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• (1110)

[English]

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

Welcome, everyone, to meeting number 23 of the House of Commons Standing Committee on Canadian Heritage.

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

Pursuant to the order of reference of Thursday, May 12, 2022, the committee is meeting on the study of Bill C-11, an act to amend the Broadcasting Act and to make related and consequential amendments to other acts.

Today's meeting is taking place in a hybrid format. I want to make a few comments for the benefit of the witnesses and members.

Please wait until I recognize you by name before speaking. For those participating by video conference, click on the microphone icon at the bottom of your screen, or wherever it may be on your screen, and you can actually get English or French. I will remind you that all comments should be addressed through the chair.

I have a comment for the clerk. I am unable to see all the members of the committee and the witnesses on this format that we now have. I see a big empty room and then just six people in one corner of my screen. It would be difficult for me to see people's hands going up if I don't get to see everyone on the screen. I just wanted to point that out.

The Clerk of the Committee (Ms. Aimée Belmore): Dr. Fry, would you want to suspend the meeting for a moment and an IT person will call you for gallery view?

The Chair: I think I have gallery view. I always go on gallery view. I will try again.

Thank you very much. I can see everyone now, including Kevin Waugh looking very studious at the bottom of the screen there.

Good morning, everyone. We're ready to begin.

As witnesses, your organization has five minutes. I will time you and I will give you a one-minute warning so that we can begin and you can know when you can cut off. If you don't get to make all your statements, you will be able to do so in the Q and A section later on. I just want you to try to stick to the times.

Here we go. The first witness is Peter Menzies, as an individual.

Peter, go ahead for five minutes.

Mr. Peter Menzies (As an Individual): Thank you.

I'd like to thank the committee for the opportunity to appear from here in Treaty 4 territory.

I'd like to state for the record that I am not employed by nor am I on contract to any company or person asking me to advance the perspective I will share with you today.

I spent almost 10 years as a CRTC commissioner, initially as a part-timer, then as regional commissioner for Alberta and the Northwest Territories and finally, for four years, as vice-chair of telecommunications. I served on dozens of public panels and was involved in thousands of decisions. I met with and heard the views of people involved in Canada's creative sector and became familiar with their structures, their needs and the world that the CRTC created for them.

The Canadian film and television industry has just enjoyed a decade of remarkable prosperity. According to the Canadian Media Producers Association, it was a \$5.8-billion industry in 2012. That was a year in which many groups within the industry were lobbying for the CRTC to take action for fear of the negative impact that they were convinced Netflix would have. This was similar to the arguments made in previous years: essentially, that the development of streaming on the Internet would devastate Canada's creative sector and that change was bad.

However, that is not what happened. By the last pre-COVID year, 2019, also according to the CMPA, the industry grew to become a \$9.5-billion industry. That's 80% growth, and it didn't happen because of something the CRTC did. It happened because the CRTC paid attention to the evidence, and the evidence indicated that the creative film and television industry was prospering like it never had before. More people than ever were finding work in that sector.

There was little evidence to suggest that the industry would be better off if the CRTC tried to imprison the 21st century within a 20th century structure called the Broadcasting Act. In fact, some of us felt it was important that we make it clear that unless there was evidence of economic decline, we had no intention of intervening. The objectives of the Broadcasting Act were being met, and it was clear that at a time of dynamic and significant disruption innovation would be required. Any hint of initiating a lengthy regulatory process with uncertain outcomes was only going to create uncertainty, and uncertainty suppresses investment. When investment is suppressed, innovation stops, and Canada's creative sector suffers.

These are the likely unintended consequences of Bill C-11, which has left far too many definitions and determinations up to a CRTC that is not designed to make them. It is unfortunate that the government hasn't taken the opportunity suggested by the Broadcasting and Telecommunications Legislative Review Panel to create an entirely new Canadian communications act.

If that had been done and the CRTC had been replaced with a new governing body built around the Internet and the issues of primary interest to Canadians—access, affordability and the freedom to watch what they want, when they want it, and how they want it—Canada would have been much better prepared to flourish creatively in the 21st century, but there's nothing to be done about that now, so I'm here today to focus on one suggestion, made recently in a Globe and Mail op-ed co-authored by me and former CRTC chair Konrad von Finckenstein.

A lot of risk to investment and innovation can be mitigated and a lot of uncertainty can be avoided if you were to just make it clear in the legislation that it applies only to streaming companies with annual Canadian revenues of \$150 million or more. The CRTC could then debate with them whether they are reinvesting in Canada and its cultural and industrial goals in an appropriate fashion. In other words, if the government's goal is to, as was initially described, “get money from web giants”, then go get the money from web giants and make it clear that everything else will be left alone to continue the innovation and investment that have defined Canada's creative sector in the past decade.

Thank you very much.

• (1115)

The Chair: Thank you.

My goodness, that was excellent timing, Mr. Menzies. Thank you very much.

Now we're going to go to the second group, and that's Corus Entertainment Inc., with Troy Reeb, executive vice-president of broadcast networks.

Mr. Reeb, you have five minutes.

Mr. Troy Reeb (Executive Vice-President, Broadcast Networks, Corus Entertainment Inc.): Thank you, Dr. Fry, and good morning, committee members.

My name is Troy Reeb, and I am with Corus Entertainment. On behalf of our more than 3,000 employees across Canada, I want to thank you for inviting us to discuss Bill C-11, which we urge Parliament to pass without delay.

Corus is proud to be Canada's leading independent media and content company. We have subsidiaries such as the renowned animation studio Nelvana, our children's book publisher Kids Can Press, and Corus Studios, which is a leading producer of lifestyle and documentary programs.

[Translation]

Toon Boom, our Montreal division, creates software for international studios.

[English]

All told, our Canadian content is exported to 160 countries worldwide, but our bread and butter remains broadcasting in Canada. We operate 15 local Global Television stations, 39 radio stations and 33 speciality channels, such as Treehouse, Séries Plus and Food Network Canada. We're the proud home of Global News, one of Canada's largest journalism organizations, which supports communities across Canada. To emphasize, Corus is a pure-play media business. We have no cable and no telecom assets to subsidize us.

Canadian broadcasting policy is primarily cultural policy. It uses regulations and licences to promote cultural objectives such as representation, creative expression, national identity and connectedness. Canadians care a lot about these issues and hold a wide range of views on them, but I hope there's one thing we can all agree on: Successful Canadian broadcasting policy depends on successful Canadian broadcasters. One simply cannot exist without the other.

Corus and other Canadian broadcasters continue to embrace our responsibilities in the system, but we can no longer support the onerous regulatory framework of the past entirely on our own, with no similar obligations on foreign players that don't just operate in our marketplace but now threaten to dominate it. The status quo is unsustainable.

For example, Corus is extremely proud to be a local news provider. We're uniquely able to provide this vital cultural contribution through local stations that foreign streamers cannot and will never replicate. However, local news is a challenging business. Traditionally, we've offset our losses in local news through more profitable entertainment programming, but our ability to do this is fading fast. To be clear, news is Canadian content and journalists are Canadian creators who actually live in Canadian communities; they don't just visit for the duration of a production cycle.

Corus has received international awards for innovation for developing new models to sustain local journalism long into the future, but even the best people and ideas cannot overcome badly outdated regulation. Today, broadcasting regulations dictate how much we must spend on certain kinds of shows, when our shows can air, the types of songs we have to play on our radio stations and the number of commercials we can broadcast per hour. Our mandatory spending levels on Canadian content have hardly changed, despite decades passing since the World Wide Web first became a thing.

Most of the rules we operate under were designed for an industry that simply no longer exists, one where radio and TV stations enjoyed privileged access to Canadian audiences. Today, among the largest TV networks in Canada are foreign digital companies with no cultural policy obligations, and the largest sellers of local advertising in Canada are, again, foreign digital players that have no requirements for local programming.

• (1120)

[Translation]

I repeat: the status quo is unsustainable.

[English]

We support Bill C-11 because it gets the biggest thing right: It would finally bring the foreign digital broadcasters that operate in Canada into the regulatory framework. We can achieve no other meaningful broadcasting policy reforms until this gets done. After more than a decade of unregulated foreign competition and six years of rolling consultations, it is long past time to update this 30-year-old law.

To be sure, Bill C-11 is not perfect, and we will recommend a few amendments in our written brief. For example, there's no reason Canadian media companies should have to pay millions in part II licence fees when foreign competitors will not, and there's no reason that Canadian media companies should be left with higher obligations than our foreign competitors. All we ask for is a level playing field with modern regulations for all.

