



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

44th PARLIAMENT, 1st SESSION

Standing Committee on Canadian Heritage

EVIDENCE

NUMBER 050

Friday, October 28, 2022

Chair: The Honourable Hedy Fry



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• (1300)

[*Translation*]

The Chair (Hon. Hedy Fry (Vancouver Centre, Lib.)): I call this meeting to order.

Good afternoon, everyone, and welcome to meeting number 50 of the House of Commons Standing Committee on Canadian Heritage.

I'd like to acknowledge that we're meeting on the unceded traditional territory of the Algonquin Anishinabe people.

[*English*]

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

Today's meeting is taking place in a hybrid format, pursuant to the order of Thursday, June 22, 2022.

Members here in person in the room know how to access their interpretation and what to do. For those attending virtually, I'd like to make a few comments for the benefit of the witnesses who are attending.

Please wait until I recognize you by name before speaking. For those participating by video conference, click on the microphone icon at the very bottom of your screen to activate your mike, and mute when you are not speaking. For interpretation for those on Zoom, you have a choice at the bottom of your screen. It is a little globe. You can press that and get your interpretation in English or French. I remind you that all comments should be addressed through the chair.

That's enough for housekeeping.

In accordance with our routine motion, I'm informing the committee that all witnesses have completed the required connection test in advance of the meeting and are using the House of Commons-approved equipment.

Thank you very much.

I will quickly let you know about the list of witnesses—and I will leave Ms. Charette for last, because she's not here yet.

What I will say to the witnesses is this: You each have five minutes. Even if you come as an organization, you still only have five minutes, so you can pick whoever you want to speak on your behalf. I will give you a 31-second shout-out, which is literally a

shout. I will shout out to you when you have 31 seconds left. We need to stick to times, here, because we will not be able to get the number of questions and answers in or get everybody to do what they can do.

Here we go. I'm going to begin.

We have, as our panel, Konrad von Finckenstein, former chair of the Canadian Radio-Television and Telecommunications Commission, and Annick Charette, president of the Fédération nationale des communications et de la culture. Representing Meta Platforms, Kevin Chan is global policy director and Marc Dinsdale is head of media partnerships in Canada. OpenMedia is represented by Matthew Hatfield, campaigns director, here by video conference.

I will start with Mr. von Finckenstein.

Mr. von Finckenstein, could you please begin? You have five minutes.

Thank you.

Mr. Konrad von Finckenstein (Former Chair, Canadian Radio-television and Telecommunications Commission, As an Individual): Thank you, Madam Chair, for inviting me to comment on Bill C-18.

As you know, the stated purpose of the bill is to regulate digital news intermediaries, with a view to enhancing fairness in the Canadian digital news marketplace while contributing to its sustainability. The underlying rationale of this bill can be summed up very simply: Local news publishers do not get appropriate compensation for news they produce that reaches the public via digital platforms.

To rectify the situation, the act contemplates a mandatory bargaining process between the platforms, called digital news intermediaries or DNIs, and news publishers, called ENBs. The process is very simple. DNIs have to identify themselves; ENBs are qualified by the CRTC. They have to bargain. The bargaining is mandatory. It has to be done in good faith. If the bargaining fails, there is mediation. Finally, if mediation fails, there is a final offer of arbitration. All of this is to be done under the auspices of the CRTC, which designates the parties, manages the process, furnishes a panel of arbitrators, and advises throughout.

I am not here to question the rationale of the legislation nor the method adopted. Rather, I would like to share with you some problems I see in implementing this legislation. This should not be taken to mean that I support this legislation, however.

It goes without saying that implementing this bill will present the CRTC with a huge new challenge. I look at these issues from the perspective of former chair of the CRTC. When you implement a bill, the legislation should be specific and objective. That is very helpful to the administrator, while vagueness and overly broad discretion mean numerous demands, contestations and delays.

There are five points I would like to bring to your attention.

First, whom does this act apply to? How do you identify the DNIs? The bill requires DNIs to self-identify and notify the CRTC. The criteria are based on whether there is a significant bargaining power imbalance between the operator and the news business. It is based on such criteria as the size of the intermediary, whether the market gives the intermediary strategic advantage, and whether the intermediary occupies a prominent market position.

The concepts of size, market, strategic advantage and prominent position are all borrowed from competition law and very much depend on context. They do not have an objective meaning. Rather, it seems to me that it will be a dog's breakfast trying to identify DNIs. They are asking companies to self-identify and giving the CRTC power to compel information to decide if the respondent is a DNI. The bill should be amended and provide that the minister, by regulation, and after consultation with the commissioner of competition, designate the DNIs.

Second, who benefits? On request, the CRTC must designate a business as an ENB if it is a “qualified Canadian journalism organization”, as per the Income Tax Act—that's fine—and produces news content “primarily focused on matters of general interest and reports of current events”, “regularly employs two or more journalists” in Canada, operates in Canada, and produces news content that is “not primarily focused on a particular topic.”

That is a very wide definition. It does not exclude government, overt political actors or foreign actors. It has no reference to journalistic standards and would even seem to include broadcasters, who are obviously regulated by another statute. In my view, this section should be amended to provide that ENBs have to be Canadian-owned and Canadian-controlled, must adhere to journalistic standards as set out in the code of ethics of the Society of Professional Journalists, and should not include licensed broadcasters and their affiliates or government actors.

Third, the bill allows the CRTC to exempt a DNI if it has an agreement with an ENB. That agreement must provide fair compensation to the news businesses for the news content. That is fair ball. That is what it is all about.

• (1305)

Then it goes on to say “ensure that an appropriate portion of the compensation will be used by the news businesses to support the production of local, regional and national news content” and that it does “not allow corporate influence”, etc. There are all these points. If you look at them together, they're really purposes. They should not be here; they should be in the purpose section.

The Chair: You have 30 seconds.

• (1310)

Mr. Konrad von Finckenstein: Lastly, there is an undue preference and reverse onus provision. Basically, any ENB that feels it is discriminated against by a DNI can complain to the CRTC. It will investigate, and it can then give penalties for a violation. This is a complete misunderstanding of what a DNI does. It makes millions of decisions each day. It makes—

The Chair: Thank you, Mr. von Finckenstein.

I would hope that you would wrap up because you are going a little over your time.

Mr. Konrad von Finckenstein: Okay, thank you.

This is a misunderstanding of the DNI. It's a very simple thing that's done. It's a computer decision. There are millions of them. What should be done is that, if there's a complaint, the DNI should explain how its algorithm works: that it's fair, that it's not unjust, that it's not undue, etc. In that case, the reverse onus that is in the legislation—which means the allegation is true unless rebutted—makes sense because it's the algorithm of the DNI that we're talking about. They create it and set it up, and they should be able to show that it doesn't discriminate against or disadvantage anybody.

Thank you, Madam Chair.

The Chair: Thank you very much, Mr. von Finckenstein.

Madam Clerk, I wonder if you could let me know when Ms. Charette comes on. I don't see her yet, so maybe you could just give me a heads-up.

I would now like to move to Meta Platforms.

Mr. Chan and Mr. Dinsdale, I don't know which one of you is doing the speaking.

Mr. Kevin Chan (Global Policy Director, Meta Platforms Inc.): It's going to be me, Madam Chair.

The Chair: All right. Go ahead for five minutes, Mr. Chan.

[*Translation*]

Mr. Kevin Chan: Madam Chair, members of the committee, thank you for inviting me to speak today to Bill C-18, the online news act.

[*English*]

Today we want to share directly with the committee our concerns about this draft legislation and the unintended consequences we worry may flow from it in the fullness of time.

We have three main concerns: the true division of value between platforms and publishers, the unintended consequences of payment for free marketing, and the stifling of innovation.

First, the framework of the current legislation presumes that Meta unfairly benefits from its relationships with publishers when, in fact, the reverse is true. The Facebook platform helps publishers. Meta does not scrape or index news content or links. Like any business, non-profit, public or political organization, Canadian news publishers choose to share links from their websites on Facebook to reach a wider audience, which leads to increased readership of their stories. This, in turn, allows them to sell more subscriptions and advertising.

In Canada, we estimate that Facebook feeds sent registered publishers more than 1.9 billion clicks in a single year. That's free marketing for their content in the form of link posts that has an estimated value of more than \$230 million. Simply put, this is what it would have cost news publishers to achieve the same outcome on Facebook if that space wasn't provided to them for free.

[Translation]

We can see that Facebook already helps Canadian publishers to the tune of hundreds of millions of dollars a year.

[English]

Second, the online news act would force Meta to pay news organizations for content that publishers voluntarily place on Facebook. In blunt terms, we would be forced to pay publishers for giving them free marketing on Facebook, which I just noted was valued at \$230 million last year. This would be a most peculiar and unorthodox arrangement.

In the current economic climate, and as we prioritize long-term investments in the metaverse and in the growth of short-form video in response to competition and user preferences, we are being asked to acquiesce to a system that lets publishers charge us for as much content as they want to supply at a price with no clear limits. I hope you will agree with me that no business can operate this way.

Third, successful regulation must be grounded in fact. We have long supported regulation that sets clear and fair rules for everyone and an open Internet where creativity and competition can thrive. But as independent experts have warned, a policy that unfairly subsidizes legacy media companies now struggling to adapt to the online environment is an approach that will harm competition, reduce trust in media and make the transition to digital models even more difficult.

A recent report by the Parliamentary Budget Officer only underscores these real concerns. According to the PBO's analysis, it is broadcasters, including the public broadcaster, that will receive the lion's share of transfers, leaving less than 25% for newspapers. Also, as someone who has spent over five years listening, learning and supporting digital news entrepreneurs, it is concerning that Bill C-18 is seemingly even less helpful to them. We encourage the committee to find more opportunities to hear from the next generation of Canadian digital news innovators.

Let me be clear: Canada is incredibly important to Meta.

• (1315)

[Translation]

Canadians will always be able to use Facebook to connect with friends and family, to help build communities and to grow their businesses.

[English]

However, faced with adverse legislation based on false assumptions that defy the logic of how Facebook works, which, if passed, will create globally unprecedented forms of financial liability for news links and content, we feel it is important to be transparent about the possibility that we may be forced to consider whether we continue to allow the sharing of news content on Facebook in Canada.

As always, we remain open to working with this committee and the government on solutions that are fact-based and reflect the interests of all Canadians.

Thank you.

The Chair: Thank you very much, Mr. Chan.

Now we'll go to Mr. Hatfield.

You have five minutes, please.

Mr. Matthew Hatfield (Campaigns Director, OpenMedia): Thank you.

Good afternoon. I'm Matt Hatfield and I'm the campaigns director of OpenMedia, a grassroots community of nearly 220,000 people in Canada who work together for an open, accessible and surveillance-free Internet.

