and staff have been instructed to look at this and to assess our approach.

**Mr. Peter Julian:** Thank you. I'll move to another element.

We have Telus with record profits, \$11 billion, in the corporation. They applied to the CRTC in August to start gouging consumers by adding a processing fee to Internet and phone bills paid by credit cards, another 1.5%, when Canadians are already struggling. The CRTC has not approved this, but Telus has gone ahead. They're already gouging consumers.

I have two questions. First off, to what extent can the CRTC rule to ensure that corporations don't gouge when they haven't received approval from the CRTC, and what is it about the complaint process that allows corporations simply to move ahead when they haven't actually received approval from the CRTC?

**Mr. Ian Scott:** First of all, I must say that this is a matter that's currently in front of the commission, so I'm very limited in how I can respond.

The parties made an application to allow them to add that charge to their tariff services where we oversee their rates. They also have forborne services. We don't regulate the retail rates for wireless or Internet services outside of the far north. We are seized of this matter, and the commission will render a decision in the coming weeks or months on Telus' application.

**Mr. Peter Julian:** Would you apply punitive measures if—

**The Chair:** Thank you very much. Sorry, Peter, your time is up.

Now we're going to move to the second round. This is a five-minute round.

I shall begin with Mr. Waugh for the Conservatives.

Kevin, you have five minutes.

**Mr. Kevin Waugh:** Thank you, Madam Chair.

Mr. Scott, your term is up at the CRTC. Can you give us an update on your position as chair, and are you helping to find a replacement for yourself?

**Mr. Ian Scott:** Thank you.

I was anticipating somebody saying, "What are you doing here? I thought you were done in September", but I'm back. I'm a little bit like the common cold in the autumn. It's hard to get rid of me.

I am not involved in the process. I'm often invited to sit on the panels that stream candidates for other roles, but the government quite properly didn't see it appropriate for the chair to participate in the selection of his or her successor, so I am not engaged in that process at all. My term has been extended to early January, and I expect it to end at that time.

**Mr. Kevin Waugh:** All right. Thank you.

You know the Australian model made Rupert Murdoch very, very rich. I see here with Bill C-18 that very rich will come from Bell Media, from Rogers media.

I want your thoughts. You said you are following the Australian model, or at least Bill C-18 was intended to follow the Australian model, but when I look at broadcasters now, I see they've got their hand into the pot of Bill C-18, and not only their hand; I would say they've got their whole body into this. They are getting most of the money that could be available through Google and Meta.

With the independent local news fund that you cited, \$23 million, how much more do Bell, Rogers and other independent media need to survive in this country? I thought Bill C-18 was going to be the bill to help local newspapers. It is in fact the exact opposite. We have the multinationals again getting most of the money. They were involved in Bill C-10, Bill C-11 and Bill C-18. I just want your comment on that, because I'm very worried that this bill was designed for newspapers and has turned out to be anything but.

**Mr. Ian Scott:** First of all I should note that the fund the CRTC established to support small news players excludes the vertically integrated players, so they're not eligible to take money from that fund.

I think the focus of the legislation—again maybe this should be directed to the minister—is to help news and journalism broadly. We regulate the broadcast news sector, and I can tell you that they have very extensive expenditure requirements that are imposed on them by us to ensure that Canadians obtain more than adequate quality news and independent news. The Australian situation is different. I think it's much more concentrated. Mr. Murdoch seems to play a very pre-eminent role in Australia.

We don't know yet—subject to further processes once legislation, if passed, is brought into force—who exactly will be eligible and who will be on the hook, so to speak, to pay for it.

• (1345)

**Mr. Kevin Waugh:** I think we know. I think we know, Chair of the CRTC. We're seeing reports out daily that Bell, Rogers and even our own public broadcaster will be at the trough on Bill C-18. I will say to you, because you're the chair the CRTC, that you know how much CBC news means in this country and how much money they take out of private organizations.

Here is the public broadcaster again, when they shouldn't be taking money away from private broadcasters trying to survive in the media sphere, taking most of the money away from those that need it desperately, like the newspapers.

This is just absurd. I just cannot believe that this bill has gone this far, allowing Bell, Telus and especially the CBC—

**The Chair:** You have 30 seconds.

**Mr. Kevin Waugh:**—now to take most of the money away when it was once designed for small local newspapers.

**The Chair:** Now 23 seconds...

**Mr. Ian Scott:** Very quickly, we don't know what the numbers are. With respect, we haven't seen the final text of the legislation and we haven't established either the exemption criteria or other qualifications. We simply don't know what those monetary amounts are or will be.

**Mr. Kevin Waugh:** Well, they're going to be big, and the PBO has indicated that.

**The Chair:** Thank you, Kevin. I love the mellifluous tones of your radio voice, but your time is up.

We're going to go to Mr. Housefather for the Liberals for five minutes.

**Mr. Anthony Housefather:** Thank you so much, Madam Chair.

I'm going to follow up on my colleagues Ms. Thomas and Mr. Julian and ask you about CMAC.

There were two telecom orders that you issued, 2021-175 and 2021-356, which provided \$16,851 and \$15,332.48 respectively to CMAC. As well, since 2016, over half a million dollars have been provided under the broadcasting participation fund, which I understand is independent, but it was established by the CRTC and is funded through CRTC orders. I'm going to have questions on the funding in both directions.

I'll start with the orders.

I read your statement, and I think we all share the disgust about the comments by Mr. Marouf and all those associated with what CMAC has done. In your statement last October 13, you said that the applications for costs are then subject to a further public process, following which the CRTC could approve the application in full or in part or deny the application, but you didn't follow this procedure in the case of awarding funds to CMAC.

In the May 2021 decision, telecom order CRTC 2021-175, the commission wrote in paragraph 3 that such responses were unnecessary.

I also want to go on to say that in March of 2021, in reviewing CMAC's cost application, the CRTC had an articling student ask CMAC if the consultants, Laith Marouf and Gretchen King, controlled the day-to-day operations of CMAC and should therefore be paid at an internal rate of \$470 per day instead of the external rate of \$225 per hour that was claimed, which is four times the internal rate.

Now, based on all that we know, based on the incorporation documents showing CMAC being at the home address of Mr. Marouf and Ms. King, it appears that CMAC and Marouf and King are one and the same. Therefore, my question is this: Will the CRTC use its own powers under section 62 of the Telecommunications Act to review its cost award to CMAC?

**Mr. Ian Scott:** The information you cited is correct, but I do chafe a little bit at your use of the word “funding”, because we give cost awards.

I want to explain very quickly that you are correct in saying that the process was different, and there was a reason for that. It was not only CMAC. There were nine, I believe, organizations that received support for intervening in that process on accessibility. The hearing was under the accessibility act, and we cannot award costs like broadcasting under the accessibility act. Bell Canada offered. It had excess funds associated with something called the deferral account. I won't go into it. It is, if you will, an outstanding obligation, and they offered us the opportunity to pay costs using it and we took that up.

Normally, those processes determine how to apportion the costs and if there are any objections to the cost awards. Bell had no objections. They were the sole supplier of funding, and so we did forgo any further process for all of those parties.

• (1350)

**Mr. Anthony Housefather:** I want to come back. I want a clear answer to my question. You have the power, under section 62, to review the cost awards to CMAC on your own motion—both of them. Will you do that, yes or no?

**Mr. Ian Scott:** That is a possibility, but I cannot as an individual, chair or not, commit the commission to any decision. That would be a matter to be taken up by the eight sitting members.