Some will argue here today that this bill is unnecessary. They claim that all is well with Canadian broadcasting, that foreign digital media companies operate in a different market because they live online. Believe me, I wish that were true, but it simply is not. Here is our reality: Facebook and Google compete with us for advertising; Netflix and Amazon compete with us for audiences; and the same U.S. studios that used to license us content for Canadian televisions now take it directly to Canadians themselves, causing programming costs to skyrocket.

The Chair: You have 30 seconds, Mr. Reeb.

Mr. Troy Reeb: Thank you, Dr. Fry.

This bill is not about Internet freedom and it's not about cast videos. It is about modernizing broadcasting policy for the 21st century. It's about preserving a Canadian broadcasting sector that can support cultural policy as it always has.

The status quo is unsustainable. Let's get this done.

Thank you.

The Chair: Thank you very much.

Now I'll go to OUTtv.

Brad Danks, go ahead for five minutes, please.

Mr. Brad Danks (Chief Executive Officer, OUTtv Network Inc.): Good morning, Madam Chair and members of the committee. Thank you for letting me appear today.

My name is Brad Danks. I'm CEO of OUTtv Network, which is both a regulated linear TV channel in Canada and an online streaming platform in Canada and around the world. By way of background, I worked in the entertainment industry in Canada for more than 25 years, first as an entertainment lawyer and later as a broadcasting executive. As an executive, I've negotiated many online streaming deals in Canada and around the world, including with Amazon, Apple and Roku.

To begin, let's be clear about what's happening in the television industry. Over the past decade, the industry has been steadily moving from delivery by Canadian-owned cable and satellite to delivery by foreign-owned online streaming platforms. The movement has accelerated over the past two and a half years, with the launch

of studio platforms such as Disney+ and channel aggregators such as Amazon and Apple TV+.

It appears inevitable that over the next decade, or sooner, the foreign online streaming platforms will deliver 100% of Canadian media services. This is both a threat and an opportunity for the Canadian industry. The threat is obvious. For the first time in our history, our media services will be distributed in Canada by foreign-owned companies, which may not always have our national interests at heart. These online distributors also create an opportunity for Canadian media services to compete directly in international online markets. Global content markets are huge and can support a wide variety of media offerings of different scale and type. OUTtv and many Canadian services are taking up this challenge.

However, to meet these challenges, it is critical that Canadian services gain access to the online streaming platforms in Canada. This is why we need Bill C-11. We need to ensure that the Broadcasting Act requires online platforms to grant access to Canadian media services. Once given access, Canadian services must be able to compete for audience share on these platforms on an equitable basis and receive fair compensation.

The core concept is that Canadian services must always be able to access our domestic market. The CRTC must have the authority to make sure that this happens. Experience has taught us that distribution platforms—and this includes our own large Canadian distribution platforms—cannot be counted on to deliver and support a wide range of Canadian-owned services and diverse programming without effective regulatory oversight and rules. Over the past decade, we've learned the hard way in Canadian broadcasting about the difficulties and inequities that can happen when distributors show preference to their own content on their platforms. The CRTC is aware and well equipped to regulate these platforms, but only if it has the tools and the power it needs.

We have suggested critical amendments to ensure that Bill C-11 gives the CRTC the authority it will need in the years ahead in dealing with online distributors. First, the CRTC must have the ability to set terms and conditions for the distribution of Canadian services on online distribution platforms. This is a critical backstop power that any domestic regulator must retain to ensure that dominant global platforms serve domestic markets. Second, the CRTC must be able to create rules that will govern distribution so that it can regulate in a flexible way that adapts to how distribution platforms develop in the future. Third, the CRTC must have the ability to resolve disputes and issue orders regarding online distribution of media services. Otherwise, its authority as a regulator will be illusory. The CRTC is developing increasingly effective tools to resolve disputes and will be able to apply these tools to the online world.

Regarding the form of these amendments, OUTtv supports the IBG submission to the committee.

It is important that this legislation happen now. Global markets are in a period of transition, and the rules are being written now across the world. Competition is currently fuelling opportunity, but the market is maturing quickly. There is a real fear that much of our industry will miss the transition window. It is therefore critical that Bill C-11 be passed as soon as possible.

Thank you for letting me appear today. I'm always available for questions.

• (1125)

The Chair: Thank you, Mr. Danks. You have a full minute that you did not use up. I appreciate that. Thank you very much.

I now go to the next witness, and that is Jérôme Payette, executive director of the Professional Music Publishers' Association.

Monsieur Payette, you have five minutes, please.

[*Translation*]

Mr. Jérôme Payette (Executive Director, Professional Music Publishers' Association): Good morning, everyone.

Madam Chair, thank you for inviting me to appear before the committee.

I am very pleased to represent the francophone music sector, which at times is overlooked in discussions concerning the Broadcasting Act.

The Association des professionnels de l'édition musicale, or APEM, represents the Quebec and francophone music publishers of Canada. Music publishers, partnering with author-composers, support the creation of musical works and promote and administer them. Music is published wherever there are music, online and concert music services and audiovisual productions.

The music sector needs the continuity that the Canadian broadcasting system affords.

There is much talk of the potential negative effects of the bill and the potentially twisted way in which the Canadian Radio-television and Telecommunications Commission, the CRTC, may interpret it. The CRTC currently has more power than what it would be granted under Bill C-11, and the work it has done over the past 50 years hasn't troubled a single citizen. CRTC regulations are of critical importance to the francophone music sector.

I will therefore begin by discussing the very real effects of the lack of a regulatory framework that applies to online undertakings. It's quite simple: the further the online transition progresses, the more the Canadian music sector shrinks and strains to reach its audience.

The revenues that the Society of Composers, Authors and Music Publishers of Canada, or SOCAN, has paid to Quebec music publishers have fallen by 24% since 2016. Revenues from conventional sources such as radio and television are declining, and we have been unable to obtain a substantial share of revenues from online undertakings, which are growing.

According to SOCAN, the royalties distributed to Canadian authors and composers from digital distributors are 69% lower than those from traditional broadcasters. Only 10% of royalties from

digital media are distributed to SOCAN members compared to 34% for conventional media.

Growth in the online music sector mainly benefits the platforms and a very limited number of international artists. It has not helped local music or niche music artists, minority artists or those who speak languages other than English.

Quebec music struggles to reach its audience online. According to statistics obtained by the Association québécoise de l'industrie du disque, du spectacle et de la vidéo, or ADISQ, our market share in Quebec is only 8% for online music services compared to 50% for record sales. Our francophone music is in even greater trouble as it represents only 6% of total streams. The situation is dire.

In the music business, if no one listens, you don't get paid. If your music doesn't reach an audience, that has a spillover effect that affects concert ticket sales, the uptake of songs by performers, the incorporation of music in audiovisual productions and the entire value chain. Apart from financial aspects, this concerns our culture. Our cultural sovereignty is in question.

Online undertakings have no financial interest in promoting, recommending or supporting a diversity of cultural expression. For them, cultural standardization is less complex and more profitable.

This is nothing new. We have been protecting our diversity of cultural expression with statutes and regulations for decades, and we must continue to do the same. The CRTC's regulation operates in the traditional environment, and it is high time it was adapted to the digital environment.

Bill C-11 is a good piece of legislation and should be promptly adopted.

The web giants and opponents of the Broadcasting Act are exercising enormous pressure to create flaws in the bill. We must not yield to the platforms' lobbyists, who use misinformation and try to mislead.

The portions of Bill C-11 concerning social media broadcasting activities should not be amended further. As you know, the text of Bill C-10 was adopted by the House of Commons, but contained no social media exception in clause 4. The criticisms were heard and Bill C-11 featured the return of that exception, but in a way that remains acceptable to us.

Any further change to the text of clause 4 could create a loophole for social media that will be felt by all broadcasting undertakings. It must be understood that TikTok competes with YouTube, which competes with Spotify, which competes with radio. The act must apply fairly to all undertakings or else it may be obsolete as soon as it is passed.

Some say the text lacks clarity, but the bill's opponents are focusing their attention on a single pixel to distract us from the big picture. The text of the bill is not limited to clause 4. The Broadcasting Act sets forth clear objectives and provides many guardrails. Any attempt to revise too many elements in the bill would stiffen the Canadian broadcasting system and rob it of the flexibility it needs to adapt to the rapid changes in our sector. The CRTC must be given the means to exercise adequate regulation over the web giants' broadcasting activities.

• (1130)

However, we are in favour of moderate amendments to Bill C-11. We support the amendments proposed by the Coalition for the Diversity of Cultural Expressions, particularly so that the use of Canadian talent is equivalent for Canadian and foreign undertakings solely under paragraph 3(1)(f) and so that the CRTC's orders are subject to appeal to the Governor in Council.

We are also in favour of a public hearings process for the making of orders so that the CRTC is required to demonstrate that Canadian broadcasting policy objectives have been achieved. The maximum amount of potential penalties must be increased in the administration of administrative monetary sanctions in the event the act is contravened. It would also be desirable that the CRTC demonstrate transparency as a general rule.