I am speaking to you from the unceded territory of the Stó:lō, Tsleil-Waututh, Squamish and Musqueam nations.

My question today is this: Who's in Bill C-18 and who's out? Who is producing high-quality journalism that deserves government-mandated subsidy and promotion, and who isn't? How much are they entitled to, and will the public ever have transparency to see that these questions are being answered fairly?

We believe the government is trying to dodge responsibility for answering these highly sensitive questions, yet Bill C-18 still answers them. Burying these questions just means its answers are more obscure, secretive, unequal and potentially damaging to trust in journalism.

There's a real problem that Bill C-18 is trying to solve. Canadians need high-quality, trusted, fact-checked journalism, and lots of it. Our democracy depends on it.

It's true that huge online platforms—Google and Meta chief among them—are collecting a lot of revenue in Canada. It's fair to ask them to contribute more of that revenue back to things that Canadians need. That's why we support the digital services tax, and that's why we wish we were debating a much simpler version of this bill that directly taxed them.

Linking news revenue primarily to the spread of news content on platforms is a toxic poison pill. News simply isn't a primary revenue driver on platforms—that's a fact—and a lot of the reporting of great importance to society is least likely to go socially viral.

Linking news support to links and clicks gives both platforms and news publishers strong incentives to cheat the system in ways that discourage the spread of quality news. It fails to target the resulting funds where they're actually most needed, subsidizing today's biggest winners in news production while not bringing back lost outlets or supporting the emergence of new ones. It makes news outlets dependent on the continued success of online platforms to survive, which is a dangerous weakening of their credibility and independence.

Also, because Bill C-18 uses links and clicks as a substitute for stronger evidence of public interest journalism, Bill C-18 sets such a low bar for identifying a qualified news outlet—lower than the already flawed QCJO system—that low-quality outlets, click farms and even malicious foreign actors could potentially qualify for mandatory promotion and subsidy.

For these reasons, we believe that without substantial amendment, Bill C-18 will be enormously destructive to the quality of, distribution of and public trust in Canadian journalism.

The money is not going where it needs to. Minister Rodriguez has told us that small news publishers aren't really interested in Bill C-18's support—despite hundreds of publishers who have said otherwise. Canada's news problem is largest in small communities that have lost their primary outlets and in hollowed-out, downsized regional newsrooms.

Will Bill C-18 do anything to bring dead local outlets back? No. It does nothing today for communities with no existing news source, and if a small local outlet reopens, it locks them out from support until they hit a significant and possibly unattainable size.

Will it induce major news chains to restaff downsized local divisions? How and why would they do that? What rational business will staff up the slow and expensive local accountability beat when your new primary revenue stream is the most viral and clickbaity of social media content? And that's before we consider that 75% of Bill C-18's revenue is predicted to go to TV and radio broadcast, predominantly to giants like Bell, Rogers and the CBC.

This committee has criticized the secrecy of the deals Google and Meta make with publishers. Fair enough, so why doesn't Bill C-18 fix that? You can't rejuvenate public trust in journalism by making these problematic secret revenue deals larger and more secret, with more opportunity for the CRTC, government and platforms themselves to quietly influence them. Under Bill C-18, negotiated deals are still secret, as is the process for assessing eligibility for QCJO status and the reason for accepting or rejecting applicants. That's not a recipe for building trust in the news.

Our biggest concern is what Bill C-18 will do to our online feeds. What kind of content do you think gets the most Facebook shares or the most retweets on Twitter? Do you think it is the in-depth, long-form investigative—

• (1320)

[*Translation*]

Mr. Martin Champoux (Drummond, BQ): A point of order, Madam Chair.

[*English*]

The Chair: Let me just stop my clock for a second so that I don't eat into somebody's time.

Go ahead, Martin.

[*Translation*]

Mr. Martin Champoux: I'm sorry and I beg Mr. Hatfield's forgiveness for the interruption, but the interpreters are saying they're having a hard time keeping up because he's speaking extremely fast.

Would it be possible, Madam Chair, to ask Mr. Hatfield to slow down his delivery a bit so that the interpreters can do their job? Thank you.

Mr. Matthew Hatfield: My apologies, Mr. Champoux. I'll speak more slowly.

[*English*]

The Chair: Thank you, Mr. Champoux.

Mr. Matthew Hatfield: Our biggest concern is what Bill C-18 will do to our online feeds. What kind of content do you think will get the most Facebook shares or the most retweets on Twitter? Do you think it is the in-depth, long-read investigative journalism that holds our leaders accountable, or do you think it is puff pieces, fiery unsourced op-eds and outright misleading clickbait?

Bill C-18 triples down on this kind of content. It nudges legitimate news outlets to make more of it, to see their shares grow and earn more compensation. It offers yellow journalists and content-mill click farms a real possibility of qualifying for guaranteed mandatory platform subsidy and promotion. It forbids platforms from taking any steps that would prioritize content from higher-quality outlets—like the National Post or The Globe and Mail—above that of any other qualifying publication.

The Chair: You have 30 seconds.

Mr. Matthew Hatfield: I don't always love my platform feed, but I don't want our government knowingly making it worse. That's what Bill C-18 currently does.

OpenMedia community members have sent nearly 8,000 emails to MPs asking for fixes to Bill C-18. Every one of us wants to see a flourishing Canadian news ecosystem, but without extensive amendment, there's a considerable risk that Bill C-18 will make that news ecosystem worse, not better.

Thank you.

The Chair: Thank you, Mr. Hatfield.

Now we go to Annick Charette, president of Fédération nationale des communications et de la culture.

Ms. Charette, you have five minutes, please. I'll give you a 30-second shout-out. Thank you.

[*Translation*]

Ms. Annick Charette (President, Fédération nationale des communications et de la culture): Good afternoon.

The Fédération nationale des communications et de la culture represents 86 unions in the field of culture and information in Quebec, including the major news media unions.

From the outset, I'd like to say that our primary concern is the preservation of a strong, professional, independent, diverse and financially healthy press in Quebec. We also want the press to maintain the ability to offer a diversity of viewpoints that reflect not only the regions but the multidimensional fabric of the Canadian population. We also want it to be present in all its forms across the country.

Far too many media outlets have already closed up shop, in large part due to the fact that advertising revenues—news media's traditional revenue source—have been siphoned off by digital platforms.

To meet these objectives, it's imperative that we address the failures in the market, namely, the considerable leverage that digital platforms have over news media outlets by taking the lion's share of advertising revenues derived from journalistic information. That's why we believe these legislative provisions are necessary to adequately regulate and balance the commercial relationship between the news media and the almighty—and, might I add, somewhat threatening as of late—digital platforms.

The Fédération nationale des communications et de la culture supports Bill C-18 in the name of its members, but also in the name of all Canadians, because professional information is a pillar of democracy. A well-informed population is a population that makes informed choices, which is what we all want, I believe.

Nevertheless, we'd like to bring to the attention of legislators some aspects of the legislation that could be improved.

First, the CRTC's proposed exemption order powers, which allow platforms to be exempt and to negotiate new agreements, are too broad and risk seriously compromising Bill C-18's effective contribution to strengthening the diversity of voices in the field of news media.

We're absolutely committed to the preservation of smaller media outlets that, among other things, meet the specific needs of certain communities and regions. A few major agreements with national media shouldn't undermine the ability of smaller actors to exercise their rights.

Second, Bill C-18 should provide for negotiations for a greater number of news media, including local media with only one full-time journalist and emerging digital media, which aren't based on the same structure as traditional print media. We also believe that media companies that deal in specialized journalism should be taken into consideration.

• (1325)

[*English*]

Mr. Chris Bittle (St. Catharines, Lib.): I have a point of order, Madam Chair.

The Chair: Yes, thank you.

Ms. Charette, I'd like to let you know that the interpreters think you are speaking too quickly. Could you slow down a little bit, please?

Thank you.

[*Translation*]

Ms. Annick Charette: However, the act should only apply to those media companies that meet certain criteria in terms of journalistic ethics. I'm thinking, among others, of such things as presenting several opposing viewpoints on matters of public interest, verifying the validity and veracity of the information conveyed, and correcting information later determined to be false. Adherence to a code of journalistic ethics widely accepted by western media is a reliable indicator of a news outlet's professionalism. The act should finally treat public broadcasters the same way as private news companies.

Third, we believe it is necessary to prevent digital platforms from taking retaliatory action that could impede negotiations and arbitration.

Lastly, our brief contains some recommendations concerning the arbitration process and the powers of the independent auditor. In our view, these powers are absolutely essential in order to guarantee that the benefits of the bill will percolate directly into the newsroom, improving journalism as a whole.

This reinvesting of new money in journalistic work is essential if we want to ensure access to quality information over the long term. The powers of the auditor could even be expanded to include, for example, the ability to report on the effects of exemption orders on the Canadian digital news market.

The act should also apply to all of the companies that operate social media platforms or search engines that publish news content.

In conclusion, I'd like to emphasize that digital platforms have a moral obligation to return a portion of the profits generated by the work of other companies. In what system is the exploitation of another's property a right?

Furthermore, any decent corporate citizen that derives substantial profits from such a foundational element of democratic society as a professional press has a duty to reinvest a portion of those profits in the vitality of the journalistic organizations that generate those profits.

The extraordinary economic power and uneven balance of power brought about by the proliferation of information technologies should never take precedence over the greater national interest and regulatory sovereignty.

Thank you for your time.

The Chair: Thank you, Ms. Charette.

[English]

We'll go now to the question and answer section.

I'd like to let the witnesses know that the time allocated for questions and answers includes the questions and the answers. If everyone could be crisp and to the point, it would allow for more questions to be asked of the witnesses.

We're now going to begin with what is known as a "six-minute round".

We begin with Mrs. Rachael Thomas for six minutes.

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

I will direct my first question to Mr. Chan of Meta.

Mr. Chan, in your opening remarks, you talked about the open Internet and how it allows for competition to thrive. However, you made reference to the fact that this legislation would actually harm that.

In fact, the creator of the Internet, Sir Tim Berners-Lee, also said the same thing. When Australia came out with its legislation, he said it threatened the intent of the Internet to be an open and broad space where people could collaborate and share ideas freely.

I'm hoping you could expand on this. How does this legislation harm the Internet—or break it, as some have claimed?

Mr. Kevin Chan: Thank you very much for a very good question.

I think this is really at the heart of what preoccupies a lot of people beyond the platforms. Simply put, links are the lifeblood of the Internet. Obviously, links connect people from one site to another. It effectively facilitates the free flow of information and, therefore, freedom of expression.

We have never seen, anywhere else in the world, an attempt to regulate the free flow of information by putting into scope, effectively, a toll for links. That is wholly unprecedented, globally. It runs counter to any notion of what a link is and how it operates.