**Mr. Anthony Housefather:** Will the commission take it up? Will the commission consider that?

**Mr. Ian Scott:** Rachelle, would you like to add...?

I can tell you that we have had a discussion. I honestly cannot say any more.

**Mr. Anthony Housefather:** I think my colleagues and I—I think I can probably speak for all of us—would recommend that you might consider that.

Also, I appreciated your comments to my friend Mr. Julian in terms of had you known, had you known. Now that you know, can we have an understanding that the broader public interest is not furthered by CMAC further making interventions on these matters?

**Mr. Ian Scott:** I agree with the statement. No one is guaranteed cost or standing in our proceedings. I think the commission will render decisions at that time on whether their participation is appropriate. You can guess what my personal opinion might be about it.

**Mr. Anthony Housefather:** Thank you. I'm sure we do know that.

The other question I have is about the BPF, the broadcasting participation fund. I know that it operates independently, but in certain ways, it's effectively under the control of the commission, since it follows CRTC processes for reviewing applications for funding, it

is dependent on the CRTC to fill its accounts and its funding is awarded for participation in CRTC proceedings, and yet we get only a summary chart at the end of the year identifying which applicants receive money. Are you comfortable with the opacity of the operations of the BPF? Shouldn't they follow the same procedures as the CRTC to conduct a more public process to aid in the review of funding requests and increase the level of disclosure? If so, can you revise the rules at BPF to follow the new rules that you're contemplating for the CRTC?

**The Chair:** Anthony, I'm afraid that I cannot allow Mr. Scott to answer that. You have gone about 25 seconds beyond your time in asking the question, so thank you. I'm hoping somebody might pick that up to see if we could get that answer from Mr. Scott.

I'm going to go to Mr. Champoux for two and a half minutes.

Go ahead, please, Martin.

[*Translation*]

**Mr. Martin Champoux:** Thank you, Madam Chair.

I want to say I'm very pleased to see that some of my colleagues have addressed the Community Media Advocacy Centre issue. I fully support the interest of my colleague Mr. Housefather, even though I don't have enough the time for it because I want to focus on Bill C-18.

Ms. Frenette, you started to answer my question and I appreciate that. Now I'm going to give you an opportunity to expand your thoughts on the matter since we ran short of time earlier.

My concern is really the eligibility of news businesses. Allow me to explain. The bill provides that a business may be recognized as a “qualified Canadian journalism organization” as defined in the Income tax Act, which establishes certain criteria in that regard. So I want the bill to include criteria guaranteeing a level of journalism quality and credibility of the work eligible organizations do.

Do you think that it's up to the CRTC to address this journalistic integrity issue or that including these criteria directly in the act would simplify matters for it?

**Ms. Rachelle Frenette:** Thank you very much for your question, Mr. Champoux.

Clause 27 of the bill sets forth the eligibility criteria for news businesses. In particular, they include the requirement that those businesses produce news content that isn't primarily focused on a particular topic, such as news specific to a particular sector, and the requirement that they regularly employ two or more journalists in Canada who operate in Canada.

Consequently, if the act comes into force, the CRTC will rely on those criteria in determining whether a news business is in fact eligible for bargaining...

• (1355)

**Mr. Martin Champoux:** So if we want to address this concern of certain industry stakeholders and prevent businesses from adopting somewhat less rigorous journalistic practices...

[English]

**The Chair:** You have 40 seconds.

[Translation]

**Mr. Martin Champoux:** ...we should literally add eligibility criteria to Bill C-18 because the CRTC won't be taking the liberty of enforcing journalistic quality criteria. That's my understanding.

**Ms. Rachelle Frenette:** That's essentially correct.

**Mr. Martin Champoux:** Thank you, Ms. Frenette and Madam Chair.

[English]

**The Chair:** Thanks very much, Martin.

I'll go to Peter Julian for two and half minutes.

**Mr. Peter Julian:** Thanks very much, Madam Chair.

I'm going to give you three rapid-fire questions. Then I'll just let you answer.

First off, for Telus, will you be looking at awarding costs if CRTC does not approve the request to gouge consumers as Telus has done by jacking up its rate? Can consumers be compensated for the money they are now paying Telus for a non-approved rate hike?

Second, in terms of the final offer arbitration and settlements, what is the average amount of time that's it's taken CRTC and what are the longest times that have come?

Finally, if you could follow up on Mr. Housefather's question around the BPF, that would be appreciated as well.

**Mr. Ian Scott:** I'll try to do it in reverse order, if I may.

Quickly, on the first, the question is well placed and heard. I would expect that the BPF is likely to follow whatever practice the commission establishes. That's what they did in generally approaching cost awards after they were set up.

We have the same thing with production funds. We approve funds; we don't manage them. It's important that we separate them and that they be truly independent. A lot of these intervenors are critics of the CRTC, and we don't want to play a role where we could be seen to be suppressing a view. Their independence is important.

Last, I would just say that—and I have to be careful on how to word this—we have ways of influencing. For example, if we're directing funds to BPF in the future, we could put conditions on them. I think there are ways in which that challenge could be addressed.

On the second question, on arbitration, I don't have those numbers at hand. Many of these things can be protracted. We can undertake to give you a bit of an analysis.

**Mr. Peter Julian:** Could you provide that to the committee?

**Mr. Ian Scott:** I would just warn you that we have a few traditional players who like to feud with one another. Some can be quite protractive.

We will look and see if we can give you some constructive numbers.

**Mr. Peter Julian:** What about Telus?

**Mr. Ian Scott:** On the first one, I can't speak to a matter that's in front of us in that way. I will just reiterate what I said: We have services that are tariffed that we have control over—

**Mr. Peter Julian:** I'm sorry, but you do have the power to demand that Telus reimburse consumers. That is one of your tools.

**Mr. Ian Scott:** It's not that simple.

**The Chair:** Thank you, Peter. You have ended this question.

I'm going to ask the committee to give me some instructions here. We have two more questions; one is for the Conservatives and one for the Liberals. They are five minutes each. That's going to be 10 minutes. We are now at two o'clock and we need to move to the minister. We need time to suspend and get the minister to be checked, etc. I would like to end the questions now. I'm sorry. I would like to suspend the meeting so that we can get the minister and his department miked. Thank you.

Thank you very much, Mr. Scott, for coming and getting these rapid-fire questions.

**Mr. Ian Scott:** Thank you, Chair.

• (1355)

(Pause)

• (1400)

**The Chair:** I would now like to return to the consideration of Bill C-18, an act respecting online communications platforms that make news content available to persons in Canada.

Welcome, Minister Rodriguez, and your department officials who are here to answer questions.

As you all know, you have five minutes. I will give you a 30-second shout-out when you have 30 seconds left.

Begin, Minister Rodriguez, for five minutes, please.

**Hon. Pablo Rodriguez (Minister of Canadian Heritage):** Thank you, Madam Chair, colleagues and members of the committee.

I'm really happy to have the chance to appear today to talk about the online news act.

I want to start by stating facts.

[Translation]

**Mr. Martin Champoux:** I have a point of order, Madam Chair.

[English]

**The Chair:** Go ahead, Mr. Champoux.

[Translation]

**Mr. Martin Champoux:** I apologize for interrupting the minister, but the interpreters are saying that the sound isn't satisfactory. I don't know if the minister has plugged his headset into the right port on his computer. The sound doesn't seem to be coming from his headset.