Bill C-11 should be quickly passed. The process has been dragging a very long time.

I will be pleased to answer your questions.

Thank you.

[English]

The Chair: I now go to Skyship Entertainment Company, with Morghan Fortier, chief executive officer, for five minutes.

Mr. Fortier, go ahead.

Ms. Morghan Fortier (Chief Executive Officer, Skyship Entertainment Company): Good morning.

The Chair: Ms. Fortier, I'm so very sorry.

Ms. Morghan Fortier: No, it's okay. That's what happens. It's rare that there is a woman on a panel like this.

Good morning. I would like to thank the committee for the opportunity to speak today.

My name is Morghan Fortier. I am the co-owner and CEO of Skyship Entertainment, creator of Canada's most-watched YouTube channel, Super Simple Songs, with over 1.3 billion lifetime views in Canada alone.

Since founding our company in 2015, we've grown into a studio that employs 35 artists, writers, puppeteers and musicians. During that time, we've built a global audience, and today we share our Canadian-owned and Canadian-created content with more than 30 million families, classrooms, and day cares all around the world every single day, including hundreds of thousands of Canadians.

We accomplished this because of three main factors: the desire to create great content for children, parents and caregivers; our willingness to take risks for the sake of owning and controlling our own

IP outright; and the tremendous skill, dedication and creativity of our hard-working Canadian artists. We accomplished it without broadcasters or government intervention.

We are but a single success story among a robust and rapidly growing industry of like-minded entrepreneurs who have started small businesses as digital content creators right here in Canada. We are also an example of the amazing things that can happen when the government takes a soft-touch approach and allows a new industry to flourish.

Bill C-11 is not an ill-intentioned piece of legislation, but it is a bad piece of legislation. It's been written by those who don't understand the industry they're attempting to regulate, and because of that, they've made it incredibly broad. It mistakes platforms like YouTube, TikTok and Facebook for broadcasters like the CBC, Netflix and Amazon Prime. It doesn't understand how those platforms operate, and it ignores the fundamental importance of global discoverability. Worst of all, proposed section 4.2 hands sweeping power to the CRTC to regulate the Internet use of everyday Canadians and small businesses like mine that are not even associated with broadcasters.

I absolutely appreciate the necessity of updating the Broadcasting Act to include the new band of broadcasters—companies that take pitches, green-light shows and movies, and pay for productions—but regulating user-generated content on platforms like Facebook, TikTok and YouTube is far too overreaching. In the Venn diagram of the entertainment industry, the needs of legacy broadcasters and the enterprise of digital content creators are not interconnected. There is no demonstrable reason that user-generated content needs to be included in this bill.

Minister Rodriguez has insisted that UGC will not be included in Bill C-11, but this is untrue. Last week, the chair of the CRTC, Mr. Scott, confirmed that UGC is in the current draft of the bill. If it truly isn't intended to be in the bill, then it simply needs to be removed; proposed section 4.2 just needs to be taken out. If you don't remove that section, you're asking Canadians to just trust that you won't misuse this far-reaching law and that future governments won't misuse it either. Thousands of Canadian small businesses and digital content creators deserve far more consideration than that.

Thank you for your time. I look forward to taking your questions.

• (1135)

The Chair: Thank you very much, Ms. Fortier.

I'll go to the final witness in this particular two-hour session, who is Dr. Michael Geist, Canada research chair of Internet and e-commerce law.

Dr. Geist, you have five minutes, please.

Dr. Michael Geist (Canada Research Chair of Internet and E-commerce Law, Professor of Law, University of Ottawa, As an Individual): Thank you very much, Chair.

Good morning, everyone. My name is Michael Geist. I'm a law professor at the University of Ottawa, where I hold the Canada research chair in Internet and e-commerce law. I'm a member of the Centre for Law, Technology and Society. I'm appearing in a personal capacity, representing only my own views.

As you're surely aware, I've been quite critical of Bill C-11. I'd like to start by emphasizing that criticism of the bill is not criticism of public support for culture nor of regulation of technology companies. I think that public support for culture is essential and that one of the core problems in this area is that our current CanCon rules don't achieve their stated objectives.

As Peter Grant, a member of the Yale report panel and a long-time advocate for Internet regulation, recently noted, certified CanCon "doesn't have to look Canadian or be about a Canadian story." I don't think that's how Canadians think about CanCon, and our rules should be changed to become better aligned with our policy objectives. Further, I agree with former Supreme Court Chief Justice Beverley McLachlin, who recently noted with respect to Internet platforms that there's a need for legislated transparency, accountability and rules on data governance and privacy.

Given my limited time, I'd like to focus on two main issues this morning. These are Bill C-11's regulation of user content and its overbroad regulatory approach, and the need for greater certainty.

First, I'll discuss the regulation of user content. When Minister Rodríguez introduced this bill, he stated, "we listened to the concerns around social media and we fixed it." With respect, many of the concerns remain intact. While the proposed section 4.1 exception for user content was reinstated, proposed subsection 4.1(2) and proposed section 4.2, which together provide for the prospect of CRTC regulations on user content, were added.

The bottom line is that user content is treated as a program, and the CRTC is empowered to create regulations applicable to programs that are uploaded to social media services. Non-commercial, user-generated content may be out, but user content that generates even indirect revenue is subject to potential inclusion within the regulations. As you just heard, you don't need to take my word for it. As you know, when asked at this committee last week about whether the bill included the potential for regulating user content, the CRTC chair Ian Scott acknowledged, "As constructed, there is a provision that would allow us to do it as required".

You may ask why any of this matters. Bill C-11 permits the creation of regulations on the presentation of programs to the public, and since it treats all audiovisual content anywhere in the world as a program, the potential regulatory scope is vast. Those regulations identify but aren't limited to discoverability. Discoverability has rightly attracted attention, since applying it to user content is both unworkable, as we don't have a mechanism to determine what qualifies, and potentially harmful to Canadian creators who may find their works downgraded globally.

The solution is obvious. No other country in the world seeks to regulate user content in this way, and it should be removed from the

bill because it doesn't belong in the Broadcasting Act. In the alternative, remove all of the regulatory powers associated with user content, but leave in the potential for contributions by user content platforms.

Second, I have a few comments about the overbreadth and uncertainty with this bill, which, as currently structured, covers any audiovisual content anywhere in the world. As a Canadian Heritage department memo on the issue noted with Bill C-10, that includes video games, news sites, niche streaming services and workout videos. I recognize that this may not be the government's intent, and there is an expectation of a policy direction that creates some limits and the CRTC itself may decide to establish some others. However, I believe there is a clear need for thresholds and limitations in the legislation itself. Without it, services may regard the regulatory uncertainty—which you heard last week could take years to sort out—and block Canada, leading to less choice and higher consumer costs.

If the goal is to target the large streaming services or to exempt video games or niche streamers, say so in the legislation. While we're doing that, borrow from the European Union's approach of distinguishing between curated and non-curated services, and use that as a way of establishing more targeted regulatory requirements or exemptions.

There's certainly more to discuss, including the myriad of concerns about the CRTC: the current lack of transparency, the cloud of bias and the potential for government to overstep on CRTC decisions into program regulation. There are also the outdated CanCon rules that I noted earlier and the actual data on investment in film and television production.

I'll stop there. I look forward to your questions.

● (1140)

The Chair: Thank you, Dr. Geist.

We will move into the question and answer component of this meeting. During the first round, you will be asked questions by members of Parliament from all parties, and it's a six-minute round, so remember that the six minutes include the question and the answer.

I shall begin with Mr. Kevin Waugh from the Conservatives for six minutes, please.

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

Good day, everyone, all six of you coming to committee.

I think we all agree that the Broadcasting Act needs to be amended. That goes without saying. It's over 30 years old.

Morghan Fortier, user-generated content has been a hot button, and it's been a hot button for a number of reasons. One is that the minister says they're not in that game, but then, as you pointed out, last week, Ian Scott, the chair of the CRTC, said in our committee that they have it under their jurisdiction.

You're very successful on YouTube. What would that do if the CRTC puts their thumb down on their sweeping powers to deal with user-generated content?

Ms. Morghan Fortier: I think it's a complicated question to answer, mainly because it mandates looking for a problem. Part of the issue is trying to figure out why UGC is being swept into this bill and what the outcomes of regulation on it would imply.

I think, unfortunately, that a lot of consideration when applying this bill is looking at the pre-existing Broadcasting Act, which is very broadcaster focused as opposed to production company focused, whereas on the digital side of entertainment, which is not broadcast-driven, platforms are very different in that they don't pay for content and they don't green-light content. It's a service that, as an example, my company uses to self-distribute our own content and allows us to retain our IP.