I would also say that it runs counter to a decision made by the Supreme Court of Canada in 2011, which I printed out earlier: "The

internet cannot, in short, provide access to information without hyperlinks. Limiting their usefulness...would have the effect of seriously restricting the flow of information and, as a result, freedom of expression".

• (1330)

The Chair: Ms. Thomas, I think your question has been answered. Do you have another question?

Mrs. Rachael Thomas: Yes. Thank you. My Internet is unstable, so I am cutting in and out a little bit. My apologies.

My next question is for Matt at OpenMedia.

Matt, you talked about the fact that Canadians need high-quality news sources. You said that a great deal of variety is required in order to maintain a democratic system that is healthy, but you also made the comment that Bill C-18 actually doesn't accomplish this stated intent. In fact, you seemed to indicate that it would harm innovation, creativity and variety among news sources.

Do you care to expand on why that's the case?

Mr. Matthew Hatfield: Yes, that's right. I'm going to springboard a bit off what Kevin was just saying here. Under this bill, we're attaching a cost to good information while leaving bad information free to spread without any cost. The belief is that this will somehow lead to good information spreading more and faster. Does that seem right to you? I mean, we didn't need to be costing good journalism in this way. We could have found money for it without attaching this cost. Unfortunately, the decision of the drafters of Bill C-18 has been to do this.

In terms of concerns about the spread of bad information here, it's incentivizing existing outlets to produce more lower-quality content, but because of how low the standards are in Bill C-18 for recognizing quality information outlets, it's actually opening huge doors for a whole range of bad actors to enter Canada and start spreading their misinformation. We're talking about clickbait farms, the "doctors can't believe this" type of people who might take huge advantage of this legislation. We're even talking about hostile foreign actors, groups like RT, but there are many more who might have a real interest in misleading Canadians and might find a way of misusing this legislation to do so.

Mrs. Rachael Thomas: Thank you, Matt.

I guess I'm just hoping that perhaps you can expand on this a bit more. I understand that the cost of links will perhaps change the variety that's available, but in addition to that, what about the qualification, in terms of news sources actually being able to qualify? Will that enhance the amount of variety that is available online, and ethnic media sources and smaller sources being able to keep their share of the markets, or will it in fact harm that?

Mr. Matthew Hatfield: Yes, that's also a concern. We're letting some bad actors in and we're also freezing out newer, smaller businesses and more innovative businesses. Because funding has been allocated relative to the current distribution on platforms, it means the platforms that are doing the best today are the platforms that are getting most of this money. There is no way of getting these funds to spur new models that might actually succeed without this support for journalism.

Mrs. Rachael Thomas: Thank you, Mr. Hatfield.

Mr. Chan, it's been said that there's a disruption in the market in terms of advertising revenues. Certainly, it's shifting online versus paper media. I guess I'm just wondering, then.... This whole bill is based on this premise that we need to somehow take lost ad revenue or make up for lost ad revenue in order to keep some news sources afloat or at least enhance that.

I'm curious as to what Meta's take is on this.

• (1335)

The Chair: You have a little less than 30 seconds to answer, Mr. Chan.

Mr. Kevin Chan: I would simply say that as recent events have shown, nobody is immune to the market forces, the very significant competitive market forces, in the advertising industry. We are no different. But it would be false to claim that this started because of digital platforms like Facebook. I think if you go back into the history of reporting on this, it goes back to the early 2000s, long before we existed and long before we monetized.

The Chair: Thank you very much. I think the time is up.

I shall now go to the Liberals and Mr. Anthony Housefather.

Anthony, you have six minutes, please.

Mr. Anthony Housefather (Mount Royal, Lib.): Thank you, Madam Chair.

I want to start by saying that I think it's pretty ironic that the last time Meta was here, Mr. Chan was unable to tell me how much ad revenue Facebook derived in Canada, but somehow today he was able to extrapolate how much value Facebook offered publishers for links that publishers had Facebook send them to.

Basically, I'm going to ask a number of questions. If I ask a yes-or-no question, I expect a yes-or-no answer, please.

Last week, Facebook said they were disappointed they weren't invited to come to committee.

Mr. Dinsdale, did Facebook ever contact the chair of this committee or the clerk of this committee asking to appear?

Mr. Marc Dinsdale (Head, Media Partnerships, Canada, Meta Platforms Inc.): I'm not aware of the intricacies of that. That would not be an answer that I'd—

Mr. Anthony Housefather: I checked with the clerk yesterday, and the answer was no.

The last time Facebook was here, Mr. Chan and Mr. Dinsdale, I asked a number of questions about the experience of Facebook in Australia, where it threatened to take down pages because of similar legislation to Bill C-18. Facebook did so, causing chaos for a week. You said, at the time, that you could not answer and did not know what would happen in Australia. As a result, this committee summoned Mark Zuckerberg, your CEO, who could have answered the questions. He ignored the committee's summons.

Given that, last week, Mr. Dinsdale made the same threat to Canada about shutting down pages, and Mr. Chan did the same in

his testimony today, I certainly hope you're both able to now speak to the Australian experience.

Various whistle-blowers have stated that, in order to plan for the Australian shutdown, they required multiple staff members to pre-emptively sign NDAs.

Mr. Dinsdale, do you normally require staff members at Facebook to sign NDAs for major Facebook events?

Mr. Marc Dinsdale: Again, sir, that is not a part of the business with which I am that familiar. I would not be able to speak to that specific question.

Mr. Anthony Housefather: Were you or Mr. Chan asked to sign an NDA to plan for an eventual takedown in Canada?

Mr. Marc Dinsdale: I would say, sir, that we are here to try to engage in the substance of the bill in the spirit of co-operation and simply to express that, if the legislation passes as it is proposed, we may be forced to consider whether or not we take that action.

Mr. Anthony Housefather: I asked you a specific question. Did you—

Mr. Kevin Chan: Mr. Housefather—

Mr. Anthony Housefather: Mr. Chan, the question is for Mr. Dinsdale.

Mr. Dinsdale—

Mr. Kevin Chan: I think you asked both of us.

Mr. Anthony Housefather: The question was for Mr. Dinsdale.

Mr. Dinsdale, were you, or anyone you know of, asked to sign a specific NDA to plan for a shutdown in Canada?

Mr. Marc Dinsdale: Sir, again, we're here to engage in the substance of the bill in the spirit of co-operation. What I can share is that, if the bill passes as it is proposed, we may be forced to consider whether or not we would take any kind of action.

Mr. Anthony Housefather: I guess I'm going to take that as your refusal to answer whether you did or did not. I would probably take that as an affirmative.

Mr. Kevin Chan: Mr. Housefather, would you like to ask me, because I—

The Chair: Mr. Chan, when a question is addressed to you, you can speak. I'm afraid you cannot intervene right now.

Mr. Anthony Housefather: Whistle-blower documents from Australia said that, although Facebook said implementing the ban was intended to affect only news outlets, “executives knew its process for classifying news for the removal of pages was so broad that it would likely hit government pages and other [health and] social services.”

It did, in fact, hit over 170,000 pages, including the Department of Fire and Emergency Services, the Council to Homeless Persons, Suicide Prevention Australia, domestic violence support pages, The Kids' Cancer Project, the Royal Children's Hospital, the Jewish Holocaust Centre, state fire and rescue during fire season, and municipal state and territorial governmental pages.

Facebook then said this was a “technical error” that it “worked to correct”, and that any suggestion Facebook did this deliberately was “categorically and obviously false.”

Mr. Dinsdale, do you agree it was a technical error and there was no attempt to shut down these pages?

Mr. Marc Dinsdale: My understanding of the situation is that— as we've expressed—any of those takedowns would have been done in error and were rectified as quickly as possible.

• (1340)

Mr. Anthony Housefather: Funnily enough, they seem to have been rectified as soon as the Senate approved the revised bill with Facebook's amendments. The Facebook response team was able to then do it within a matter of minutes, when the Senate adopted the amendments, which was eight days after the initial takedown.

Can you explain, Mr. Dinsdale, why there was such a discrepancy? How was it that these pages somehow couldn't get restored in a timely way, but then, suddenly, when the Senate approved the new, revised bill Facebook had renegotiated, the pages were magically restored?

Mr. Marc Dinsdale: That, to me, sounds somewhat—with all due respect—speculative. What I'm able to share is what we have shared: Any errors made were rectified as quickly as possible, sir.

Mr. Anthony Housefather: Okay, that's fine, but what we understood—again, from whistle-blowers—is that “Facebook did not use a 'standard canary process'” to test this algorithm's precision to identify or prevent overblocking before an action. Despite clear notice the lockdown was affecting far more sites than publicly acknowledged, which would normally have triggered a pause or roll-back, senior executives ordered the full rollout to take effect within hours.

How, then, do we trust the fact that this was a technical error? Can I ask whether you did a post-mortem in Australia, and can you assure us the same situation won't reproduce itself in Canada?

The Chair: You have 30 seconds for an answer, Mr. Dinsdale.

Mr. Marc Dinsdale: Thank you, Dr. Fry.

Sir, what I can share is that, again, if the bill passes as it is proposed and we are forced to consider this option, we would try to do it with as much consultation and transparency as possible. I certainly am not in a position to elaborate what that means. I can certainly reiterate that any mistakes done in Australia were exactly that—mistakes.

The Chair: Thank you very much, Mr. Housefather and Mr. Dinsdale.

I'm going to move now to Martin Champoux from the Bloc Québécois for six minutes.

Go ahead, Martin.

[*Translation*]

Mr. Martin Champoux: Thank you, Madam Chair.

Thank you to the witnesses for appearing before the committee today to speak to this important bill we're working on.

Just like Mr. Housefather earlier, I'm quite pleased to see that Mr. Chan managed to find his file with Facebook's figures. Indeed, the last time we asked him questions on Facebook's revenues, getting any answers was pretty difficult, so I'd like to seize this opportunity.

Mr. Chan, I suppose you remember your discussion last year with Jean-Hughes Roy, a renowned academic who devotes a lot of time to the issue of social media. When he was interviewed on TVA, he said that, in his view, it was obvious that part of Facebook's revenues—and Google's, too, but let's focus on Facebook today—is derived from journalistic content.

When you spoke with him, you might remember telling him that blocking access to journalistic content in Australia as a form of protest hadn't had any impact on your company's revenues.

Let's look at the numbers. Challenge them all you want, but Mr. Roy arrived at some interesting conclusions and revealed that average advertising revenues per Facebook user were around \$82.21. On a per-capita basis, using 2017 numbers, we can conclude that Quebecers generated \$451.2 million U.S. for your company. If I'm being excessively precise with my decimals, we can round down.

Mr. Chan, do you agree with these numbers?