**Hon. Pablo Rodriguez:** I'll look into that, Mr. Champoux.

[English]

**The Clerk:** Do you want to suspend for a second while we fix this?

**The Chair:** Yes. I haven't officially said "suspend", but I have stopped my clock.

Now you may begin, Minister. You have five minutes. Thank you.

**Hon. Pablo Rodriguez:** All right.

Madam Chair, colleagues and members of the committee, I'm really happy to have the chance to appear today to talk about the on-line news act.

As I said, I want to start by stating facts: 468. That's the number of media outlets—newspapers, television, radio stations and news websites—that closed between 2008 and last August. Seventy-eight of them have closed since the beginning of the pandemic. This bill is about them. It's also about the future of journalism in our country.

On the surface, the act is about making sure that news outlets in Canada get fair compensation for the important work they do, but at its core, the act is about so much more than that. It's about upholding our democracy, because our democracy, as any democracy, needs a free, independent and thriving press. We all rely on fact-based and timely news to make rational decisions, counter disinformation and participate in our democracy. In these challenging times, this is more important than ever.

● (1405)

[Translation]

The Internet has fundamentally changed the way we create, search and consume content, especially news. Canadians increasingly get their news from digital platforms. According to a very recent report published by the Reuters Institute this year, 77% of Canadians consume news online, 55% of them from social media. Over the period covered, we can see that our news sector has declined. News is largely disseminated by the platforms, but the businesses that create that news aren't profiting from it as they should.

Currently, there's absolutely no incentive for digital platforms to compensate the media fairly for their content. That has a direct impact on our ability as a society to access reliable news. I said it when we introduced Bill C-18, and I'll say it again today: a free and independent press is one of the pillars of our democracy. It is essential to our democracy.

Canadians rely on their local and national media for an understanding of what's going on in their community and around the world. We're talking here about the very existence and survival of independent journalism. Let me be very clear: Canadian news businesses are in crisis.

[English]

Bill C-18 proposes decisive action to stop this decline. It presents a practical, market-based approach that lessens power imbalances and encourages good-faith negotiations. It encourages digital platforms to enter into fair agreements with news organizations.

As you know, these agreements must meet specific criteria. This includes everything from supporting local, regional and national news to upholding freedom of expression and promoting inclusion, innovation and diversity. If they don't, then—and only then—the act will compel mandatory negotiation, and final offer arbitration will come only as a last resort.

[Translation]

As we've often said, Bill C-18 is based on the Australian model, under which the news media are able to secure fair compensation. We've adopted elements of a model that's already working, and we've improved it by adding other, typically Canadian elements.

Canada is really leading the way, and we're doing it because Canadians expect us to take action to protect their local journalism in a transparent manner. That's also why we publish a list of digital platforms that meet the criteria, a list of exemptions, the reasons why they have been granted, a list of eligible news businesses and so on.

[English]

The online news act won't be a silver bullet for all the challenges the sector faces. As Rod Sims, the former chair of the Australian Competition and Consumer Commission, said, "the world is watching" Canada. The world is watching us, and I hope we will rise to the occasion.

**The Chair:** You have 30 seconds, Minister.

**Hon. Pablo Rodriguez:** We can give Canadian news media a chance to rebuild and thrive in a more sustainable, fairer news ecosystem, and we'll do everything we can to give Canadians access to the fair, impartial, fact-based and high-quality news we want and need. Together, we can fight for a vibrant, free and independent press and fight for our democracy.

[Translation]

Thank you for your work, and I am now ready to answer your questions.

[English]

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

We are now going to the first round, which is a six-minute round.

As always, I will yell "30 seconds" when you have 30 seconds left.

We did not go to the second round. I think we're going to go to Mr. Shields, for the Conservatives, or is it Mr. Waugh? Have you changed your round? We missed that last one.

**Mrs. Rachael Thomas:** Madam Chair, I'm first on this round. Thank you.

**The Chair:** All right.

Mrs. Thomas, go ahead for six minutes, please.

**Mrs. Rachael Thomas:** Minister, in your opening remarks and in other places too, you've claimed that your government cares about the spread of misinformation and disinformation. Clause 51 of this bill would prevent social media platforms like Google from ranking high-quality news sources above those of a lesser quality. It would also prevent them from being able to take down fake news or even give alerts as to news that might be incorrect or false altogether.

We've heard from experts who have said that this bill would actually then deteriorate journalism and the integrity in this industry. It could actually proliferate garbage news, as well as clickbait and misinformation.

I'm wondering if you've been made aware of these serious concerns and if you're willing to make amendments to ensure that this is not the case.

• (1410)

**Hon. Pablo Rodriguez:** Of course, I have heard all of the conversations and discussions around the bill. We've heard the tech giants' concerns. We think that the bill takes that into consideration.

The bill simply puts a table in the middle, Mrs. Thomas, where those platform tech giants and the news media across the country get together—

**Mrs. Rachael Thomas:** Minister, I'm sorry. I'll just ask you to get to the point. I think you know how this works.

My question is whether or not you would entertain amendments to help make the bill stronger to ensure that misinformation isn't proliferated. It's simply a yes or no, Minister.

**Hon. Pablo Rodriguez:** Mrs. Thomas, in the way that I work I'm always ready to listen to suggestions and recommendations, as I did in other bills. Those who know me and who have been there for a while know that my phone is there. You can reach me.

**Mrs. Rachael Thomas:** Thank you.

Minister, my next question has to do with clause 24 of the bill.

We know that in everyday life we can use links within our sites, whether it's a blog, our Facebook pages or Twitter, etc. We can share these links, and no one is required to pay for doing so.

However, under Bill C-18, all of a sudden DNIs, digital news intermediaries, would be required to pay for news links, but only news links. News links would be the only thing on the Internet that would be ascribed a monetary value, and no other links. All other links can be shared with no problem and no need to pay, but news links somehow have value.

I'm just curious as to why news links are ascribed a value, but other links are not. Why do you feel that this is appropriate?

**Hon. Pablo Rodriguez:** There's nothing that Canadians will pay for links. I know that in the past you have referred to this as a fact. I want to—

**Mrs. Rachael Thomas:** Minister, I didn't say that Canadians would be paying for links. I said your legislation ascribes a value to them and I'm curious as to why.

**Hon. Pablo Rodriguez:** There isn't a value per click or link. What you do is look at the overall material that is used by a platform from a media source. The negotiations are then based on that overall information that is used. They sit down and negotiate. There isn't a cost or fee per link or click, precisely. That's not in the bill.

**Mrs. Rachael Thomas:** Minister, that's interesting, because when you were asked about this by Mr. Evan Solomon on his news show, you actually said that when people click a link there's value for that. I can send that direct quote over your way for your review. We'll leave that question there.

**Hon. Pablo Rodriguez:** No, I remember.

**Mrs. Rachael Thomas:** Minister, my next question has to do with subparagraph 11(1)(a)(ii). In there, it actually says that DNIs basically must police the news business to make sure that they use the money that they're given in order to advance or support the production of local, regional and national news content.

I'm just curious as to how DNIs will be held accountable for policing this. Maybe I will begin with asking why DNIs are responsible to police this. Why do they need to ensure that this is how the money is used? How will they make sure that is the case? How will they be held accountable?

**Hon. Pablo Rodriguez:** You have to understand that the basis of the bill is to make sure that those big platforms, the tech giants, have deals with a large spectrum of media in Canada—big, small, in different regions, in your own province and mine, in different languages, indigenous and all of that. They have—

**Mrs. Rachael Thomas:** Minister, with all due respect, my question was around policing. Why are DNIs expected to police how money is used by the news businesses?