Without a full understanding of how that industry runs and operates.... As an example, it's an export and tourism industry to a great degree. The bulk of revenue...and put a pin in that. The bulk of opportunity, as far as global discoverability is concerned, is really external. As an example, we're the highest-viewed channel in Canada, but Canada is 3% of our overall revenue. That's not because of anything other than sheer population size. Canada is less than half a per cent of the world's population.

In order for these platforms to operate successfully, global discoverability is the key for a lot of these content creators. I think a lot of that understanding is lost when you look at a geographically niche broadcast enterprise, which the Canadian industry has been for a very long time.

I know that it can get complicated when we talk about discoverability and restrictions of discoverability, but really, a lot of the regulation that's being proposed in the current bill doesn't apply to the platforms; it applies to the content. It's either discoverability mandates on the content, or it's discoverability restrictions on the content, or possible advertising regulations against the content. It doesn't tackle platform-specific.... Applying broadcast mandates as they currently exist to platforms just doesn't apply. The two run parallel to each other as opposed to running similarly.

I think that's the larger key here, a lack of education. Part of the frustration has been that digital content creators have not really been allowed access to the table to talk, and current discussions have gone largely dismissed. There's a lot of sentiment that we work for these platforms, and that can't be any further from the truth. It's more accurate to say that the platforms work for us. We are not employees of platforms. We utilize the free services that

these platforms offer for us to figure out our business plans and self-distribute.

That might have wandered a little bit, but that's the scope of it there.

• (1145)

Mr. Kevin Waugh: Your company is only seven years old, but one of the most successful in the country, as you said. Do you own your own IP and the content you create?

Ms. Morghan Fortier: Absolutely. We own 100% of our IP and the ownership of that IP, and the work we have done on YouTube and the community we built on YouTube has allowed us to create a subscription app called Super Simple, which is available on iOS and Android around the world.

We're a music company, so we work with Warner Chappell to distribute our music catalogue globally. We are into consumer products now and we've just signed a deal with Scholastic books, which will be our exclusive book publisher.

The fact that we own our IP makes that difference. It allows us to build out our larger business plan. Keep in mind, it's a studio of 35 people. This isn't a massive conglomerate. It's pretty mom and pop. It allows us to control and exercise the use of our content however our community needs it, and that's really the biggest thing.

It is definitely a hustle every day. There is no handout in this industry, so it is a ton of work that we constantly do, day in and day out, to ensure that our content is resonating with that community and it gives us this global opportunity to expand our company, not just from a straight YouTube content creator like we would have been in 2015-16 but into a modern-day entertainment company where we are into all sorts of levels.

Mr. Kevin Waugh: "The platforms works for us"—that was a pretty good perspective.

If I can say, Morghan, when you said 35 employees, I doubt today there are 35 employees at Global/Corus Saskatoon and I doubt there are 35 employees at my former television station, CTV Saskatoon, so don't sell yourself short. You've done very well with 35 employees.

Ms. Morghan Fortier: Thank you very much.

Mr. Kevin Waugh: Good on you.

I think my six minutes are up.

Thank you very much, Madam Chair.

The Chair: Thank you, Kevin.

We're going to go to the Liberals, Lisa Hepfner, for six minutes.

Ms. Hepfner.

• (1150)

Ms. Lisa Hepfner (Hamilton Mountain, Lib.): Thank you very much, Madam Chair, and through you I would like to start off my questions with Troy Reeb, who was a colleague of mine many years ago through Global News.

Mr. Reeb, I know you have been through the trenches over many decades in journalism on the front lines, and I know you touched on this a little bit in your opening statement. I'm wondering if you can talk a bit more in detail about the decline we have seen in journalism and the ability to produce local journalism over the past 20 years, not even just since the pandemic but with the rise in technology.

Mr. Troy Reeb: Thank you.

I will just acknowledge off the bat, in response to MP Waugh's statement, that we have 36 employees at Global Saskatoon who work to produce more than 25 hours of local news every week, and in fact contribute to a 24-7 streaming local news channel, which we have innovated in that marketplace in order to provide news not just on the regulated platform of television but also in the digital space around the clock.

Those have been the kinds of innovative challenges we've had over the last little while as we have tried to reposition this industry for the future. We need to be on new platforms whereby we can reach audiences in all places, but at the same time we have to fulfill the requirements of the outdated broadcasting rules. Our capacity to do that kind of local-service programming, whether in Saskatoon or Regina or Montreal or New Brunswick, is hindered by the fact that we have many other encumbrances put onto the business in the forms of the other kinds of programming we are required to produce and essentially the taxes that are put onto our business. This is at the same time that foreign competitors come into the marketplace and don't operate under any of the same rules.

Mr. Menzies, in his opening statement, referenced the significant growth in the production sector in Canada, and that is true if he cites aggregate economic data from the CMPA. If he looks at what's happened to broadcasting on the other hand, he will see absolutely the opposite story. The CRTC's own aggregate data showed that the vast majority of local over-the-air television stations in Canada now lose money.

Mr. Menzies was a newspaper publisher prior to his tenure as a CRTC commissioner, and we have seen the hollowing out of the newspaper business in this country with the closure of many local papers because of the loss of local advertising dollars that used to support that business. Those dollars have all migrated to Google and Facebook. Now we are seeing the same thing happening in the broadcasting space, as audiences and dollars migrate to platforms like Netflix, Disney+ and Amazon.

While, yes, there is an increase in contract production, with U.S. studios making U.S. content in Canada, we are seeing a decline in Canadian content and especially local content, which is the tip of the spear in terms of this loss. As I said, we've already seen a hollowing out of local journalism at the newspaper level, and that is now starting to have an impact across the broadcast platforms as well.

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

Following up on that, what do you say to the assertion we heard earlier in this panel that this bill just doesn't understand the online world?

Mr. Troy Reeb: I think there are a lot of concerns about its impacts on user-generated content. I think those are valid concerns. Mr. Geist has made them. Ms. Fortier has voiced those concerns.

We are not in favour of the regulation of user-generated content. In fact, as a company, we've invested in a user-generated content network called Kin Community, which helps connect Canadian creators who work across social media platforms, YouTube, etc. with advertisers to be able to monetize their work to global audiences.

We're very supportive of that kind of innovation and that kind of business and we don't want to see further regulation of user-generated content.

The challenge, of course, is that there are very blurry lines in terms of when something crosses into the professional network world. We've had 30 years since the last time the Broadcast Act was updated, and legislative change in this country is clearly very hard. I'm not saying that we need to just turn over blanket powers to the CRTC to be able to regulate as it pleases, but the CRTC already does have thresholds in its licensing process. If you have a certain number of subscribers or a certain amount of revenue, then you're subjected to a higher licensing threshold by the CRTC in the traditional space. We would encourage the discussion of those kinds—

• (1155)

Ms. Lisa Hepfner: Just let me ask you this quickly before we run out of time. Do we still have a need for traditional journalism? Is it outdated? Is there still a demand? Should we be supporting it?

Mr. Troy Reeb: I think the answer to that is absolutely yes. In a time when we have seen increased division, we have all seen the damaging impacts of social media commentary and fake news, so the importance of traditional, professionally reported journalism that brings people together in a town square to try to hear each other out, to actually listen to opinions that they may not share and to try to understand what other Canadians think could never be more important. It is important to our democracy and it's important to social cohesion, and it's something that only Canadian companies can provide. We do not want companies based in Silicon Valley or in Hollywood dictating our local news in this country.

The Chair: Thank you, Mr. Reeb.

Your time is up, Ms. Hepfner.

Mr. Reeb, if I may be so bold as to comment, you have a fantastic broadcasting voice. Of course, our colleague Kevin Waugh has as well. I'm just making note of these things. Thank you.

Next up is Martin Champoux for the Bloc Québécois.

Mr. Champoux, you have six minutes, please.

[Translation]

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

The other members of the committee now feel a need to articulate clearly and to use their best voice.

Thanks to all the witnesses for being with us today.

I will turn immediately to Mr. Payette from APEM.

Mr. Payette, I'm pleased to see you again. You heard the remarks of the other witnesses earlier, particularly those of Ms. Fortier.

What's your reaction to Ms. Fortier's remarks?

Mr. Jérôme Payette: Thank you, Mr. Champoux. You have a pretty good voice too.

If I may, I'll begin by clarifying what Bill C-11 says about social media broadcasting activities.

Clause 4 concerns the content uploaded by users, not generated by them. The process of uploading content tells us very little about the nature of that content or the relevance of regulating it. Users may be uploading professional music.

I'd also like to note that undertakings are regulated, not individuals. Those undertakings are regulated for the streaming of commercial content only. Non-commercial content is exempt from Bill C-11.