Mr. Kevin Chan: I haven't checked those numbers myself. We can continue with your hypothesis, but I can't confirm those numbers.

Mr. Martin Champoux: Okay, let's do it then.

In 2018, Mark Zuckerberg stated that, under Facebook's new algorithm, the percentage of media content was about 4%. We can therefore assume that revenue from Facebook's journalistic content represents some \$23 million or \$24 million in Canada. We're talking revenue generated by domestic media.

Do you recognize those figures? Are we in agreement?

Mr. Kevin Chan: No, I think there's a flaw or a logical problem with this method of calculation.

The fact is that the percentage of content on Facebook is not equivalent to percentage of revenues. People post billions upon billions of pieces of content to Facebook. Your average person, Canadian or Quebecker, can see close to 1,000 pieces of content per day. The majority of that content is seen by no one, because there's just too much content and too few hours in a day.

• (1345)

Mr. Martin Champoux: What you're saying, then, is that the revenue generated by the sharing of journalistic content is worthless to Facebook, and the media outlets are just wrong to think that Facebook should contribute.

And yet, you signed agreements with Australian media companies, including a major three-year agreement with News Corp Australia. If journalistic content is worthless to Facebook and doesn't generate any revenue, why did you wholeheartedly agree, if you'll allow me a touch of irony, to sign such agreements and reverse your decision to block access to content? If it's worthless to you and doesn't generate any revenue for Facebook, why, then, did you backtrack and sign these agreements?

Mr. Kevin Chan: Let's be clear: We've never made any kind of commercial agreement to pay for marketing that's already free. We signed commercial contracts in Australia, and in Canada as well, to develop new innovative models for the platform and for Internet tools. The people who made those comments may have misunderstood.

We've never paid for free marketing, anywhere in the world. We've never paid for links, we currently aren't paying for links and we really don't want to, because doing so would break something extremely important, not only for our platform, but for the Internet, because the Internet belongs to everyone.

Mr. Martin Champoux: Yes, naturally. There's no such thing as a Nobel prize for generosity, but I think we need one for Facebook, Mr. Chan.

Ms. Charette, I'll ask you a question that we can revisit in subsequent rounds, because we don't have much time left in this one. I'd like to speak with you about the importance of setting criteria for journalistic quality. I think it's an important issue for the *Fédération nationale des communications et de la culture*.

In 30 seconds, could you tell me what you mean by that? What kind of legal mechanisms should we put in place to ensure that recognized and eligible journalism organizations are quality businesses?

Ms. Annick Charette: What is generally recognized as the code of journalistic ethics emphasizes the importance of presenting a diversity of viewpoints and not adhering to any specific ideology. In the federation's estimation, quality journalism as a criteria is very important in terms of professional accreditation.

I believe it was Google that suggested any group that publishes a paper should be able to ask for compensation, even if the paper they publish is a vehicle for their own ideology rather than the product of professional journalistic work.

I don't think we should recognize news outlets on the basis of the number of journalists they employ, but rather on that of the profes-

sionalism of their work, which is established according to a precise set of criteria. In fact, the Income Tax Act identifies certain criteria by which to recognize professional news companies. These are the kind of criteria that should be promoted rather than the number of permanent journalists on the payroll.

[*English*]

The Chair: Thank you, Ms. Charette.

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

Peter, you have six minutes.

Mr. Alistair MacGregor (Cowichan—Malahat—Langford, NDP): Madam Chair, I'm going to be subbing for Mr. Julian today.

The Chair: Okay, Mr. MacGregor, you have six minutes, please.

Mr. Alistair MacGregor: Thank you very much.

Thank you to all of our witnesses. I'm going to try to do my best here on behalf of Mr. Julian with Bill C-18. I do appreciate everyone's feedback on this bill.

Ms. Charette, I'd like to start with you.

I was taking some notes as you made your opening statement, and I can very much relate to the concerns that you have and the willingness that you show to maintain a strong and diverse mediascape in Quebec, but I think that also applies to many regions in Canada as well. I know we've been hearing from the FNCC and many stakeholders that Bill C-18 has set out too restrictive criteria for news media companies to be eligible for negotiations with the web giants.

I have a couple of questions for you. First, what would happen to thousands of small news media companies, many of which are non-profit organizations, such as community radio and community TV in Canada and Quebec, if Bill C-18's eligibility thresholds remain unchanged?

• (1350)

[*Translation*]

Ms. Annick Charette: I believe that only professionally qualified news outlets should be eligible. I'm talking about a professional newsroom with a journalist that meets the criteria for journalistic ethics. I personally wouldn't even consider the submission of a company that only produces radio shows, for example.

There are a lot of small regional media outlets, print media in particular with a single permanent journalist, that should indeed get public recognition when their work is amplified by a sharing platform like Facebook or Google. It is therefore crucial, for the multiplicity and diversity of voices, to take these small media outlets into consideration. We can't allow ourselves to believe that a handful of agreements signed with large national media companies would cover all of the possibilities that are out there.

Everyone's been affected by the fact that digital platforms are keeping a large portion of ad revenues to themselves. The small outlets weren't able to keep up because they had no other way to redeploy themselves, whether online or otherwise. It is crucial that we protect those that are left.

In Quebec, the Coopérative nationale de l'information indépendante, that bought out six major regional newspapers, released some numbers regarding Facebook. The organization noted a 22% to 23% drop in online referrals from Facebook over the last year. Indeed, we're seeing that Facebook is increasingly closing itself off, preferring to promote self-contained pieces of content without any external links, which prevents readers from having to leave the Facebook environment to read the content. Our analysis shows that that's what caused the drop in online traffic observed by the co-op's news outlets.

Let's not forget that La Presse, just like all of the co-op's newspapers, is only compensated when users are redirected to the content on the newspaper's website when they click on a link appearing on the Facebook product. Without such a link, the newspaper isn't compensated and experiences a loss of revenue, and increasingly, Facebook omits these links in its publications. I hope I've been clear.

[English]

Mr. Alistair MacGregor: That's fine. I appreciate that.

My second question is related to the first. I want to get into a specific clause of the bill, specifically clause 27. It deals with the eligibility. What would FNCC suggest to amend that clause that deals with eligibility so that we can lower the threshold to include more small-sized news media companies, either business or non-profit? I think that should help us when we get to the clause-by-clause consideration of the bill.

[Translation]

Ms. Annick Charette: Give me a moment to familiarize myself with clause 27. I don't know them all by heart.

Is it the one on public broadcasters?

[English]

Mr. Alistair MacGregor: It's the section under "Eligible news businesses—designation", clause 27 under the title "Eligibility".

[Translation]

Ms. Annick Charette: As I said earlier, we firmly believe that all professional news media should be eligible, no matter their size. Those media that focus on specialized fields, whether economics, arts or culture, should also be eligible. Furthermore, some large media companies have a business section, a section on culture, or a sports section, all of which is considered general information. We can't understand why professional journalists that deal primarily in sports, culture or the economy shouldn't be able to benefit from the agreement as individuals.

We also believe that public broadcasting newsrooms, although there aren't that many, should also be eligible, because they, too, create content. We all pay for the content created by the CBC, for example. If that organization is compensated, then at the end of the day, all Canadians will benefit.

• (1355)

[English]

Mr. Alistair MacGregor: Thank you, Chair.

The Chair: You have 20 seconds left.

Mr. Alistair MacGregor: I'll end there, Madam Chair.

The Chair: Thank you very much. I know that you are here to replace Mr. Julian, but those are big shoes to fill, Mr. MacGregor, and you did it very well. Thank you.

Now I would like to go to the next round. The next round is a five-minute round.

I will begin with Marilyn Gladu for the Conservatives.

You have five minutes, please, Ms. Gladu.

Ms. Marilyn Gladu (Sarnia—Lambton, CPC): Thank you, Chair, and thank you to the witnesses for appearing today.

I'm happy to see my Liberal colleagues beginning to realize that without significant amendments to this bill, we may see some unintended negative consequences, like 22 million Canadians having their content blocked by Meta.

My question is for Mr. Chan. In Australia, when content was blocked and thereafter similar legislation was brought, there were amendments that were requested and put in place. What were those amendments, and what should we be doing to Bill C-18 in order to prevent that same adverse outcome?

Mr. Kevin Chan: If I may, I just want to correct the record on a previous round where I was not allowed to answer but I had very clear answers. I think, for the record, it's important for the committee to hear the truth. I've never signed an NDA, just to be clear, so I wouldn't want someone making the opposite claim because that would obviously be inappropriate.

I believe it's fair to say—and the team just wanted me to correct the record—that we did seek an opportunity to appear with committee members and I believe we were told that we should fully expect to be invited. But as everybody will appreciate—and perhaps it's important for me to outline how these things work because not everybody gets the opportunity and the fortune to appear—you obviously can't force your way into a committee; you need to be invited. They're called invitations.

I just wanted to correct the record on those two things.

Ms. Marilyn Gladu: Yes, that was very clear, to make sure the committee needed to invite and hear what Meta would say.

So what changes do we need to make to Bill C-18 to make sure we don't have the same consequences as Australia?

Mr. Kevin Chan: I think there are a number of amendments that we are going to share with the committee in due course.

Ms. Marilyn Gladu: Will you submit them in writing?

Mr. Kevin Chan: Yes, we will.

Ms. Marilyn Gladu: Excellent. That's all I need, then. Thank you.

I have a question for Mr. Hatfield. I only have five minutes.

I'm very concerned as well that although the intention of the legislation is to try to protect these smaller news organizations that have missed revenue, the criteria that have been set don't allow anybody with just one journalist or a couple of part-time journalists to participate, and the criteria don't even require the basic standards of journalism—we say in Canada they can self-define—and are focused on general news.

I'm worried that we're going to be excluding, for example, ethnic media. Many times these are mom-and-pop shops or smaller organizations, and they may not be considered general news. Do you share that concern?

Mr. Matthew Hatfield: Yes, absolutely. I think the challenge we're seeing is that the criteria set out focus on organizational features: having two journalists or a certain focus to your news. They don't seem to have any examination of the quality of what's being produced: “Are you making great journalism? Are you contributing to the discourse in Canada?”

We think both of those things need to be amended—a bit of tightening in one area and a bit of loosening in the other—in order to get people a result they will actually like.

Ms. Marilyn Gladu: I'm also concerned that the government here is now determining who's included and excluded, and rewarding the larger media conglomerates and not the smaller ones that were intended. It certainly doesn't seem to be freedom of expression and freedom of the media.

Would you agree, Mr. Hatfield?

Mr. Matthew Hatfield: I definitely think there's a concern here. No one wants the government deciding who does good news. That's a scary prospect for anyone who thinks seriously about it.