**Hon. Pablo Rodriguez:** If I may, once they get those agreements, then they have to go to the CRTC and demonstrate that they meet the terms of agreement. Then they have to make sure that they have a fair relationship with all those different news outlets, with news media.

**Mrs. Rachael Thomas:** Minister, with all due respect again, you're just not answering my question. I'm just curious as to why DNIs are responsible for policing the use of money by news businesses?

• (1415)

**Hon. Pablo Rodriguez:** I don't understand what you mean by that—

**Mrs. Rachael Thomas:** Thank you, Minister. I know you don't understand. That's the point—you don't understand the legislation and the implications it will have on these businesses.

**The Chair:** Mrs. Thomas—

**Hon. Pablo Rodriguez:** Your question is not—

**The Chair:** Ms. Thomas, please be careful. You are crossing the line in terms of being disrespectful to a witness. Thank you.

Go ahead.

**Mrs. Rachael Thomas:** Minister, my next question is this. Would you commit to coming to committee and answering questions, very important questions? Many have already been raised today by members on all sides here, with regard to Mr. Marouf being given \$133,000 by your department.

Minister, you were awfully silent when this came up this summer. We haven't heard anything from you yet. We'd love the opportunity to ask you some questions. Would you be willing to come to committee and entertain questions?

**Hon. Pablo Rodriguez:** I'm surprised you didn't hear me on this, because I condemned it. I said that racism in any form—

**The Chair:** Excuse me. I'm sorry, Minister.

There is, I think, a problem in the room, because people have their mikes turned up very high and they're not muting, so we are getting feedback every time the minister tries to speak.

Can I ask you to mute your mikes in the room and for only Ms. Thomas, who has the floor, to speak, and then the minister to speak so we don't get that feedback?

Thank you.

**Hon. Pablo Rodriguez:** As I said, Ms. Thomas, I condemned this, as I condemn racism in any form—

**Mrs. Rachael Thomas:** Minister, I wasn't asking you whether or not you condemn it. I was simply asking if you'd be willing to come to committee.

**Hon. Pablo Rodriguez:** You invited the minister responsible for the file, Minister Hussen, who was there. You had the chance to ask the questions to the public servants in charge of the file and you filibustered the whole hour without letting them answer those questions—

**Mrs. Rachael Thomas:** Minister, I realize that it's in your best interest to get away without answering my questions, but I am curious as to whether you would be willing to come.

**Mr. Chris Bittle:** On a point of order—

**Hon. Pablo Rodriguez:** You invited the minister responsible for the file. He was there. The public servants were there, and instead of asking the questions, you filibustered.

**Mrs. Rachael Thomas:** I'm guessing that's a “no”—no to accountability, no to transparency, no to coming to committee.

**Hon. Pablo Rodriguez:** If that was important to you, why did you filibuster?

**Mrs. Rachael Thomas:** [*Inaudible—Editor*] Minister Rodriguez.

**Hon. Pablo Rodriguez:** Pardon? What?

**The Chair:** I beg your pardon—

**Hon. Pablo Rodriguez:** I didn't hear the last part.

**The Chair:** I didn't either.

**Hon. Pablo Rodriguez:** What I was going to say was that if it was so important for her, she would have listened to the witnesses instead of filibustering.

**Mrs. Rachael Thomas:** Minister, the money was given under the heritage department. You're the minister—

[*Translation*]

**Mr. Martin Champoux:** I have a point of order, Madam Chair.

Does Ms. Thomas have a lot of minutes left? I've lost track of the discussion.

[*English*]

**The Chair:** Ms. Thomas has 23 seconds left—

[*Translation*]

**Mr. Martin Champoux:** Thank you, Madam Chair.

[*English*]

**The Chair:** —but it is up to Ms. Thomas how she uses her time. If she chooses to use her time to interrupt, then that time counts. Thank you. There are 23 seconds remaining.

**Mrs. Rachael Thomas:** Minister, I wonder if you would see value in our hearing from other witnesses with regard to Bill C-18. For example, we haven't heard from copyright experts. We haven't heard from Facebook. We haven't heard from Twitter. We haven't heard from international trade experts, and the U.S. has expressed concern. I'm just curious whether you feel that perhaps it would be beneficial to hear from experts before continuing to move forward to clause-by-clause consideration.

**Hon. Pablo Rodriguez:** It's up to you guys to decide, but my advice to you is that if you stop filibustering, then you get more for your buck.

**Mrs. Rachael Thomas:** Minister, I was just asking if it was a good idea to bring witnesses—

**The Chair:** Ms. Thomas, I'm sorry, but your time is up.

Now we will go to Mr. Coteau for six minutes.

Go ahead, please.

**Mr. Michael Coteau:** Thank you very much, Madam Chair.

Thank you, Minister, for joining us today. This is a very important file. Given the numbers you gave us at the beginning when talking about the media outlets that have collapsed over the last decade plus in this county, there's no question we need to do something different. I'm very thankful that you have taken a leadership role to bring something forward to better protect a service that many of the witnesses have called a public good. Thank you so much for being here.

There was a recent article in which the Conservative leader was asked his position on Bill C-18. The article states, “[Mr.] Poilievre said he has no problem with a model that allows media to be compensated by these massive companies.”

What is your reaction to that statement, Minister?

• (1420)

**Hon. Pablo Rodriguez:** I'm very happy to know that Mr. Poilievre agrees with this model, which is only normal, because he ran on this in the last election. Mrs. Thomas and all the Conservatives did, because it was in the platform. They said they needed something like this, based on the Australian model.

Now, this is exactly the Australian model. We only added a few elements on transparency, to the point where even the Australians are now looking at us and saying, “Wow, that's good. Let's see if we can do the same thing.”

Things should be clear. There's nothing controversial about the bill. Our friends the Conservatives ran on it. The Bloc Québécois supports it. We support it, of course. I think the NDP supports it too—everyone.

Why is that? We said it, and you said it, Mr. Coteau: because the press is disappearing. Four hundred and sixty-eight media outlets closed their doors. That's huge.

Is our democracy becoming stronger or weaker? I would say weaker. I'm happy the Conservative leaders agree on this and I'm happy the Conservatives have this on page 155 in their platform. Let's do this together.

**Mr. Michael Coteau:** Thank you so much.

You brought up the Australian model. I want to talk a bit about that and get some of your feedback on it.

We've heard from many of the deputants that it is a successful model for both big and small media outlets. We know the Australian model was the first model to come into existence, and there's been a revitalization of media in Australia because of it. It has benefited small entities.

However, there have to be differences—things we have learned from the Australian model, stark differences between the two countries.

As the minister, what have you learned from that model? What has your department learned from that model? What will we do a bit differently in our approach to looking for ways to build a model that works for Canadians?

**Hon. Pablo Rodriguez:** Thank you, Mr. Coteau. That's a very important question.

We learned that the model works. That's probably the most important thing. It works, and it benefited the small local media. That's exactly what we want for our bill.

We thought we needed to make a few improvements and make things a bit more transparent. For example, in Australia, the minister can decide which platforms are included. We don't want that. We want to put independent criteria in there. We want to create criteria for the platforms to get exemptions. They are public. We want to make sure people know what these criteria are.

If you don't mind, I will mention these quickly: maintaining the independence of the press; money has to be reinvested to support the production of local news content; fair compensation to the news businesses; local independent news get to have deals, not just the big guys; investing in indigenous, minority languages and a broader diversity of news organizations; and supporting the long-term sustainability of news in Canada.