Clause 4 isn't the only aspect of the bill that must be examined. We also have to look at the Broadcasting Act as a whole. Many fears have been expressed. Freedom of expression is protected under section 2 of the Broadcasting Act. Sections 5 and 9 provide that the CRTC must take into consideration the impact of creation and production on the Canadian industry and avoid imposing obligations on undertakings that are not conducive to the achievement of the objectives of Canadian broadcasting policy.

There is a risk that amending clause 4 of the act would create a loophole. If the activities of certain undertakings are exempt from the act, the impact will be felt by all undertakings in the sector because they compete with each other. If the act is drafted too specifically, it will limit the flexibility of the CRTC, which needs to adjust to quick changes in the sector.

The act will be in force for years, perhaps decades. If we limit or freeze the CRTC's power, the situation will be rendered obsolete.

To answer your question regarding Ms. Fortier's remarks, I think people occasionally confuse the act with regulations. Today we're talking about the act. If we drain Bill C-11 of its substance and limit the CRTC's powers, that will allow undertakings to avoid appearing before the CRTC, transmitting information and conducting themselves in a transparent manner. The CRTC must be given the means to do its job. We have far more confidence in our institutions than in the platforms, which operate with a total lack of transparency.

The Broadcasting Act, is an enabling statute. The CRTC must be granted the powers it needs to conduct its study. Then comes the regulatory phase, which must be conducted together with experts based on accurate numbers, not anecdotal evidence. That will all take place in the context of CRTC hearings. In that way, all parties can express their views.

I could say more about that...

• (1200)

Mr. Martin Champoux: I'd nevertheless like to give Ms. Fortier a chance to state her point of view on this. It wouldn't be fair if I didn't.

Ms. Fortier, what are your impressions on what Mr. Payette just said?

[English]

Ms. Morghan Fortier: I think part of the issue is that we aren't actually looking at real numbers and real situations. I don't believe there has been a very clear, honest audit of what the digital landscape looks like today. I think there's a lot of conjecture. I think there's a lot of speculation. I will definitely be the first to openly admit that this is not an easy sector of the industry to be working in. Digital distribution, self-distribution, is not for everybody.

I certainly don't have issue with regulation. If I were presented with a piece of legislation that had a clear and concise goal of what it wanted to accomplish, how it would go about it and how it would impact digital content creators, in this example, I would be more than happy to look at it.

The problem is that Bill C-11 is so broad and so contradictory within itself, with no clear definitions and no clear terms, especially when it comes to, as an example, what's commercial and what's non-commercial.

Right now, UGC is lumped together as one big solid whole. It would include small businesses like mine, and it would include my mom, who is uploading videos of our family vacations to the platform. It does not clearly indicate what "commercial" would be. It often doesn't indicate that there's an understanding of the sheer volume of small businesses that run in the sector and the success of content, and it forgets, or misunderstands potentially, that these platforms really only exist based on the success of content creators on these platforms. If people weren't finding success and weren't finding an audience, they would leave those platforms.

As I mentioned before—not to sound like a broken record—the platforms work for us, not the other way around. If people aren't finding an audience or that community to reach out to and to build, it doesn't win for anybody on a global perspective, even on a regional perspective.

[Translation]

Mr. Martin Champoux: Mr. Payette, do you think the proposed amendments concerning the YouTube and TikTok platforms, for example, are ways to evade the act?

Mr. Jérôme Payette: I definitely think so.

From a legal standpoint, that will enable undertakings to avoid appearing before the CRTC in any way or gathering information...

[English]

The Chair: You have three seconds.

I'm sorry, Mr. Payette. Perhaps in the next round you can elaborate on your statement. Thank you very much.

We're going to the New Democratic Party and Peter Julian.

Peter, you have six minutes.

[*Translation*]

Mr. Peter Julian (New Westminster—Burnaby, NDP): Thank you very much, Madam Chair.

Thanks to all the witnesses for being with us today. Their testimony is extremely important. As the COVID-19 pandemic is still under way, I hope all the members of their families are healthy and safe.

Mr. Payette, you said your industry is losing revenue. If the bill isn't passed and we do absolutely nothing, what impact will that have on the revenue losses of the people in the industry?

Mr. Jérôme Payette: Thank you for that question.

Our sector would become virtually non-existent in the public's view. It would become a kind of museum exhibit. Without public funding, it could lose the ability to generate revenue.

The main challenge is really to reach the audience. To do that, you must not deregulate the traditional sector but have it contribute to online undertakings. In the online sector, the challenge is to stand out. There are several tens of millions of songs on online music services.

Currently, it's the platforms that choose winners and losers by recommending music to Canadians every day. They do so in many ways. There are editorial playlists, algorithmic playlists and "algorithmic" playlists, a portmanteau word formed from the words "algorithmic" and "editorial".

Recommendation tools have a major impact on what people listen to. According to YouTube, the leading online music service in Canada, 70% to 90% of listening time is determined by these recommendation tools. That's enormous. The problem is that the recommendation tools are neutral and deeply biased.

● (1205)

[*English*]

I will now quote the authors of the article "Music Streaming: Is It a Level Playing Field?", published in *Competition Policy International*: "Music that doesn't fit easily within an established genre, or which is not in the English language, is also likely to be competitively disadvantaged."

I'll quote the University of Toronto's Schwartz Reisman Institute for Technology and Society, in the article "Artificial Intelligence, Music Recommendation, and the Curation of Culture".

...the effect of the extreme centralization of the global platforms is that it may become harder for local musicians to have their music heard even in their own communities. Recommendation systems therefore have the potential to act as a neocolonialist force in music, trained on data in which dominant user demographics are over-represented, and using the tastes and preferences embedded in this data to guide the music consumption of other musical cultures.

[*Translation*]

What we're witnessing is cultural standardization, the unregulated wild west. The platforms choose winners based solely on their interests without any consideration for the local culture, be it anglophone, francophone or whatever.

To answer your question more directly, if no regulatory action is taken, people will virtually stop listening to us. Our sector will be unable to generate revenue because cultural standardization has an impact on the entire chain.

The numbers I cited are disastrous, and the CRTC urgently needs to be given the means it requires to do its job.

Mr. Peter Julian: You were just talking about algorithms. They're definitely one way the Web giants use to choose what's offered and what people can discover.

How is this a problem if these major undertakings are the ones that decide what people can see and listen to based on non-transparent algorithms? Is that a valid criticism? It's often the undertakings that decide, not individuals.

Mr. Jérôme Payette: The problem isn't the algorithms as such, because technology is good. It's the way they're being used because undertakings are allowed to operate based solely on financial considerations. We aren't interested in the details about algorithms.

The fact is that the francophone music sector, which represents 8 million persons, isn't a profitable enough market for the undertakings to cater to it. Consequently, we need acts and regulations. This isn't new; it's always been this way. Our sector has always been a small market, hence the importance of statutes that give the CRTC the power to regulate undertakings.

We need to add the cultural aspect to the factors that should be considered, and I think that's what Bill C-11 will do.

[*English*]

Mr. Peter Julian: Thank you very much.

Mr. Reeb, I'd like to come back to you. You've talked about a level playing field and the importance of passing Bill C-11 without delay. Can you tell us more about how Bill C-11, in your opinion, would set and put in place a level playing field?

Mr. Troy Reeb: I'll bring it back to the comment earlier from Mr. Waugh about employment levels in Saskatoon at Global Saskatoon or CTV Saskatoon. I will be the first to acknowledge, because Mr. Waugh and I actually worked across the street from each other in Saskatoon many years ago, that employment levels have declined in almost all Canadian local television stations. If you pick the Saskatoon example, there was a time when CTV and Global in Saskatoon had most of the market to themselves. They would have been able to make profits on their entertainment programming through prime time, which would have been used to cross-subsidize the losses they had to take in local news. To be really clear, every single medium- to small-market television station in this country loses money in local news.

Nowadays, the largest television network in Saskatoon in prime time is Netflix. We may only have 36 employees in Saskatoon, but Netflix has zero, Apple has zero and Google has zero. That is the question we need to be asking, not trying to continue to hold Canadian companies and broadcasters to one standard while applying none of the same standards, none of the same regulations and none of the same obligations to foreign competitors.

• (1210)

The Chair: Thank you, Mr. Reeb.

Your time is up, Peter.

We're now going to the second round, which is a five-minute round.

I will begin with Mrs. Wagantall for five minutes.

Mrs. Cathay Wagantall (Yorkton—Melville, CPC): Thank you so much, Madam Chair.

Thank you to the witnesses for the testimony you've brought this morning.

I have a question for you, Dr. Geist. You have criticized the Liberal government's defence of Bill C-11 for being "misleading". Could you expand on that, please?