At the same time, the way they've set this up.... They've forbidden private entities from making those judgments, so they're creating a new system where no one is taking a hard look at whether this is quality content being distributed. That's actually undue interference in the rights of platforms like Meta, Google or others to make those decisions. I think people want to see the most trusted outlets appear fairly high up in their feeds—The National Post, The Wall Street Journal, The Globe and Mail, and so on.

• (1400)

Ms. Marilyn Gladu: Excellent. Thank you.

Mr. Chan, do you also think this bill is an erosion of freedom of expression in Canada?

Mr. Kevin Chan: Yes. As I noted earlier, it is challenging when you include within scope, effectively, a toll on links. You are going to end up seeing severe friction on that. That is an erosion of freedom of expression.

I would note, if I may, Ms. Gladu, that the—

The Chair: Go through the chair, please, Mr. Chan.

Mr. Kevin Chan: Madam Chair, I would also note that it is, of course, doubly challenging, because 2022 is the year Canada chairs the Freedom Online Coalition, which is very much for, and supportive of, a free and open Internet.

The Chair: Thank you very much, Mr. Chan.

Ms. Gladu, your time is up. I'm sorry.

Now we're going to go to Mr. Chris Bittle, for the Liberals.

Chris, you have five minutes.

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

It's shocking that Facebook throws a public temper tantrum to appear before this committee, and then refuses to answer questions unless they're friendly softballs from the Conservatives. I don't know why you didn't just go ahead and have a press conference standing shoulder to shoulder with the Conservatives while you threaten Canadians.

Mr. Dinsdale, you stand here and threaten Canadians—threaten to do what you did in Australia, which is to take away supports and information about vaccines, suicide crisis centres and fire services. You put Australians' lives at risk, and you come here and threaten the same thing to Canadians. It's absolutely shocking. Meta is demonstrating modern-day robber baron tactics, yet you say, “Don't regulate us. We're good corporate actors.”

It truly is amazing to look back at what happened in Australia and—

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

The Chair: Go ahead, Mrs. Thomas.

Mrs. Rachael Thomas: There have been times, in this committee, when assumptions like the one Mr. Bittle is making or accusations towards a witness have been made and, as chair, you've ruled them out of order. I'm wondering if you would consider doing the same in this case.

The Chair: That's a judgment call on my part, Mrs. Thomas. Mr. Bittle is being very aggressive in his questioning, but I don't think he is being very disrespectful to the witness.

Thank you.

Mr. Chris Bittle: Madam Chair, I trust my time was paused. I haven't even asked a question.

The Chair: It was.

Mr. Chris Bittle: Thank you.

We heard about the generosity of Facebook in providing 230 million dollars' worth of links but, on the other side, “We're going to take away all of your ad revenue from news agencies, as well”, which is an interesting generosity. There's a suggestion from Facebook that this will break the Internet, but we've heard from Microsoft—which may know a thing or two more about the Internet than I do—that such legislation won't. It didn't in Australia. It won't happen again. The fearmongering just continues.

Let's go to Australia, if we can. On February 17, 2001, the House of Representatives passed the initial bill. The day after that, there was an overreach takedown, including all the sites Mr. Housefather mentioned. Facebook's official response on day 2, February 18, was that the takedown was going according to plan.

Mr. Dinsdale, was that a mistake, as you claimed earlier?

Mr. Marc Dinsdale: Mr. Bittle, I'm obviously not able to speak to the communications happening at that time in—

Mr. Chris Bittle: See, again, why didn't you—

The Chair: Excuse me.

There was a bit of difficulty in hearing Mr. Dinsdale's answer. I will stop the clock and let him answer again, because I couldn't hear it. There was echoing.

Mr. Marc Dinsdale: Thank you, Dr. Fry.

I would express, as well, that our intent with last week's communication was to signal the degree to...how unworkable it is for our business, and that we may not have the opportunity to share those concerns. We're grateful to have the opportunity to share those concerns with the committee. We hope we can create a more evidence-based piece of legislation that takes into consideration how platforms and the Internet work.

The Chair: Thank you.

Go ahead, Chris.

Mr. Chris Bittle: That was another question, and another non-answer from Facebook, a company that demanded to be here. Should I just ask softballs, Mr. Dinsdale? Is that what you're looking for? I've dealt with Facebook in committees before—with Mr. Chan—and the contempt Meta has for the parliamentary process.... Mr. Housefather went through it earlier. I noticed, today, that a judge in the United States fined Meta \$25 million for repeatedly and intentionally violating U.S. campaign finance laws. I guess we know what Facebook and Meta think about the democratic process.

At the end of the day, we saw Mr. Zuckerberg, in whistle-blower communications, celebrating the outcome, that outcome of putting the lives of Australians in jeopardy. Was that a mistake on Mr. Zuckerberg's part?

• (1405)

Mr. Marc Dinsdale: Sir, again, I believe we've expressed the point that there were mistakes made, which we have been public about. Again, our engagement here today is to talk about our concerns with the legislation in front of us, and concerns about the—

Mr. Chris Bittle: It's based on the—

Mr. Marc Dinsdale: —representation of the relationship between publishers and—

Mr. Chris Bittle: Excuse me, Mr. Dinsdale, but this is my time.

This legislation is based on the Australian model. I think most people know this. You threatened the same thing: to put the lives of Canadians at risk. I guess the question is this: You've put thousands, perhaps millions, of Australians' lives at risk; are you willing to do the same thing to Canadians?

Mr. Kevin Chan: I think this legislation is—

Mr. Chris Bittle: The question wasn't to you, Mr. Chan

Mr. Kevin Chan: Oh, I didn't realize that. I thought it was open to Meta.

The Chair: No, it was to Mr. Dinsdale. I was aware of that. Thank you.

Mr. Kevin Chan: I'm—

Mr. Chris Bittle: You should probably listen, Mr. Chan.

Mr. Kevin Chan: Oh, I'm listening very carefully.

The Chair: Go ahead, Mr. Dinsdale.

Mr. Marc Dinsdale: Again, sir—as Mr. Chan expressed—the outcome of the legislation in Australia is that we do not, in fact, pay for links. A model based on the Australian model is, in some ways, inapplicable, because we are not designated in Australia.

The Chair: You have 30 seconds.

Mr. Marc Dinsdale: The deals we have done in Australia [*Inaudible—Editor*] outside of the sharing of links, etc.

Mr. Chris Bittle: I appreciate that, Mr. Dinsdale.

It's disappointing, again, to see these robber baron tactics come in, threatening parliamentarians and Canadians. I know I'll be reaching out to Whistleblower Aid and Libby Liu, their CEO, to request that they submit a briefing to this committee, because the tactics Facebook and Meta employed in Australia to endanger the lives of citizens without a care.... Even if you're saying it was a mistake, that doesn't play out in emails and correspondence among your CEO and yourselves. You came here unwilling or unable to talk about it. What you're doing is truly shameful, sir.

Mr. Marc Dinsdale: I would say that Mr. Bittle mis-characterized—

The Chair: Thank you, Mr. Bittle. I'm afraid your time is up.

I'm now going to move to Mr. Champoux from the Bloc Québécois for two and a half minutes.

Go ahead, Martin.

[*Translation*]

Mr. Martin Champoux: Thank you, Madam Chair.

Ms. Charette, I'd like to continue our discussion on the quality of journalism and the ways to ensure that eligible news organizations are serious organizations.

We've received some suggestions for amendments. Google, for instance, would like us to delete clause 51 of the bill, that seeks to prohibit so-called undue preference. According to Google, this provision will prevent its platforms and others from applying policies and offering functionalities that elevate reliable sources of information over those of lesser quality. When you read between the lines a little, what that means is that we're to rely on Google to judge which content is reliable and which isn't.

As a federation representing a large number of journalists and newsrooms, what do you think of this proposal and this statement?

Ms. Annick Charette: Fundamentally, this bill, which draws inspiration from the Australian experience and that of the Competition Bureau, seeks to regulate the economic ties between various companies and to address the current imbalance. That's what it's really about.

Interestingly, professional journalism is already held to certain standards. Indeed, most journalism organizations in Canada are already monitored by press councils that audit the quality of their publications and that individuals and various interest groups can call upon if a publication is misguided or is otherwise in breach of journalistic standards. All over Canada and Europe, there are news businesses that agree to these councils monitoring the quality of their publications. That's what professional news outlets do.

Let's take the example of qualified, quality journalism. I spoke of the criteria—

Mr. Martin Champoux: You spoke of the eligibility criteria for qualified Canadian journalism organizations—

• (1410)

Ms. Annick Charette: They're the same.

Mr. Martin Champoux: —but these criteria deal with eligibility as defined under the Income Tax Act.

[*English*]

The Chair: You have 30 seconds.

[*Translation*]

Mr. Martin Champoux: What I'm talking about and what I'd like to see are more criteria that guarantee quality. I'm talking about journalistic, ethical standards, which came up earlier in conversation.

In your opinion, should these be included in the bill, and possibly, one day, in the act, so that this doesn't become the responsibility of the CRTC or another organization?

Ms. Annick Charette: It would be really great if eligible organizations—

[*English*]

The Chair: Thank you very much, Madame Charette.

I'm going to go now to the NDP.

Mr. MacGregor, you have two and a half minutes, please.

Mr. Alistair MacGregor: Thank you, Madam Chair.

Mr. Chan, I'd like to turn my questions to you.

I'll level with you. I have had some concerns about your company and its influence on our democratic institutions and on our civil society.

My main role in the House of Commons is as our public safety critic. I sit on the Standing Committee of Public Safety and National Security. Earlier this year, we did a report into ideologically motivated violent extremism, and we heard some pretty damning testimony about the role that social media companies have played, especially with misinformation, disinformation and plain fake news.

In the article that you wrote on October 21, you made the threat that you may be forced to consider whether Facebook continues to allow the sharing of news content in Canada.

Is that what's really going on here? You've had all of this damning evidence against your company about its role in sharing misinformation and disinformation. Are you seriously now considering making the situation worse by getting rid of credible journalism, which is one of the bulwarks we have in a democratic society? Is that what's going on here, Mr. Chan?

Mr. Kevin Chan: I think it's important to indicate that, on Facebook, what you see are the conversations and exchanges of 21 million Canadians. They are their opinions, and they are their communications to one another and to friends and family. I think that's what you see on Facebook.

Having said that, I think perhaps my colleague Marc has some thoughts on fact-checking, the general idea of misinformation and how it pertains to Bill C-18 that might be helpful for legislators. If I may, I'll turn it to Marc to try to answer that one.

Mr. Marc Dinsdale: Thank you.

It is an important point of reference to consider that we do have the world's largest fact-checking network program of any platform. It includes 90 fact-checkers accredited by the international fact-checking network, which is a subsidiary of the Poynter Institute.