Those are very precise criteria that have to be respected.

**Mr. Michael Coteau:** Thank you for that answer.

I'm of Caribbean heritage. When you go grocery shopping in the Caribbean stores in Toronto—in Etobicoke, North York and Scarborough—you will see that newspaper stands in all these stores have The Caribbean Camera, Share and Pride magazines. These are great small publications that people in my community and across the GTA and the country look to for their source of news, both international and Canadian.

For me, it's important that small entities are included in this, especially when it comes to the thousands of ethnic media sources present in this country.

Minister, perhaps you can tell me this: Is there an approach to working with these smaller entities, which are usually ethnic media that speak to Canadians from all different backgrounds?

**Hon. Pablo Rodriguez:** Absolutely, Mr. Coteau. We share your concern and your sense of the importance of small and ethnic media. This bill is good for big and small.

We put collective bargaining in the bill. This is super-important, because it allows small media to make agreements together. Instead of having one very small media entity negotiating with the big tech giants, they can get together as a group and negotiate, which gives them more strength and power.

For us, absolutely. It's written there in black and white that this bill has to support local, regional, small and medium-sized media, because we rely on them. We rely on them to get our information in different regions and in different languages. That's why the bill was drafted that way.

In Australia also, Mr. Coteau, their bill really benefited small media too.

• (1425)

**Mr. Michael Coteau:** All right.

Chair, am I done?

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

Can people shut off the mikes in the room, please?

Thank you, Michael. Your time is up.

Now I'm going to Mr. Champoux. Martin, you have six minutes.

[*Translation*]

**Mr. Martin Champoux:** Thank you, Madam Chair.

Minister, thank you for being with us today. The topic I'm going to address now is similar to the one I discussed earlier with Mr. Scott, from the CRTC, and that's the quality that would be required of news businesses for eligibility under this bill.

For example, under the present criteria, clause 27, which concerns the eligibility of news businesses, suggests that foreign-owned news businesses might be eligible. Don't you think that paves the way to potential abuses?

**Hon. Pablo Rodriguez:** Thank you for your question, Mr. Champoux.

A series of criteria will determine media eligibility. I believe those criteria will limit the access of certain media businesses to that funding. Would you please clarify your question?

**Mr. Martin Champoux:** I actually put this question to the CRTC earlier, and I was told it obviously wasn't up to the CRTC to establish the criteria used to define a good journalism organization, that is to say a business that performs its work in a disciplined and serious manner. So that's a concern for me.

The criteria currently considered are used to determine whether a business is a "qualified Canadian journalism organization". I don't think we have any criteria that can be used to determine the discipline and seriousness of journalism businesses. As we all know, anyone can claim to operate an Internet journalism business and become eligible if he or she meets the present criteria.

Shouldn't those additional criteria be included in the bill? I don't mean strict criteria, but we should at least ensure that journalism work is done with a certain discipline.

The established major media have a code of journalism conduct. CBC/Radio-Canada, for example, applies journalism standards and practices, and the newspapers generally have similar standards as well.

Shouldn't we draw on those journalism codes and best practices and incorporate certain criteria in this bill? Wouldn't that simplify the work of the CRTC or the organization that'll have to determine who is and isn't eligible?

**Hon. Pablo Rodriguez:** You said the bill already contained specific eligibility criteria limiting the number of eligible businesses. You also said the various provinces had organizations that monitor journalists' work. I consider their work very important.

In future, the CRTC may conduct consultations on the possibility of going further. We'll see what's suggested once those consultations are complete.

As I told Ms. Thomas earlier, I'm always ready to listen to any suggestions you have to make.

**Mr. Martin Champoux:** That's exactly what I asked the CRTC representatives, who answered that their agency would be the one establishing the criteria. Consequently, perhaps it's up to us members of the committee to incorporate them in the bill. I understand that you'll be receptive to those types of amendments.

Earlier you said you were receptive to and interested in foreign legislation. I don't know whether you're aware of this, Minister, but I attended a world conference on culture in Mexico not long ago.

I spoke with representatives of other countries that are monitoring what we're doing with bills C-11 and C-18. I mention those countries because, in many instances, they're small countries that likely aren't being as strong as we are compared to the web giants and that therefore have decided to see how the biggest countries legislate in this area. Then they'll feel they have allies when they have to implement their own regulations.

That's mainly why I'd like us to have sound criteria for the quality of businesses that want to be recognized as eligible. The Internet is global, and information circulates across borders. Those same rules will therefore be much easier to enforce in countries that are in a slightly weaker position relative to the web giants.

We have to set an example, hence my concern. We need to apply extremely strict criteria to prevent foreign disinformation and propaganda media from infiltrating our journalism world. That's what I'm referring to.

In view of that, don't you think we should be stricter and more rigorous and demanding of the businesses we recognize?

• (1430)

**Hon. Pablo Rodriguez:** It isn't up to me to decide on the mission of a business, Mr. Champoux. Surely you realize that the purpose of this bill is, as far as possible, to prevent any interference and to allow free negotiating between the platforms and media.

I'd like to go back to what you just said because it's very important. Canada is currently a leader. The platforms are resisting for a reason. They think that, if something happens in Canada, it can happen elsewhere.

I was with you in Mexico, Mr. Champoux, and had the same conversations. Before that, I attended the G7 in Germany. Canada's Bill C-18 was discussed by all the other countries, and they want to see what we do before they determine whether they can introduce the same model.

As you know, Mr. Champoux, media and press freedom and independence have disappeared everywhere. Their disappearance is a threat to democracy both in Canada and elsewhere in the world.

**Mr. Martin Champoux:** Brian Myles, of Le Devoir, has raised a concern about linguistic duality. Do you think we should...

[English]

**The Chair:** I'm sorry, Martin; your time is up. Thank you.

I will now go to Peter Julian for the NDP. Peter, you have six minutes, please.

**Mr. Peter Julian:** Thanks very much, Madam Chair.

Thank you, Minister Rodriguez, for being here with us today.

I want to come back to Minister Hussen's testimony on October 7, when he appeared before this committee. He said that he was aware of Mr. Marouf's vicious and "vile" anti-Semitic comments on July 19.

When did you become aware of those comments?

**Hon. Pablo Rodriguez:** It was when it came out in the media.

**Mr. Peter Julian:** I'm sorry...?

**Hon. Pablo Rodriguez:** It was when it came out in the media.

**Mr. Peter Julian:** Was that August 22?

**Hon. Pablo Rodriguez:** I don't know the exact date.

**The Chair:** I'm sorry. I'm going to stop proceedings and suspend the clock for a minute while we deal with the feedback.

I would like to reiterate that those in the room should shut off their mikes if they are not speaking, because we do get feedback. We couldn't hear the minister's answer.

Let's try this again.

**Hon. Pablo Rodriguez:** To answer your question, Mr. Julian, it was when it came out in the media.

**Mr. Peter Julian:** Minister Rodriguez, I appreciate your answer, but Minister Hussen testified that "When this issue was raised, I want to assure...that we immediately asked the Department of Canadian Heritage to confirm the organization's project funding details and to inform us on the procedural next steps."

Are you telling us, then, that all of this took place in your ministry without your being aware of it?

**Hon. Pablo Rodriguez:** Minister Hussen is totally responsible for this program. It's not a shared responsibility. For example, my colleague Pascale is in charge of sports within Canadian Heritage. She's solely responsible for that.