Dr. Michael Geist: Thank you for the question.

I guess I would start by noting that we've had the government claim, as I mentioned in my opening remarks, that user-generated content, user content, was out of the bill, and we've had the CRTC chair say otherwise. Even now, on this panel, we've had Mr. Reeb and others say that's not their intent or what they would like to see included in the legislation. I must admit that I struggle to quite understand why it remains there when it seems that so many are against it.

As part of the discussions we've had today, I'm struggling to even identify the bill a little bit here. I'm not sure if we're in a Bill C-18 hearing on local media, because this bill doesn't really address core local media issues. It's more about film production and music.

I'm not sure if we're talking about the Copyright Act, because we're hearing claims that there's not enough there on the music side, even though SOCAN has seen record amounts of revenue being generated from Internet-based streaming services. In fact, they attributed all their growth this past year to Internet-based streaming services.

If we're talking about specifically this bill, then we have these dual conversations on the one hand, where there seems to be a general consensus that it's not appropriate to be regulating user content and we ought to be fixing that and have a discussion—a more appropriate discussion, it seems to me—around the impact of streaming services, and how we ensure the legislation is sufficiently targeted to ensure there is an appropriate contribution as part of that system. Some of that gets lost because of the details, and if we're not going to update legislation for decades at a time, we have to get those details right.

Mrs. Cathay Wagantall: Thank you so much, Mr. Geist.

Mr. Menzies, as a former CRTC commissioner, your insight has been valuable.

You've said that using the Broadcasting Act to regulate the Internet is not the appropriate mechanism and in fact is impossible. Can you explain to the committee how unfeasible and inappropriate this attempt is and what you see are the potential negative ramifications of it?

Mr. Peter Menzies: Like I said in my opening remarks, what was needed was a new Canadian communications act, as was recommended by the department of heritage panel that reviewed it.

We have an entirely new framework for our communications infrastructure going into the 21st century. It's one that is distinctly different from the one that was used in the 20th century, where you have people going over the air and you have a closed system with no such thing as user-generated content in history, no such thing as social media and all these new developments. Trying to take all these 21st-century developments and stuff them into a 20th-century construct like the Broadcasting Act is inherently inefficient.

You also have an institution like the CRTC, which has deep cultural patterns built in terms of how things are done. I mean, Ian Scott, bless his soul, was saying last week that regulating the Internet is no problem because it's broadcasting and we've been doing broadcasting for 50 years.

Well, it's not broadcasting. There is stuff that looks like broadcasting that's happening on the Internet. Giving the CRTC control over the entire global Internet as if the only thing that matters on it is broadcasting, without having any other framework for it, makes no sense at all. The Internet is used for all kinds of other things beyond broadcasting.

Eventually, the CRTC is going to have to carve out the section that it wants to deal with, because it's impossible to deal with the infinity of the Internet. That's my suggestion. Carve it out. Make this efficient. Otherwise, you're setting up the Canadian creative industry and Mr. Reeb's company and others for years of uncertainty. It'll take two years before you get settled exactly even who this bill will apply to. Then you're going to have another year of cabinet appeals and, if you make it contentious, you're going to go through court appeals and that sort of stuff.

The CRTC has spent 17 months trying to publish a decision on the CBC's licence renewal, 17 months since the hearing for the CBC/Radio-Canada's licence renewal, which is something that is frankly a ritual. That's why it's unfortunate that the CRTC has been given such scope.

• (1215)

Mrs. Cathay Wagantall: Thank you so much for that.

Ms. Fortier, can you briefly—I'm sorry—explain how Bill C-11 will harm digital first creators by playing with discoverability?

The Chair: Ms. Fortier, you have nine seconds.

Ms. Morghan Fortier: It's going to take longer than nine seconds. I don't know if I'll be able to clarify—

The Chair: You may be able to make that point at another time.

I'm going to have to move to the Liberals for five minutes with Chris Bittle.

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

Before we begin, I really want to say a quick “thank you” to all of the employees who are here making this happen. I know Ottawa got hit incredibly hard. There were some negative comments about civil servants last week in our committee, and it's truly incredible that we're here and doing this. Thank you all, from translators to the clerk and everyone else for being here.

I'd like to make a quick point. There are a number of witnesses who have been talking about what the chair of the CRTC said in regard to regulating user-generated content. I guess this is politics—people leave out the second line—but the next line of his statement was:

...but if I could just quickly respond to the general tenor of those comments, that's all true today. We could do any of those things today under the Broadcasting Act.

I'd like to ask my first question of Monsieur Payette. In your opening remarks, you said that music has had a hard time reaching Canadian audiences. How would Bill C-11 help Canadian music?

[Translation]

Mr. Jérôme Payette: Thank you for that question.

As I mentioned earlier, right now, the platforms alone choose the winners by using the recommendation tools.

[English]

Mr. Chris Bittle: I have a point of order, Madam Chair....

Actually, the translation came on. I'm sorry to interrupt, everyone.

[Translation]

Mr. Jérôme Payette: , I said the recommendation tools are guided solely by the undertakings based on their financial interests. Cultural considerations are simply not taken into account.

The recommendation tools aren't just algorithmic. Even when they are, the platforms sometimes choose key artists, who are then promoted. These artists are thus given a head start in gaining public recognition.

We simply want our music to be able to reach the audience. For that to happen, we need a strong, airtight act that enables the CRTC to do its job.

If I may, I'd like to answer Mr. Geist regarding the numbers from SOCAN, which partly belongs to our members.

[English]

Mr. Chris Bittle: Please, go ahead.

[Translation]

Mr. Jérôme Payette: SOCAN now receives more revenue than it previously did, but the royalty distribution involves fewer Canadians.

As I said in my opening statement, when we compare revenue from traditional sources to revenue from online undertakings,

Canadians receive 34% of traditional revenue but only 10% of revenue from digital media. Revenue has declined by 69%. It's a dire situation.

I don't know whether Mr. Geist meant that it was good to distribute money internationally. We're interested in the Canadian music sector, and francophone music is currently in crisis. Our revenue is declining. The general rise in the music sector benefits only a handful of international artists, but there has been very little benefit for the local music that's produced in a language other than English.

That's the point I wanted to make here.

[English]

Mr. Chris Bittle: Thank you very much, Monsieur Payette.

I'm going to ask my next questions of Mr. Menzies. I think we all agree that the CRTC is bound by legislation and it is then tasked with interpreting that. However, after a big piece of legislation like Bill C-11 is when a policy directive comes in with specific directives to the commission.

Would you agree that a policy directive would be customary in a case like this?

• (1220)

Mr. Peter Menzies: Yes. It would be useful to see what is planned for this one. When Bill C-10 went forward, there was one. A draft, at least, OIC was posted. We haven't seen one yet on this.

Mr. Chris Bittle: That's always been part of the Governor-in-Council's powers in the original Broadcasting Act. A policy directive isn't a novelty item. Is that correct?

Mr. Peter Menzies: They're not. You don't see a lot of them.

Mr. Chris Bittle: They're not new.

Mr. Peter Menzies: No.

Mr. Chris Bittle: The government's been clear about its objective that, between both the bill and the subsequent policy directive, digital first creators and their user-generated content are scoped out. The minister has stated that the policy directive will be unequivocal and that user-generated content will be scoped out.

As a former vice-chair of the CRTC, once the CRTC has received such a directive, can you confirm that the commission cannot scope them back in?

The Chair: You have 30 seconds.

Mr. Peter Menzies: What I will say is that unless there's a different piece of legislation that—

Mr. Chris Bittle: No, no. I'm sorry—

Mr. Peter Menzies: You could say that under Bill C-11, you're not going to use this clause 4.2, but 4.2 might be there to open the door for online harms.

Mr. Chris Bittle: That's a different piece of legislation, so specific to this legislation, you'll agree with my statement, Mr. Menzies.

Mr. Peter Menzies: I'm not sure what your statement was.

Mr. Chris Bittle: It was that the CRTC, if there's a clear policy directive, can't scope in user-generated content if it's scoped out.

Mr. Peter Menzies: That's hard to say—

The Chair: Thank you.

Time has ended, so thank you very much, Chris and Mr. Menzies.

I'm going to go to the Bloc Québécois and Martin Champoux for two and a half minutes.

Go ahead, please.

[*Translation*]

Mr. Martin Champoux: Thank you, Madam Chair.

Mr. Menzies, earlier you said that audiovisual production in Canada is a \$9.5 billion industry that's doing well.

Can you analyze the numbers and tell me, for example, what share independent production has in Canada and whether it's doing well?

[*English*]

Mr. Peter Menzies: You'll have to ask somebody else on that. I don't have a whole list of data in front of me today to answer that question. No doubt—

[*Translation*]

Mr. Martin Champoux: That's fine, Mr. Menzies.