Our primary pillars in that are that we identify, we review and we act on content. The fact-checkers themselves are able to look for content they want to fact-check. They then review it. We also use artificial intelligence to do that work as well, to suggest things. They then review it and are able to apply labels like false, altered, partly false, etc.

The important part about the act, which I think has been pointed out by both Mr. von Finckenstein and Mr. Hatfield, is around concerns that the undue preference clauses in the bill do not allow us to reduce the spread of misinformation in that sense. That should be concerning to everybody.

The Chair: Thank you very much, Mr. Dinsdale.

Now we are going to go to the Conservatives.

Mr. Waugh, you have five minutes, please.

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

It was interesting the other day hearing from the Minister of Heritage, who cited that 468 news outlets have closed in this country since 2008. I will also say that many of those news outlets that closed were Bell Media, Rogers, National Post and Torstar. These are the same organizations that want to be at the trough of Bill C-18. It's really interesting.

What the minister didn't say in his testimony is that we've had over 200 news operations—independent organizations—open in this country.

I just wanted to make that statement because this bill is not going to save the media in this country. We have seen Bell, Rogers, National Post and Torstar tear down in small communities like Swift Current, Lloydminster, Prince Albert, Yorkton, Red Deer, Kelowna and Kamloops. I can go on and on. If the panel thinks that this bill is going to save rural media, think again. People are getting their information a little differently.

I'm going to go to Mr. von Finckenstein.

You are the former chair of the CRTC. As you know, you don't have any experience in regulating news or even in competition matters. I just told you how many news outlets have closed in this country. Suddenly, the CRTC is now going to have the power to determine what news publishers benefit and what the definition of a “journalist” is, and it will oversee arbitration, including the picking of an arbitrator.

Do you think, Mr. von Finckenstein, that the CRTC should be given as prominent a role as this in Bill C-18?

• (1415)

Mr. Konrad von Finckenstein: Thank you for that question.

My purpose in appearing here today was to try to say that the existing legislation as it is doesn't work. It needs to be amended. I've focused my point assuming that we use the concept that the government has adopted, which is mandatory bargaining between platforms and news publishers. To make it work, the changes that I suggested—I gave you some draft amendments—are a minimum.

Is it a good way to do this? Is this really a function the CRTC can do and should do? I, personally, have never done it. I can't even go into it because it depends on who the leadership is and what resources are being given. I mean, to my mind, the whole concept is not the right way to go about doing this.

If you want to subsidize news publishers, you can do it a myriad of other ways. This strikes me as being unnecessarily complicated. If you do it—and it's my assumption that this bill will pass—then at least it should be amended as I suggested.

Mr. Kevin Waugh: Define “DNI”.

Mr. Konrad von Finckenstein: That was my first point. The DNI definition in the act is totally unworkable. It's based on all sorts of concepts, not objectives. It depends on the context. They all come from competition. I know that because I was commissioner of competition for seven years. If we want to apply this, it is very difficult.

Therefore, I suggest we forget about people self-identifying or the CRTC identifying them. Give the minister the power to identify

them by regulation, but he should consult with the commissioner of competition so he does it in an informed and systematic way based on jurisdiction in competition.

Mr. Kevin Waugh: Define what a “journalist” is.

Mr. Konrad von Finckenstein: There are a lot of issues about that. What is a journalist? We have various definitions that you can use.

I presume if this bill comes into effect, the CRTC will issue guidelines on what they consider a journalist. They base it on existing precedents.

Mr. Kevin Waugh: I would say, because I was one, that the journalist has certainly changed over the years. I think the public has actually wanted change in journalism. We've seen the public broadcaster being very heavily involved in how they actually direct their journalists in their reporting. We've seen that not only with the Emergencies Act, but with other things here in Parliament.

Is the CRTC capable of handling something they've never had to do before? They're about radio and television, and now we're asking them to deal with, essentially, the newspaper industry. Are they capable of that?

The Chair: Thank you, Kevin. You are over time. I'm going to have to not allow the answer right now. Hopefully, somebody can pick that up.

I'm going to now go to the Liberals and to Lisa Hepfner.

Lisa, you have five minutes.

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

We have been speaking about good journalism today, so I'd like to draw the committee's attention to a Wall Street Journal article from last May entitled “Facebook Deliberately Caused Havoc in Australia to Influence New Law, Whistleblowers Say”. It says:

Last year when Facebook blocked news in Australia in response to potential legislation making platforms pay publishers for content, it also took down the pages of Australian hospitals, emergency services and charities. It publicly called the resulting chaos “inadvertent.”

Internally, the pre-emptive strike was hailed as a strategic masterstroke.

Facebook documents and testimony filed to U.S. and Australian authorities by whistleblowers allege that the social-media giant deliberately created an overly broad and sloppy process to take down pages—allowing swaths of the Australian government and health services to be caught in its web just as the country was launching Covid vaccinations.

The goal, according to the whistleblowers and documents, was to exert maximum negotiating leverage over the Australian Parliament, which was voting on the first law in the world that would require platforms such as Google and Facebook to pay news outlets for content.

Despite saying it was targeting only news outlets, the company deployed an algorithm for deciding what pages to take down that it knew was certain to affect more than publishers, according to the documents and people familiar with the matter.

Mr. Dinsdale, is this true? Was the Australian havoc deliberate?

• (1420)

Mr. Marc Dinsdale: Thank you for the question.

Again, I'm not sure how many other ways I can answer this question, other than that I wasn't involved in Australia. I understand that some mistakes were made. We've talked about those mistakes. We want to avoid that outcome again, which is why we want to be transparent in the committee.

Ms. Lisa Hefpner: Thank you.

I'll go on and finish. It continues:

The documents also show multiple Facebook employees tried to raise alarms about the impact and offer possible solutions, only to receive a minimal or delayed response from the leaders of the team in charge.

After five days that caused disorder throughout the country, Australia's Parliament amended the proposed law to the degree that, a year after its passage, its most onerous provisions haven't been applied to Facebook or its parent company, Meta Platforms Inc.

"We landed exactly where we wanted to," wrote Campbell Brown, Facebook's head of partnerships, who pressed for the company's aggressive stance, in a congratulatory email to her team minutes after the Australian Senate voted to approve the watered-down bill at the end of February 2021.

Facebook Chief Executive Mark Zuckerberg and Chief Operating Officer Sheryl Sandberg chimed in with congratulations as well, with Ms. Sandberg praising the "thoughtfulness of the strategy" and "precision of execution."

Is that what happened, Mr. Dinsdale?

Mr. Marc Dinsdale: Again, I was not involved in Australia.

Ms. Lisa Hefpner: Then I'll ask Mr. Chan.

Is that what happened?

Mr. Kevin Chan: I am not aware, as well.

I think what's important, though—

Ms. Lisa Hefpner: Thank you.

You answered my question.

Mr. Kevin Chan: I want to talk to you about the substance of the bill.

Ms. Lisa Hefpner: Let me go on, Mr. Chan.

I heard you say in your opening statement that Meta does not unfairly benefit from news and that, in fact, the reverse is true. But we all know that Facebook's main source of success is on the data it collects from its users—I think 22 million, according to Ms. Gladu earlier.

Are you telling us that the data you collect on people sharing and reading news has no value whatsoever to Facebook?

Mr. Kevin Chan: I would just put it this way, I guess. In 2017, 5% of content was potentially in the news domain. It has now moved to 3%.

Ms. Lisa Hefpner: How much time do people spend on news on your platform? Can you give us any numbers?

Mr. Kevin Chan: I don't have that. We don't keep track of that. But what I can tell you—

Ms. Lisa Hefpner: Your most important metric is time spent on this platform. We know that you track how many people spend time

on specific content, but you say that you don't track how much time people spend on news on your platform.

Mr. Kevin Chan: I guess I can answer it, if you will allow me, in a different way, which is to say that Canadians tell us they want less news on Facebook, not more. We are moving to meet that request.

Ms. Lisa Hefpner: Do you have any statistics to back this up that you can share with our committee?

Mr. Kevin Chan: I think we have.... We've been clear about this since February 2021. We can look to see if there's anything. It is not only the stated preference of Canadians on Facebook, but maybe if you will permit me to actually share a study—

The Chair: You have 30 seconds.

Ms. Lisa Hefpner: We've heard already in this committee that you've entered into deals with publishers in Canada. Why would you do that if there was no value to you?

Mr. Kevin Chan: We did it in order to incentivize a more robust digital transition so that we would not be in a situation where legacy media sort of continued the same approach—

Ms. Lisa Hefpner: Okay. Thank you. I think my time is up.

The Chair: Thank you for your questions. Yes, your time is up.

I'd like the committee to know that we have time, if everyone is very concise, to go one full round.

I will now go to Mr. Shields for the Conservatives for a third round.

Mr. Shields, you have five minutes, please.

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

I find this interesting with some of the witnesses and their comments.

Mr. Chan, are you a private company such that people purchase advertising with your business?

• (1425)

Mr. Kevin Chan: I'm sorry, Mr. Shields.... Do people buy advertising to place it on Facebook? Yes.

Mr. Martin Shields: That's right. Thank you.

One thing I've heard from newspaper publications in particular—weeklies—is that the federal government used to purchase hundreds of millions of dollars in newspaper advertising in newspapers. They have moved that to your type of business. Has the federal government in a sense—like Australia—moved its advertising to your platform?

Mr. Kevin Chan: Well, Mr. Shields, I don't know the precise number, but obviously I've seen advertising from the Government of Canada on our site, so I presume there's some amount of that, yes.

Mr. Martin Shields: One thing that newspaper people said, particularly in the weekly industry, is that if the government wanted to support the weekly newspaper, it would return its advertising to that platform. The government is making money when it sends it to you. Now the weekly newspapers are saying "Please return it to us", in the sense of advertising.

Thank you.

Mr. von Finckenstein, you talked about the CRTC not being in a position to take it on because it hasn't been doing this. Are we looking at an ArriveCAN situation, where there's a company that then subcontracts all over the place to try to do this? How do you think the CRTC is going to take on this challenge?

Mr. Konrad von Finckenstein: Well, I'm not running the CRTC right now, so all I can do is surmise. I would mention that mostly they will try to create in-house expertise to deal with this. As a temporary measure, they may hire from the outside, get some consultants and subcontract or something like that. Clearly, this is going to be now part of their main function. They will strive to develop the necessary expertise to do it in-house, as they've done with anything else that has been assigned to them.

Mr. Martin Shields: That is a good point, in the sense that they're probably looking at a transition in doing this. You would suggest that they will be looking for consultants. You've been in the position when things have come to the CRTC. They're going to be looking at a lengthy process, then, even in transition, to try to deal with this legislation.