In this case, yes, Minister Hussen is in charge of this, and he's the one working; I know that he's bringing some changes, and I'm looking forward to them. I'm supporting him in that.

**Mr. Peter Julian:** At no point were you informed between July 19 and August 22, even though Minister Hussen was consulting with the department, looking at procedural next steps and confirming the organization's project funding details. Is that correct?

**Hon. Pablo Rodriguez:** That's correct.

**Mr. Peter Julian:** My next question, of course, is pretty obvious.

What has the Department of Canadian Heritage done to ensure that there will never be funding again to any organizations that are

vehicles of hate, whether we're talking about anti-Semitism, Islamophobia, homophobia, transphobia, racism or misogyny?

What steps have you taken as minister to ensure that the Department of Canadian Heritage no longer funds anyone involved in those activities?

**Hon. Pablo Rodriguez:** I'm going to turn to Madame Mondou. She was there the last time to answer those questions when the committee was filibustering and the public servants did not have the chance to answer the question.

Today she's here. She'll be able to answer.

• (1435)

**Ms. Isabelle Mondou (Deputy Minister, Department of Canadian Heritage):** Thank you, Madame Chair.

It was actually my colleague Mala, the associate, who was there, but I'm happy to answer the question.

Essentially, what we have done since August is review all the processes. Obviously, a stop has been made to the payment and we're looking to recoup the money that was given to this organization.

In addition, Minister Hussen has ordered a review of all the programs, so no funds are going to go out to organizations until we have put new measures in place.

In addition, to your point, we have made sure, across the programs of Canadian Heritage, that this organization is never going to receive funds from us with Mr. Marouf being part of it.

I can talk in more detail to the additional measures we're putting in place, if you want.

**Mr. Peter Julian:** My simple, final question is this: Are you now vetting all social media feeds of all recipients of Canadian Heritage funding?

That is for the minister.

**Hon. Pablo Rodriguez:** I've asked my department, based on what happened in that program, which is under Minister Hussen at the department, to make sure that we looked at everything and that these things don't happen within the part of the department I'm responsible for.

**Mr. Peter Julian:** Minister Rodriguez, we've heard testimony that the Alberta Weekly Newspapers Association and the Saskatchewan Weekly Newspapers Association are all are very supportive of Bill C-18, but all of them raise concerns about many small community newspapers and community radio being excluded.

Are you open to amendments that ensure that the vast level of community media across the country is actually included in the supports that come from Bill C-18?

**Hon. Pablo Rodriguez:** Mr. Julian, I've known you since 2004. I'm always ready to discuss and I am open to suggestions.

As you know, the criteria are there, but as I said in my speech, Bill C-18 is not a silver bullet. There are many other programs that are there to support local journalism and small media, and they can apply to them.

We actually increased the funding recently for some of those programs. A lot of them, especially in the western part of the country, are benefiting from those programs.

**Mr. Peter Julian:** Has the department done an evaluation of what it would mean in terms of supports if the threshold was lowered from two journalists to one journalist or even to a journalist owner-operator?

**Hon. Pablo Rodriguez:** No.

**Mr. Peter Julian:** Have you done any evaluation of what difference possible amendments could make for community media and community radio across the country?

**The Chair:** You have 30 seconds.

**Hon. Pablo Rodriguez:** No. It's hard to say who would apply, or not, because there are many different programs directed at them that are benefiting those small media. In many cases, those very small media are more interested in the other programs that exist, rather than in those in Bill C-18.

It would be hard to know, because a lot of them would be continuing to use those programs instead of those in Bill C-18.

**Mr. Peter Julian:** An evaluation hasn't been done.

**The Chair:** Peter, I'm sorry. That's it. Your time is up.

Now we're going to go to the second round, which is a five-minute round. It begins with the Conservatives and Marilyn Gladu.

You have five minutes, please.

**Ms. Marilyn Gladu:** Thank you, Madam Chair, and thank you, Minister, for appearing today.

I want to start by talking about the criteria the government is going to use to determine who's a qualified news organization. We heard from the CRTC today that it isn't their job to determine this.

In your response to Mr. Champoux, you said it wasn't for you to determine, but at the start, you said you're going to publish the list of the digital news intermediaries and the criteria for selecting them.

What criteria is the government going to use to say who's a qualified organization?

**Hon. Pablo Rodriguez:** It's in the bill. It's in clause 27. When I say that we're going to publish it, it's at the end, based on those criteria; then some news outlets are going to be included and some others not, and then in the end you will know.

**Ms. Marilyn Gladu:** Right, but we're being asked to approve the bill without knowing what the criteria are or who the people are that are included on the list—

**Hon. Pablo Rodriguez:** The criteria are there. They're in the bill.

**Ms. Marilyn Gladu:** Well, let's talk a bit about them, because it says that you're going to focus on general news outlets.

I'm interested in knowing, then, who is going to be excluded. Could you give some examples of the people that you're thinking to exclude?

**Hon. Pablo Rodriguez:** Ms. Gladu, I don't think it's up to me to decide and name organizations that would not be included or included. As you know, the concept of the bill is to stay as arm's length as possible. It's just to put a table in the middle, with criteria, and then the platforms are included to negotiate with

● (1440)

[*Translation*]

the media that are included.

[*English*]

**Ms. Marilyn Gladu:** I don't understand, then, because you've said that you were going to publish a list of the digital news intermediaries, and then you said that it wasn't for you to pick. It sounds like some people will be excluded, and it's not clear who that is, but how is the government picking which people will be excluded in any way freedom of the press?

**Hon. Pablo Rodriguez:** It's freedom of the press, exactly, because I'm not the one picking and deciding, and the government is not doing that.

You have a set of criteria, Ms. Gladu, that will determine which platform is in a dominant position and will be included, right? For example, it could be Google. It could be Facebook. There's a set of criteria that determine it. Then there's a set of criteria that would determine which news outlets will be included. I'm not deciding. I'm not picking one or refusing another one. At the end of the day, those are included on both sides. They get together and they negotiate.

**Ms. Marilyn Gladu:** Okay. If an organization feels like they are being excluded, what is the complaint mechanism to resolve that?

**Hon. Pablo Rodriguez:** They can go to the CRTC and try to justify their case.

**Ms. Marilyn Gladu:** Okay.

Could you tell me something about what happened in Australia? I understood that when this legislation was rolled out there, Facebook shut down all of the content for Australia, so I think it's important for us to make sure that doesn't happen here. If the same thing occurs in Canada, it would be bad, because 22 million Canadians are on Meta, on Facebook.

Can you describe what happened there and what measures we're putting in place to make sure that doesn't happen here?

**Hon. Pablo Rodriguez:** It's a business decision that has to be taken by the platform. In that case, Facebook took out the news content, but it decided to bring it back. I think Facebook has an important relationship with Canadians. Many, many Canadians have a Facebook page—I'm pretty sure everyone here on the screen does—and at the end of the day, it's up to them to make a decision.

This is only asking Facebook and Google—or whoever qualifies, based on the independent criteria—to compensate the production of news that is produced by professionals, that has quality, because we have to uphold the freedom of the press and a strong and independent press. We need it for democracy, Ms. Gladu.

**Ms. Marilyn Gladu:** Oh, for sure, I absolutely agree. It's only in Communist nations that the government determines who is the state media so that they can put out their propaganda. For sure, we don't want that here.