Independent production, which is what we're trying to protect by regulatory means, is declining. That has been a concern for the industry for some time. It represents 31% of the \$9.5 billion you mentioned, compared to production services, which are provided by foreign undertakings that produce in Canada and buy services, such as visual effects.

However, independent production, strictly speaking, is in decline. So it's false to say that the audiovisual industry is doing well in Canada. If we break down and look at the numbers, it seems quite clear this is an industry that could use a little protection from us.

I simply wanted to clarify that point because I thought the overall figure looked good, but the details sometimes reveal minor surprises that slightly misrepresent the actual situation.

Mr. Payette, I'm coming back to you because there's something very troubling here that I think is interfering in our discussion of Bill C-11, and I'm referring to the issue of content generated by users. Earlier Ms. Fortier mentioned our fear about this.

What do you have to say to creators who earn a living by sharing content online, the digital-first creators, to win their support for the

bill? What would you say to convince them that the bill isn't harmful, that it doesn't threaten them and, on the contrary, could help them?

Mr. Jérôme Payette: Thank you for that question.

[*English*]

The Chair: Excuse me, Mr. Payette. Could you please move to the appropriate mike? You're using your computer mike, and the interpreters are having a problem with that. Thank you.

I'll give extra time on this.

• (1225)

[*Translation*]

Mr. Jérôme Payette: To answer your question, I'm not really sure of the definition of that term. Based on the one I've been given, they're creators who depend on platforms as a priority distribution method.

However, based on that definition, the music sector is digital first. So we have to pay attention to the meanings we attach to words and expressions. I'd like to take this opportunity to say that Digital First Canada doesn't represent all online content creators, at least, definitely not the music sector.

What troubles me is the lack of consideration the platforms give to local music. They need to do more for us. We're opposed to any change in the act that might limit the CRTC's power to ensure we benefit from regulations made under Bill C-11.

However, if, at the regulation stage, some audiovisual content producers from outside the music sector are opposed to having undertakings' content distribution regulated, I'm sure the CRTC will take that into account. In fact, when we tell the CRTC that there's no point in regulating an activity, it generally tends not to do it. Our criticism in the past 20 years has been that it hasn't regulated certain activities enough.

Consequently, I don't think that creators who don't want to be protected by regulations have anything to fear—

[*English*]

The Chair: Thank you, Mr. Payette. Our time is up.

I'm sorry about that, Martin, but the time is up.

I'm going to the New Democratic Party and Peter Julian for two and a half minutes, please.

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

I'm going back to you, Mr. Reeb.

Thank you very much. You were cut off when we were talking about the level playing field and how important that is in Canada.

There are two parts to my question.

First off is how Bill C-11 sets a more effective level playing field. Second, though, in terms of Corus Entertainment, there is also another playing field that needs to be levelled, which is that of independent producers.

The Yale report spoke to fair treatment for independent producers. I want to get the Corus Entertainment response on that level playing field as well.

Mr. Troy Reeb: Thank you, Mr. Julian.

In terms of the independent production community, they have put forward a very strong case, which I won't make for them, that they need to have regulated amounts of production provided to them through the system. I'm sure they are arguing for that for any new digital broadcasters that would be brought into the system.

We already face a number of requirements. To access certain funds, we have to work with independent producers in our own production, and there are a myriad of other requirements for the kinds of programs that we can either produce internally or with external partners as the independent producers.

I think that's what we're talking about. It's that myriad layer of regulations we face as a Canadian company working in the broadcasting sector that our foreign competitors simply do not have to work with. There are two ways to solve that: Either you can increase the amount of regulation on the foreign competitors or you can decrease the amount of regulation on Canadian companies.

As I said in my opening statement, the status quo is not sustainable. We cannot continue to operate in a world where Canadian companies have all of the obligations put on them and the foreign competitors that are operating in the exact same marketplace face none of the same restrictions and obligations.

The Chair: You have 17 seconds, Peter.

Mr. Peter Julian: Coming back to independent producers, we want to be fair to Canadian companies and Canadian content. We also want to be fair to independent producers. The Yale report is very clear in that regard. Is it your position that it is appropriate that the CRTC provide those supports for independent producers?

The Chair: I'm afraid, Peter, that question will have to wait until the next round. Thank you very much.

I am now going to the Conservatives and Mr. Uppal for five minutes.

Hon. Tim Uppal (Edmonton Mill Woods, CPC): Thank you, Madam Chair, and thank you, witnesses.

I'm going to start with Mr. Menzies.

Mr. Menzies, as the former CRTC vice-chair, in your professional opinion, does the CRTC have the knowledge, the expertise, the tools to regulate content for Canadian streaming online?

• (1230)

Mr. Peter Menzies: The CRTC has a lot of talented people there, but I don't think it has the structure yet to be able to regulate this. It needs to learn about issues like user-generated content, which is why it would be a good idea to take it out of the bill.

If you wanted to carve out just a single sector and find a way—as I suggested, find the \$150 million somewhere—to divert that money or ensure that money is being reinvested into Canada, it could probably cope with that. However, the decisions that are left for it to make in Bill C-11, such as deciding what companies this applies to and that sort of stuff, are going to cause them to have to hire a lot of people and build a new area of expertise, because it's not broadcasting.

As some of the witnesses said here today.... Ms. Fortier pointed out that even the architects of the legislation don't seem to understand the businesses and the business structures they are trying to legislate. There is no reason that people would, unless they're involved in it. This isn't an area the CRTC has been involved in, so I would think it would need to expand its expertise.

Hon. Tim Uppal: Obviously there are additional costs to expanding expertise, but what time frame do you think the CRTC would need to get to that point where it is able to properly monitor this content?

Mr. Peter Menzies: I think it would probably unfold over about five years, particularly with all the other legislation that's coming forward to it. It's going to be doing newspapers and it's probably going to be doing online harm. I'm assuming why clause 4.2 is there. It has all kinds of things coming up.

It has a new chair coming in September and likely a new vice-chair of broadcasting as well. When senior leadership changes, it takes a year to figure out where the bathrooms are and that sort of stuff when you settle into a new job, and then have hearings.

I see a period of at least five years of uncertainty, and that's if all goes smoothly, which is my concern. I don't think it's in the best interest of Canada's creative sector to create this uncertainty, so move it along.

Hon. Tim Uppal: Thank you.

Ms. Fortier, you have one of the most successful YouTube channels in Canada. It's really a Canadian content creator's dream situation. If Bill C-11 is passed and enters into law in its current form, how would it impact your business and other businesses like that, or businesses that are striving to be like your business?

Ms. Morghan Fortier: Even just in recent discussion, just to clarify some misconceptions, we need to understand that the platforms right now already operate on recommending content that audiences are looking for. YouTube does not, as an example, give us views. YouTube does not give any content creator views. As your channel grows—and that can take years, admittedly—you gain subscribers and you naturally have a larger audience base for your videos to be presented to. Even at that point, even for us, not every song we release is a hit. Sometimes it can take three years for a song to resonate.

Our views are not shuttered or stuffed in front of audiences' faces. People literally will look for our content or are watching content that is similar to ours. I honestly feel Monsieur Payette's pain points, but the beauty of digital content is that it is a niche audience base because it has global reach, as opposed to broadcasting, which is geographically niched but requires a broader audience.

Can content potentially be too niched to find an audience? That's possible, but there are so many other ways to grow content, whether it's through investment or infrastructure systems, like YouTube's Black voices fund in the U.S., or working with French language music content creators. There are so many other ways to bolster content and promote it. These platforms really do want more than one content creator to be successful. I think it's important that we understand that as we move forward.

This bill would affect us in a couple of different ways. Could it impact our global reach? Could it impact our regional reach? I am far more concerned about the content creators who are working today. AmandaMuse is a fantastic example. Over COVID, she single-handedly was the sole income earner for her household, because her husband, who is a pilot, lost his job. Are there millions of views? No, but they are still an impactful, important part of this culture.

I think there is far more we can be doing than artificially manipulating algorithms, which is directly affecting content creators.

• (1235)

The Chair: Thank you, Ms. Fortier. Your time is up.

Now we have five minutes for the Liberals, with Michael Coteau.

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

Thank you to all our witnesses for joining us today. It's been a very valuable conversation. Thank you so much.

My question is for Mr. Danks from OUTtv.

You mentioned that a shift has taken place in the distribution system in Canada. We've heard from people in the past that there's been a loss of control over what people are seeing and also the control of rights, of content. You mentioned that Bill C-11 would be an important tool to help ensure some equity within the system when it comes to distribution.

Can you talk about the equity piece to this and how putting in place a piece of legislation like this will help ensure there's greater equity within the distribution system in this country?