Mr. Konrad von Finckenstein: You have to understand how the CRTC functions. The CRTC is a court of record. They don't just make decisions. They have an issue and they publicize it. They ask for submissions. They get submissions. They have a hearing. The hearing can be in person or it can be on paper. Then, after the hearing, the commissioner, with the help of staff, makes certain decisions, and with this it then becomes public.

It is a long process. You don't make it out of scenarios. You do it on the basis of what you were mandated to do in the legislation and on the input you get from people who come before you, who are affected by the legislation and who suggest that you should do A, B or C.

Mr. Martin Shields: What you would suggest by that is that in a sense you're setting up a very quasi-judicial process, which in legal terms—quasi-judicial—takes a lot of work to set up all of the infrastructure, the human infrastructure, to go with it.

Mr. Konrad von Finckenstein: If this act is enacted and proclaimed in force, what the CRTC will clearly do, as a very first thing, is have hearings—maybe one mega-hearing on it, or separate ones on specific issues—in order to get the necessary input from the people affected. They would then put it together and make it into a workable scheme.

For instance, there's a question that has been discussed here today of what is a DNI. They will seek input from everybody—as-

suming the legislation is not changed in order to somehow give this very loose mandate they have in this section some form, some structure—and will come out with some policy, some directive, so that people can understand what it is.

After all, the whole issue of all of these things is to make things predictable, to establish rules so that people know what they are and can comply with them.

Mr. Martin Shields: That would be the same situation with defining what journalism is.

Mr. Konrad von Finckenstein: That would be one of the issues. Defining journalism is very difficult.

I remember when we did the free trade agreement. I was chief lawyer on that, and the question came up of what a journalist was in terms of who would get temporary entry into Canada or not. There was a huge debate between us and the Americans, and there was a huge debate in Parliament as to whether we had done it right or wrong. Journalism is a nice broad concept, but specifically it defies precise definition, or it's very difficult—

• (1430)

Mr. Martin Shields: Thank you.

Mr. Hatfield, the question you had, in the sense of limiting people who might be in it.... I had the experience in the sixties of being involved with some of the first indigenous newspapers as they attempted to do it. Is the kind of—

The Chair: Mr. Shields, your time has gone well over. Thank you very much. You've gone well over your time.

Now I would like to go to Mr. Housefather for five minutes. Thank you.

Mr. Anthony Housefather: Thank you, Madam Chair.

I just want to start by saying that of course the committee can invite whomever it wants as witnesses, but normally we start from a list of people who approach our clerk saying they wish to appear. According to our clerk, by yesterday nobody from Meta had ever approached asking to appear.

I'd like to ask this of Mr. Dinsdale. Mr. Dinsdale, you were the first person—I think it was on October 21—who made what I'll call a "threat"—and you may not call it a threat—that Facebook would withdraw news content in Canada. Mr. Dinsdale, did you make that decision on your own, or did you consult with other people at Facebook in order to determine that you would make such a statement?

Mr. Marc Dinsdale: I think you can appreciate that anything we would discuss is not made in isolation, that what we're trying to discuss are the concerns we have with the legislation and that we are very happy and thankful for the opportunity to discuss them today. The fact that the legislation does not describe the relationship between publishers and platforms in the way that you would agree with—

Mr. Anthony Housefather: I was just asking if you spoke with anybody else at Facebook. I am assuming from your answer that your answer is yes.

Before you made that statement, did you receive instructions from Mark Zuckerberg to make that statement? Did you have an approval from central head office in California to make that statement?

Mr. Marc Dinsdale: A direct conversation with Mr. Zuckerberg would be somewhat above my office, sir.

Mr. Anthony Housefather: Were you advised that he authorized you to make that statement? Were you advised that it was approved by him?

Mr. Marc Dinsdale: I don't think there was ever any discussion of it in that sense. We work as a group that examines these things from a global perspective and from a local perspective, and anything that was done was part of the conversations about the impact of the bills and what they could be in Canada, but essentially there was no directive in that sense.

Mr. Anthony Housefather: This will be the last question on this, I promise.

The Canadian team would not have the authority to make such a decision or to make such a comment on its own. You certainly had, you felt, the support of your board and your executive team in California to make that statement, did you not?

Mr. Marc Dinsdale: Again, sir, when I look at the context of how we discuss these things, I'm privy to the communications within the group of people I work with and some of the things that happen there, but I think it's safe to presume that we are not kind of out on a limb here and sharing anything that the company at its foundation does not believe in.

Mr. Anthony Housefather: Of course. Clearly it is a systematic procedure at Facebook to threaten national governments, when you don't like their legislation, with certain actions, as you did in Australia and in Canada, which again, according to whistle-blowers, was celebrated by both Ms. Sandberg and Mr. Zuckerberg.

Mr. Marc Dinsdale: Sir, this was an expression of our concerns with the bill and our concerns with the potential outcomes of the bill.

Mr. Anthony Housefather: But you didn't just express your concerns with the bill. That would be one thing. You threatened to take an action that would affect 21.5 million users in Canada.

Mr. Marc Dinsdale: I believe, sir, we expressed our concerns with the bill and wanted to be transparent about the unintended consequences it might lead to.

Mr. Anthony Housefather: Well, they would be very intended consequences. The intended consequences would be that Meta would make a decision that it intended to make to strip Canadian users of the ability to see news.

Let me ask you this, Mr. Dinsdale. As you may recall, Facebook confirmed through news reports that it had manually adjusted its algorithms during the week of the 2020 U.S. election to favour authoritative news brands in order to increase the integrity of information. Why would you have done this if news has no value?

Mr. Marc Dinsdale: I believe Mr. Chan was about to answer some of this question, as well. I think the movement of our users.... As he indicated, the preference of our users is moving away from news.

We see that in independent reporting, as well. We see that in the Reuters Digital News Report, where people answered a survey, in that sense; 21% of the people on Facebook said they feel they see too much news or would like to see less. Only 3% said they'd like to see more.

When you look at the movements happening within our platform.... We're moving towards that user preference.

• (1435)

Mr. Anthony Housefather: Of course, but what you're threatening to do is take down authoritative news and leave disinformation on your platform.

Mr. Marc Dinsdale: Sir, as I mentioned before—

Mr. Anthony Housefather: I didn't ask you a question.

Mr. Chan, you talked about the agreements you currently have with Canadian publishers. You said they're not commercial licensing agreements. Will you provide this committee with details of those agreements? I would remind you that we can summon them.

Mr. Kevin Chan: Well, I am so glad we live in a liberal democracy and operate in a market economy. As you can appreciate, any kind of commercial arrangement we have struck with partners is subject to the law and rule of law. I cannot do that, as much as.... I believe you may have asked somebody from a publication to do the same, and I don't think they can.

I don't have it on me either, by the way.

The Chair: Thank you, Mr. Chan. Your time is up. I'm sorry.

I'm going to go to Mr. Champoux from the Bloc.

Martin, you have two and a half minutes.

[*Translation*]

Mr. Martin Champoux: Thank you, Madam Chair.

It's no secret that technology has evolved a great deal. We used to get our news in written form through the newspapers. Then came radio in the 1930s and 1940s, followed by radio newsrooms, and then television. All of those media produced their own journalistic content through their newsrooms.

The market changed considerably with the advent of Internet, as we know. The whole world changed its lifestyle habits. Unlike traditional media, social media don't produce the content they offer their subscribers themselves. This is truly an unusual situation for the media industry, which is normally so used to adapting to change. If we fail to adequately protect our newsrooms and news media, they will, quite simply, disappear. Who, then, will be left to produce quality journalistic content?

I think the answer lies in the question.

Mr. von Finckenstein, you disagree with the way Bill C-18 is put together. I'm not asking you to approve or disapprove what I've just said. That said, I think that, as former chair of the CRTC, you must be aware of the fact that the journalism and news media industry needs a new framework.

If that isn't achieved through legislation, such as the one before us that would compel companies that share content produced by our newsrooms to enter into agreements, how do you suggest we allow our news organizations to enjoy their fair share of the market that's been largely overtaken by the online platforms?

Mr. Konrad von Finckenstein: That's a very difficult question to answer.

If we want to subsidize the news, I think we need to take a simpler approach. The Canada Media Fund, for example, requires that all film distribution companies contribute a certain amount, which goes into a fund that then goes out to the people who make movies.

We could also—

[*English*]

The Chair: Thank you, Mr. von Finckenstein.

I think we have run out of time, Martin.

[*Translation*]

Mr. Martin Champoux: Thank you, Mr. von Finckenstein.

[*English*]

The Chair: Now we have Mr. MacGregor from the NDP for two and a half minutes.

Mr. Alistair MacGregor: Thank you, Madam Chair.

Mr. Chan, I'd like to direct my question to you.

On Meta's website, you have a section on combatting misinformation. You claim you are “stopping false news from spreading, removing content that violates [your] policies, and giving people...information” to make sound decisions. I'm trying to see how that statement on your site—that commitment—jibes with the threat you are considering: whether you're going to allow the sharing of actual news content. If you're threatening to pull links...

How are you going to ensure you are actually combatting misinformation, if journalism is not allowed to be on your site? Do you not understand that many Facebook users rely on your platform for accurate information, especially from local community news outlets? I think eliminating those news links will further diminish our democracy. Do you think it's moral for Facebook to be doing that—making that kind of threat?

• (1440)

Mr. Kevin Chan: Well, what we understand is that Canadians want less news on Facebook, not more. I think you're right that users may want to see good information. That's why we partner, for example, with the Public Health Agency of Canada. That's why we partner with Elections Canada. It's to get good information to Canadians.

I think what you raise, though, is a central concern for us with Bill C-18. We've heard other independent experts say that if there is

a requirement not to preference certain publications, which I think Mr. von Finckenstein may be alluding to, then the approach that we have taken to reduce or to down-rank that information will be taken away from us. At least that's what other experts have said; if that's the case, then I worry that Bill C-18 exacerbates the issue and doesn't solve it, with all due respect.

Thank you for the substantive question. I'm trying to give you a substantive answer. I hope that's helpful.

Mr. Alistair MacGregor: Madam Chair, I'll leave it at that. I have only 30 seconds left.

Thank you.

The Chair: Thank you very much, Mr. MacGregor.

I'm now going to move to Ms. Gladu for five minutes, please.

Ms. Marilyn Gladu: Thank you, Chair.

I'm going to start off by talking about some of the things the Minister of Heritage said when he testified, and comments he has made. One of them is that he said this legislation is not intended to mandate payment for links.

Mr. Hatfield, is that an accurate characterization, in your view?

Mr. Matthew Hatfield: I don't think anyone really knows how the determinations are going to be made around what the payments are based on. In terms of the spread of links and content and clicks, those appear to be the only criteria that are at all quantifiable in this bill. It's either that or vibes from the CRTC, just a sense that there must be an intangible amount of extra value being delivered in the text of the bill.