**Hon. Pablo Rodriguez:** I know we agree.

**Ms. Marilyn Gladu:** I think we want to have Facebook come to talk to the committee so we can learn from them and make sure that we don't repeat the same mistakes that they had.

I'm also concerned about these larger companies—Rogers, CBC and Bell—getting the lion's share, because I think the noble intent of the bill is to try to protect the smaller media outlets.

I realize I'm out of time. Thank you, Minister.

**Hon. Pablo Rodriguez:** Thank you, Ms. Gladu.

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

I just wanted to say that we only have time for the Liberal member and the Bloc. We cannot finish the full round, because I know that the minister has to leave at three o'clock on the dot.

**Mrs. Rachael Thomas:** Madam Chair, if I may...?

**The Chair:** Please name who is speaking. Is this Mrs. Thomas?

**Mrs. Rachael Thomas:** Yes. I was just curious if we could ask the minister if he would be willing to stay until the end of the third round.

**The Chair:** Do you mean the second round, Mrs. Thomas?

**Mrs. Rachael Thomas:** I'm sorry. Yes. That's my bad.

**Hon. Pablo Rodriguez:** I have to leave at three....

**The Chair:** I'm afraid the minister has other responsibilities.

**Hon. Pablo Rodriguez:** I don't know what that means for you. I'm sorry.

**The Chair:** It means that we will not be able to have the end of the round with a Conservative and a Liberal. That's what it means. We will have to end it with Mr. Julian, because we now have 15 minutes left.

If we continued with the round, it would mean that we would have a Conservative person asking the last question, but we won't have the time for a Liberal, so we will have to end it with Mr. Julian.

● (1445)

[Translation]

**Mr. Martin Champoux:** I have a point of order, Madam Chair.

I have a motion for the committee. If we allow five minutes for the Liberals and two and a half for the Bloc Québécois and NDP, the last five-minute round could be shared by the Conservative and Liberal parties, which would each have two and a half minutes. That's the motion. It's up to you to decide.

[English]

**The Chair:** Yes, that's a possibility, Mr. Champoux, and I see we have a seconder. I hear nobody shouting nay, so I think we will move with that. It's a good plan.

**Hon. Pablo Rodriguez:** I also.... That's as long as I can leave as close as possible to three, because I'm....

**The Chair:** Yes. Thank you.

All right. We're going to go to Mr. Champoux for two and a half minutes.

[Translation]

**Mr. Martin Champoux:** I think it's the Liberals' turn, Madam Chair.

[English]

**The Chair:** I'm sorry; it's the Liberals' turn. You're absolutely right. You see, this throws me off course.

I think we have Tim Louis for five minutes.

[Translation]

**Mr. Tim Louis (Kitchener—Conestoga, Lib.):** Thank you, Madam Chair and Mr. Champoux.

[English]

I appreciate the minister, Mr. Owen Ripley and Ms. Mondou being here.

Through you, Madam Chair, I'll direct my questions to the minister.

We're not alone in working on this legislation for fair compensation from these digital platforms to support the free, independent and thriving press that we want. This bill has garnered a lot of interest from other countries that are looking at us as they're drafting similar legislation. We looked to Australia, and you mentioned in earlier testimony that Australia's now looking back at our legislation and that Europe, the U.S. and other countries are looking to us for inspiration.

You and I have had conversations about how other countries are approaching us. Can you speak to how this is the beginning of a wave of countries that are working on the same legislation?

**Hon. Pablo Rodriguez:** Absolutely, Mr. Louis. Thank you for the question.

What we've seen in Canada—you've also seen it in other countries—is that the traditional local and regional press are disappearing. That worries me a lot, and I'm sure it worries everyone from all parties, with no exception. We have to find a way to counterbalance that and to make sure that we have a strong, independent and non-partisan free press, because our country was built on that. Our democracy is built on that. It's the same in the United States and it's the same in Germany, France and Italy.

I had the chance, as you say, to speak with my counterparts. The first one I spoke to was the Australian one, to make sure that I understood the model. That was when we brought in some changes, because there were places where we thought that we could be a bit more transparent, and we made the changes to be more transparent.

I then had the chance to discuss it with people in Germany and in France, and with my counterparts in Mexico and the States. They're very interested, as you said, because the disappearance of these traditional media is bad news for everyone, with no exception. When we had a lot of those traditional media in the middle, we had a more independent and neutral press. They're disappearing, and it's going more to the extremes. The extremes are always bad, Mr. Louis, anywhere in the world, in Canada and in any other country.

That's why the other countries are looking at us to see how we're trying to implement this and what the impact is of the changes we brought in to be more transparent. It was discussed at the G7. It was part of the final communiqué of the G7 work and it played a very big role, so hopefully we'll be able to inspire other countries.

**Mr. Tim Louis:** Thank you for that.

You mentioned the importance of supporting local community media. You also mentioned that a broad range of supports exist to make sure that our local stories are told and heard.

Yesterday you announced the rollout of budget 2022 funding. Specifically, you were launching the special measures for journalism, which started during the pandemic. It was \$10 million for the local journalism initiative and \$40 million for the Canadian periodical fund. It's extremely timely.

We've heard from multiple witnesses. I'm thinking of the Saskatchewan and Alberta weekly newspapers—I believe they came last week—as well as local weekly newspapers and news organizations in my riding of Kitchener—Conestoga. They said that to ensure we keep journalism alive, we need this suite of support measures.

Can you expand on the things that are complementing Bill C-18?

**Hon. Pablo Rodriguez:** Absolutely. As I said at the beginning, this is not a silver bullet. There are other programs that are complementing this: The Canadian journalism labour tax credit supports moving costs and the periodical fund is benefiting so many local media outlets, especially smaller publications in the west. I know that Conservatives, for instance, were worried about this. The periodical fund plays a major role for small outlets, especially in the west.

We've added, as you mentioned, an additional \$40 million to the fund in budget 2022. It was announced yesterday. The reaction was extremely positive. We think that with this funding, we'll be able to support an additional 800 news organizations, and most of them—a big, big chunk of them—are small players.

We created the local journalism initiative. It helps news organizations provide coverage in underserved communities.

Those programs complement each other and try to help our system have a strong local and regional independent free press, which is essential for democracy.

• (1450)

**The Chair:** Thank you, Minister. I will now move to Martin Champoux.

Martin, you have 2.5 minutes.

[*Translation*]

**Mr. Martin Champoux:** Thank you, Madam Chair.

Minister Brian Myles, the director of Le Devoir, raised some concerns earlier this week about linguistic duality, among other issues. I also discussed this earlier.

However, another concern will definitely be raised soon. For those who haven't yet seen it coming, the bill contains no provision respecting the collection and sharing of data. We all know that data is crucially important these days. And yet the bill contains no provisions that would require Google, Facebook or any other intermediary to disclose data on the audience of our news media to news businesses.

Do you think that's something we should allow to be negotiated, or should we provide a framework for it in the bill?

**Hon. Pablo Rodriguez:** I'm not sure I understand your question, Mr. Champoux. What do you mean? What type of information would be shared?

**Mr. Martin Champoux:** When you use a search engine, or when you're on a social media website like Facebook, Instagram or anything else, that site gathers data on our habits; you know that as well as I do. However, that data belongs to Google, Meta or other interests, and the news media don't have access to it. However, that data is very useful to them in forming a clearer picture of their audience and people's interests.

Do you think we should provide a framework for that in the bill, or should we leave the data-sharing issue to negotiations between news businesses and online undertakings?

**Hon. Pablo Rodriguez:** It will be subject to negotiation. As you know, the CRTC will publish reports at the end of the process on the number and type of deals that will have to be negotiated, and so on, without going into the details.

All commercial information will remain protected. However, that won't prevent the CRTC from publishing an audit report on all the deals that have been reached between the platforms and the news media.

**Mr. Martin Champoux:** Talking about reports, Bill C-18 provides that an auditor's report will be published and submitted to the CRTC on the act's impact on the marketplace.

However, there's no provision to provide parliamentarians with access to that report. Do you think we should have access to the annual report so we can monitor the act's impact on online news in order to improve it over the years?

Please answer that within a few seconds because I am nearly out of time.

**Hon. Pablo Rodriguez:** I think everything's going well. As you know, though, some commercial information can't be disclosed.

However, this provision on the annual auditor's report that we've added to the Australian model will make it possible to inform the public on what business deals have been negotiated and reached.

**Mr. Martin Champoux:** Thank you very much, Mr. Rodriguez.

**Hon. Pablo Rodriguez:** Thank you, Mr. Champoux.

[English]

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

I'm going to go to Peter Julian for two and a half minutes.

[Translation]

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

In principle, the vast majority of parties definitely support Bill C-18, as do the vast majority of witnesses we've heard, including community newspapers from Alberta and Saskatchewan. What's more, community representatives in Conservative ridings have said that Bill C-18 would be an important tool.

However, there has been criticism of the transparency surrounding the involvement of small newspapers and community radio stations, which won't be affected if no amendments are made to change matters. There's also the fact that there aren't really any limits on the arbitration process, which means that the web giants will have every reason to drag out the proceedings rather than negotiate. All those aspects should therefore be improved.

As I understand it, Minister, the department hasn't analyzed these issues. Your message today is that you are open to the possibility of accepting amendments to Bill C-18 so that it actually makes the improvements we would like to see in the community network and Canadian journalism. Are you open to all those changes?

• (1455)

**Hon. Pablo Rodriguez:** I'm open to discussion, Mr. Julian. As I said earlier, there are a lot of programs for those media outlets. I mentioned the Canada media fund, for example, which greatly benefits small media outlets. Consequently, they are much less interested in Bill C-18, even though some have an interest in it.

Many people have told me we should guarantee the survival of other existing programs because that's what's important for them. So we'll make sure we keep those programs in place because they benefit the small players.

I'd like to mention one final thing, Mr. Julian. Collective bargaining, with which you're very familiar, confers an enormous amount of power on those who are concerned by Bill C-18 and who can join forces to negotiate with the major media.

**Mr. Peter Julian:** However...

[English]

**The Chair:** Thank you, Peter. I'm sorry; that's it.

Now, as Martin suggested, I'm going for two and half minutes to the Conservatives. I don't know who is going to be up.

Mr. Shields, you have two and half minutes, please.

**Mr. Martin Shields (Bow River, CPC):** Thank you, Madam Chair.

Built into my genetics is that when you hear the words "trust me" or "I'm here from the government to help", run. Run fast in the opposite direction. It's built into my genetics, so when I see legislation at any level written and it's wide open, the regulations are critical. This one scares me. It scares me because of what has to be written next.

I've been around a long time. I've seen a lot regulations written on legislation that's very broad, and that's what gets scary to me, so Minister, when you talk about facts, I go to a term called "history". As soon as you write something, it's history. When you split it in half, one is his story. Everybody's story is valid; it's his story. When you say that we have to have media with facts, everybody has his story. It's like when police take witness statements: They take one and they get one statement. When they take another one, they get another set of facts. When they take a third one, they get another set of facts. Everybody's personal opinions and everything they write are facts to them. I have a little problem when you say you only want media with facts, because what everybody writes is factual to them.

When you say "exclude", I get really nervous. I'm inclusion. You said "excluding". I don't like things that exclude. That's problematic for me.

My last thing, Minister, and you know it, is that I have a number of independent newspapers in my riding, and they are not covered by any of these. They have fewer than two journalists. They are hard-working people and they don't have the time or the resources to get together to negotiate anything. There are only going to be crumbs left on the table for anybody after the big guys take it. Minister, this doesn't help the weekly newspapers that cover everything in my riding in the communities. It's problematic.

Mr. Minister, I don't know. You've heard me say this before.

**Hon. Pablo Rodriguez:** Thank you, Mr. Shields.

On your last point, I have to disagree because, if you look at the Australian model, which this is based on, it really benefited small media. When you say I want to exclude someone, I am not excluding or including anyone. I fully support a market-based approach, which is this case. I'm only setting up a table in the middle where platforms and media outlets come and negotiate.

They negotiate between commercial—

**Mr. Martin Shields:** Mr. Minister, you used the word “exclude”—

**The Chair:** Mr. Shields—

**Mr. Martin Shields:** —and you've said this legislation allows to exclude—

**The Chair:** Mr. Shields, please. Let the minister finish his sentence, please.

**Mr. Martin Shields:** He said “exclude”, legislation to exclude. He said it a few minutes ago. I have a problem with that.

You said it.

• (1500)

**Hon. Pablo Rodriguez:** Mr. Shields, the government is not picking winners and losers, and that's the most important thing with this bill. You don't want the government to be involved in this. You don't want it. I don't want it. I'm the last person who wants to be involved in choosing who would be in or out. We have a set of criteria that determines the platforms, a set of criteria that will decide who the media outlets will be and then get together and negotiate.

You guys usually support a market-based approach. I know you do. I do. Let's let them negotiate.

**Mr. Martin Shields:** And you said it's legislation—

**The Chair:** Mr. Shields—

**Mr. Martin Shields:** —that allows for exclusion—

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

Mr. Shields, order. Mr. Shields, I'm sorry; your time is up.

We will go to Mr. Housefather for the Liberals for two and a half minutes. Thank you.

**Mr. Anthony Housefather:** Thank you very much for being here today, Mr. Minister. Let me just say that I was listening to my colleague as he was saying that he was concerned about smaller newspapers in his community, and one of the ways to fix that is to propose an amendment when we do our clause-by-clause consideration of this bill, which I hope we will get to very shortly.

Mr. Minister, because I'm only getting two minutes, the only thing I want to ask you about is the PBO report. The report omits the ability for organizations to band together. Can you talk about why collective bargaining is an essential part of this legislation?

**Hon. Pablo Rodriguez:** Thank you, Mr. Housefather.

It's essential, and you only have to look at the size of some of those media outlets to see why. We want them to be included. We want the small players to be included. I have had I don't know how many meetings with small media that were so happy and reassured by the fact that they could get together to negotiate with the big platforms. They did it in Australia. It worked. We're doing it here, and I'm pretty convinced that it's going to work.

**Mr. Anthony Housefather:** Thank you.

Just to end, I know it's Friday afternoon and I don't want to hold you up any longer. I don't want to hold my colleagues up any longer. I do think this is an important piece of legislation and I think we need to move to clause-by-clause study as soon as possible.

Thank you, Mr. Minister.

**Hon. Pablo Rodriguez:** Thank you.

**The Chair:** Thank you, Anthony. You had time left, but that's fine.

Thank you very much, Minister, for coming. I know that you have a hard stop. I know that you have to do something else, so I want to thank you for coming and answering the questions.

**Hon. Pablo Rodriguez:** Thank you so much. This bill is so important for journalism in our democracy, Madam Speaker. Thank you for your work.

**The Chair:** Not at all.

Thank you all. This meeting is now adjourned.





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