Ms. Marilyn Gladu: Thank you.

Mr. Chan, do you think this legislation is intended to mandate payment for links?

Mr. Kevin Chan: I do, because if you look at the way it's constructed, the bill is globally unprecedented in its scope. It ingests any possible definition of any news content, down to the unprecedented definition of a hyperlink.

I'll give you one very simple example. If you go to your favourite publication in Canada on Facebook, on the Facebook page, just scroll through it. See how many links you count versus, I don't know, some other content. You will know, just by your own verification, what we're trying to put our arms around through this bill, or what we're trying to count. The vast majority, the predominance, is links.

Ms. Marilyn Gladu: Yes. It's clear to me that this is a mandate of payment for links, which is not what the Minister of Heritage said. He also testified that he had a list of DNIs, but he would not share them with the group. Now, these digital news intermediaries....

Mr. von Finckenstein, I think you talked about how a better mechanism would be for the minister to be able to designate who was the DNI, because the definition is so unclear and in some cases may be unconstitutional. They say that it's all the digital news intermediaries that are under the control of the federal government, and so far that would mean none.

My question for you is this. If the minister does have the list, as he said he did, do you think it should be shared with this group before we approve Bill C-18?

Mr. Konrad von Finckenstein: It would certainly be helpful if he did that, as an example of what he has in mind and how he interprets the legislation. That being said, if the legislation stays as it is, it will await the decision of the CRTC...or actually, it will be the decision of the DNIs who have to come forward and voluntarily identify themselves and be accepted by the CRTC. As well, the CRTC can ask those who have not come forward to furnish this information so that the CRTC can make the decision on whether they're a DNI or not, based on the very loose criteria set out in the bill.

Ms. Marilyn Gladu: Does the CRTC have extensive experience in determining who is a digital news intermediary?

Mr. Konrad von Finckenstein: None. As I mentioned before, it was criteria all based on competition concepts, something that the CRTC does not have a competence in. It can, of course, ask for assistance from the bureau of competition, but it would be better if, as I said, this was really a decision by the government that these are the major DNIs and they should contribute. They should explain how they came to that decision based on the criteria set out in the act.

• (1445)

Ms. Marilyn Gladu: Thank you.

One other concern I have is that sometimes when costs are levelled in a certain direction... For example, if Google and Meta are going to be paying for links, sometimes these things trickle down to the consumer eventually, because somebody has to pay in order to keep profit margins for private companies that can take independent commercial business decisions.

Mr. Chan, do you think there is any possibility that this might ultimately result in Canadians having to pay to have news links shared?

Mr. Kevin Chan: Oh, my goodness, this is a finance question.

I honestly don't know, but I think you're right in stating.... As any good finance official will tell you, taxes can be notoriously leaky, and I think that's something that everybody should think about generally but, obviously, we haven't ever had any conversation about that.

I would say though.... You asked me about amendments. One big amendment that would give—

Ms. Marilyn Gladu: I only have half a minute, Mr. Chan, so please send your amendments to the committee.

Mr. Hatfield, in the interest of an open and free Internet, do you think there is a possibility that charging people for a link would destroy the whole openness of the Internet as we see it?

Mr. Matthew Hatfield: It makes it worse. We're making it more difficult to share good information, which means more bad information will spread. The bill shouldn't be set up that way.

The Chair: Thank you, Ms. Gladu.

I will now turn to the final question.

We'll go to the Liberals and Mr. Bittle.

Chris, you have five minutes, please.

Mr. Chris Bittle: Thank you, Madam Chair.

To Mr. Hatfield, I was looking at your website, and it said that 50% of your revenue comes from grassroots donations. Are there tech giants that contribute to your organization as well, such as Google?

Mr. Matthew Hatfield: Yes. It's a minimum of 50% that comes from small grassroots donations. Google was a donor in our last financial year. They aren't in this one, but they have been before. We don't take more than 15% from anyone.

Mr. Chris Bittle: Thank you so much.

Mr. Chan, I'd like to dig in a little bit. You said earlier in your testimony that the deals you have made aren't commercial agreements but are deals to develop new innovative models with publishers. Is that correct?

Mr. Kevin Chan: What I said was that the commercial arrangements that we have established with various publishers were to incentivize new behaviour that would spur digital innovation.

Mr. Chris Bittle: It was interesting. When it was put to you as a commercial agreement earlier, you denied that they were commercial agreements, but when Mr. Housefather asked for deals, they became commercial agreements so that you wouldn't have to—

Mr. Kevin Chan: I wouldn't want to call—

Mr. Chris Bittle: Again, Mr. Chan, don't talk over me. It's not good for the translators. Please wait until I finish.

I know you have contempt for what we're doing here, and you and I have been through this before on different legislation, and history is repeating itself.

If it is...whatever it is in terms of a deal to—

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

The Chair: Yes, Mrs. Thomas. You have a point of order.

Mrs. Rachael Thomas: Thank you, Chair.

Chair, Mr. Bittle is choosing to speak directly to the witness and again is badgering him and assuming intent. It's super inappropriate to speak directly to him rather than to you, Chair, and, second, it's inappropriate to assume intent. It's badgering the witness.

The Chair: Thank you very much for that point, Mrs. Thomas.

I also note that there have been a couple of witnesses who do not speak to me and speak directly to the questioner. I made it clear that one should speak through the chair. I think we have a bunch of people going against the rules a little bit, and I've allowed it to happen in the interest of getting the questions and answers through.

Mrs. Rachael Thomas: I'm not talking with regard to the conduct of the witness. We understand that they're here for a short duration of time, so they may not understand the full rules.

Mr. Bittle has been here for quite some time and as a former lawyer he understands the importance of following rules.

Madam Chair, perhaps you could offer some direction there.

The Chair: Thank you very much, Mrs. Thomas.

If I think that Mr. Bittle is in any way, shape or form disrespectful, I will tell him so.

Thank you very much.

Mr. Bittle, continue.

Mr. Chris Bittle: I think Mrs. Thomas watches too much Law & Order. I don't know where badgering the witness is in the Standing Orders, though it is good of the Conservatives to stand up to defend Facebook whenever possible during this. We're not getting a lot of answers if it's not a softball question from the Conservative Party.

Back to my original point, sometimes during your testimony it's a deal to innovate, sometimes it's commercial—

• (1450)

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

The Chair: Mrs. Thomas, we have very little time, and I would really like this questioner to be able to ask questions of the witnesses and have the witnesses answer.

Is it a totally new point of order? We are, in fact, carrying out the orders of the day. If it's not a point of order, what is it? Is it a point of information or a point of privilege? What is it, Mrs. Thomas?

Mrs. Rachael Thomas: Thank you.

Madam Chair, you are operating in a rather discriminatory manner. There are times when you have gone after me for the exact same behaviour that Mr. Bittle is engaging in right now. In fact, I am not nearly as vile as he is, so I would ask you to be fair in your ruling, Madam Chair.

Thank you.

The Chair: Thank you, Mrs. Thomas.

I will be fair in my ruling.

Mr. Bittle, please continue your question.

Mrs. Rachael Thomas: No, you're not.

Mr. Chris Bittle: Thank you very much, Madam Chair.

I would like to point out in a point of order that I show more respect. I was called "vile". I guess that's the way the Conservatives are going to operate.

To get back to my original point, Mr. Chan, in your testimony sometimes it's a deal to innovate, sometimes it's a commercial

agreement, and if the government is doing it, it's a tax. How can you explain the difference between those two things, or three things? Your testimony changes from point to point depending on who is asking you a question.

Mr. Kevin Chan: I'd like to see the transcript. I don't think I've ever used the word "tax". First of all, that has to be clear.

Second—I'm sorry I have to point this out, but the logic escapes me, so I have to say this—the best commercial deals, I hope, are always going to lead to innovative outcomes.

Mr. Chris Bittle: Thank you very much. I believe you said "taxes are leaky" as your exact statement. I think you just said that a couple of seconds ago—

Mr. Kevin Chan: It was a general point. You know this—

Mr. Chris Bittle: Mr. Chan, you've been before committee enough that you know not to speak over members of Parliament. I know you claim to have respect for this process, but this happened in PROC when you appeared before us and were trying to speak over me and trying to shout me down. Your company's robber baron tactics are on display. At least we can show a little bit of respect to each other in this process, and you can go out and have your joint press conference with the Conservatives afterwards.

Mr. Dinsdale, do you know if the company is planning to threaten the Government of the United States of America, because I know there is similar legislation before the United States Congress?

Mr. Marc Dinsdale: Sir, again, I think we're here today to try to responsibly share at the committee our concerns about the bill. We're focused on—

Mr. Chris Bittle: Excuse me, Mr. Dinsdale. You came here to threaten the people of Canada, and I'm asking if you're planning to do the same thing to the people of the United States. Or is it just that it's an American company so the American government is not going to get threatened, just the Canadian and Australian governments?

Mr. Marc Dinsdale: Again, sir, I think we're here to try to share our point of view on Canadian legislation and the misrepresentation it has of the value exchange between publishers and platforms, and the challenge that we have with paying to then have the right to provide free marketing to publishers. It's about the concerns, which are expressed by independent publishers, about how this legislation could potentially stifle innovation.

The Chair: You have 10 seconds left, Chris. Would you like to do anything in those 10 seconds?

Mr. Chris Bittle: No, thank you, Madam Chair.

The Chair: Thank you very much.

We have a hard stop today at 3 p.m.

I wanted to say as a chair observing and listening to what was going on that I have heard repeatedly people asking about journalism. I think when we did a study back in 2017 of the very issue, I chaired the heritage committee then. What was very clear was that so-called news companies in Canada have very different rules that they must follow. Their news must be verifiable, and it must be careful not to call names or issue threats, so it has certain things it must do under the Criminal Code.

I think there is a great concern here about whether this applies to companies like Google, Facebook or Meta in terms of their own ability. We live in an age of disinformation. Do they have the same international constraints on being verifiable and accountable to the people in printing news? That's a question I wanted to ask.

• (1455)

Mr. Kevin Chan: Madam Chair, did you want me to answer?

The Chair: Yes, please answer very quickly.

Mr. Kevin Chan: Sure. I think the challenge, and perhaps it gets to the heart of Bill C-18, is that what we're talking about when we talk about what's on these platforms and on the Internet is people's speech. People's speech is subject to different considerations, I dare say, than what an editor decides should be in a newspaper.

The Chair: Thank you very much.

I think we now have three more minutes to go. I will entertain a motion for adjourning this meeting.

I want to thank the witnesses for coming. I know it's been heated and hot in some instances, but thank you for coming. We appreciate you sharing.

Ms. Marilyn Gladu: I move to adjourn.

The Chair: Thank you, Ms. Gladu.

The meeting is now adjourned.

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