Mr. Brad Danks: Yes. Thank you for getting this back to broadcasting. With no disrespect to our friends in YouTube and TikTok and such, the platforms that we need to access for greater revenue from what we're making in content are Amazon, Apple TV+, Roku and such, and they don't just admit your content directly, as YouTube and TikTok do. It's a huge difference that it's important for everybody to understand. You need to have a library of content. You need to have a refresh of content.

The challenge that we're going to face going forward is ensuring that we can get onto these platforms and get access to them, be-

cause they are controlled by foreign entities. OUTtv is not just on these platforms in Canada but around the world. We have been denied access on certain platforms in the U.S. and certain platforms in Asia simply due to LGBTQ content. Those same platforms will be coming to Canada at some point. Two of them that I won't mention by name are scheduled to launch in Canada in 2023, so there's a huge concern for Canadian broadcasters.

This would include APTN and other broadcasters, but even services that Mr. Reeb has at Corus might be faced with competition from a foreign service, or the foreign service just might say, "Sorry, but we're fully loaded. We have enough American services and we don't need Canadian services." These are very real concerns. They're happening in the industry right now, and for us to continue in our business.... We have a different business model. We need a premium level of content.

As I've said, we've been successful. We've launched in the U.S. on various platforms. We're in Australia. We're in other ones around the world, but what we're seeing around the globe is that it's going to be tough out there. The starting point for Canadian broadcasters needs to be access to these online platforms in our country. That's why this is so fundamentally important to the broadcasting business. This very much separates us from the YouTubers and the Tik-Tokers, who can get access and go global.

We are trying to get access and go global. We want that same business model, but it's much more difficult in the premium-level platforms. If we don't regulate this properly—if we don't have the CRTC's ability to tell Apple and Amazon that this channel is an important Canadian service and it's on your platform—then I'm worried that we're going to have real problems continuing with our services in Canada. That's why I focused on those items.

Mr. Michael Coteau: Thank you so much.

Mr. Payette, I have a quick question for you.

In regard to francophone culture, what would a piece of legislation like this do to ensure that we continue to build a strong distribution of francophone culture here in this country and to ensure that it stays within a competitive space under this legislation?

Mr. Jérôme Payette: Really, I think we need to get this bill adopted, and then we can go in front of the CRTC. That's where the details will be decided.

We need flexibility. We have to understand that the francophone music sector is a small sector. Sometimes we can be—I'm going to go back to the user-generated content, which is actually user-uploaded content in the act—too small compared to YouTube standards, and we can be considered as non-professionals or be considered not big enough to have an impact.

What we need, really, is having all of the activities looked at by the CRTC and then, with real information, experts deciding how we can promote.... What we want to do is work with the platforms in a way that suits their business model, so that for the content that Canadians want—and because they want francophone content and they want Canadian content—it gets to them. That's really the point of this process.

• (1240)

Mr. Michael Coteau: Thank you.

Chair, am I almost done?

The Chair: You have six seconds. You're finished, Michael. I'm sorry about that.

Mr. Michael Coteau: Thank you, everyone.

The Chair: All right.

I think we have to finish at a certain time. We can have a third round, but not a full third round, so what I would do is start a third round with the Conservative Party for five minutes, with Ted Falk.

Mr. Ted Falk (Provencher, CPC): Thank you, Madam Chair, and thank you to all the witnesses.

[*Translation*]

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

[*English*]

The Chair: I'm sorry, Martin. Go ahead.

[*Translation*]

Mr. Martin Champoux: Madam Chair, you said we would begin another round of questions, which won't be completed. I want to ensure that all parties have a chance to speak during that round.

[*English*]

The Chair: I was thinking that we could cut everyone down to two and a half minutes and go with the full five people, or we could do five minutes for the Conservatives, five minutes for the Liberals, two and a half for the Bloc and two and a half for the NDP, and end it there. That would give us 15 minutes.

[*Translation*]

Mr. Martin Champoux: That's fine with me, provided it also suits the other members.

Can you guarantee that?

[*English*]

The Chair: Is everyone...?

All right; seeing no opposition, I will continue.

I'm sorry, Mr. Falk. I'll give you a new start. Go ahead.

Mr. Ted Falk: Thank you again, Madam Chair.

Thank you to all the witnesses. I've enjoyed hearing your perspectives on this bill.

Ms. Fortier, I would like to get back to you, if I may. It seemed as though your previous thought was not completely fleshed out. If you'd like to finish what you were saying in the next minute or so, I would appreciate that.

Ms. Morghan Fortier: I can't even remember what I was thinking, since there's been so much discussed throughout.

I really do hear what Mr. Payette is expressing and saying. I think that even as we're talking, we need to be very careful that we are differentiating between new broadcasters and platforms. Netflix, Amazon and Apple are broadcasters. The difference is having a gatekeeper that is actually blocking....

You pitch. They green-light and they move forward. It's the broadcast system; it's just the current modern-day players.

Platforms are considerably different in that they are free, in most cases. You can take YouTube as an example. These are platforms through which content creators like us and other small companies are able to actually upload and self-distribute. It is absolutely a hustle to do that job. It's a tough go. It's 100% of the risk for 100% of the reward, but the sacrifice that you're making is the opportunity to fully own your IP and to be able to control that distribution.

I know it's not a perfect system. There are issues across the board between legacy broadcasters, new broadcasters and those platforms, but the algorithm manipulation is really something that we need to be incredibly careful of. To determine that certain content is more valid than other content and to give preference to one versus another is the crux of clause 4.2 and where it becomes so problematic.

Mr. Ted Falk: Okay. Thank you for that and thank you for your testimony.

Mr. Geist, you've written on Bill C-11, just as you did previously on Bill C-10. Can you articulate what you believe the government's objectives are and also how they should have drafted the bill to achieve those?

Dr. Michael Geist: Sure. Thanks for that question.

The government's stated objectives have focused on the large streaming services. I think we've heard a lot of talk about a lot of issues that frankly have very little to do with those large streaming services, so it's pretty clear that people look at this bill in a lot of different ways. Often the bill has little to do with some of their core concerns. I think the bill has become bogged down around user content. I think there are even some other issues that have come up that I think are important to recognize.

Mr. Bittle, for example, referenced the fact that Ian Scott said, "We already have those powers now" and suggested somehow that was being ignored. I think it's important to recognize, first, that while arguably the CRTC has had those powers, I think there are constitutional questions about it. Second, it does seem to me that if in fact they already have all these powers, why do you need this legislation at all? It's a CRTC issue, not a legislative issue.

I think we do need legislation, because there is value in updating, but quite clearly, once you have legislation that specifically identifies online undertakings and specifically identifies discoverability, it's a significant leap and it does make a change in what that regulatory outlook will look like.

I'd also quickly note that Mr. Champoux asked about the revenues being generated within the independent sector. The reality is that in Quebec, we know from the BCTQ that there was \$2.5 billion in direct spending in Quebec just last year in film and TV production, including productions from both Netflix and Amazon. That's a record amount. In Ontario, Ontario Creates reports that it had its highest production levels to date ever, with nearly \$3 billion in production spending, so I think the notion that somehow there is a crisis in spending is undermined by what we've actually experienced to date. In fact, the CMPA itself tells us that the largest source of funding now for English-language productions is foreign money. Money is coming in. There's a lot of spending.

That doesn't mean that we can't continue to address some of these issues. The reality is that we've heard compelling evidence that venturing into questions around user content, as this bill does, is a problem. I think we also need to recognize that the notion that somehow there are no contributions taking place and that we have a film and TV production sector in crisis is undermined by the actual experience and data that we've seen to date.

• (1245)

The Chair: Thank you very much.

I think time is now up, Mr. Falk.

Mr. Ted Falk: Thank you, Madam Chair.

The Chair: Now we'll go to the Liberals for five minutes, with Tim Louis.

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

Thank you to the witnesses. I appreciate your time and your testimony.

I would like to start with Monsieur Payette from the Professional Music Publishers' Association.

You mentioned that publishing and songwriting are linked, and that's a sector that's seeing first-hand the effects of technology and media evolving and the impact it's had on artists. In your words, Monsieur Payette, you said that if musicians are not listened to, they're not paid, and I firmly believe that.

We've seen that the growth in the music business has benefited many international platforms and some of our larger Canadian artists, but we've also seen that it has not proportionately supported a large segment of our Canadian artists, artists from our own communities.

In your opening statement, you mentioned the struggle and that the percentages from songwriting royalties are down. Do you mind expanding on those numbers and the fact that if we're not supporting our Canadian artists at all levels, we won't have these stories to tell, we won't create the environment where our talent can grow, we won't have those international voices on the world stage, both literally and virtually?

[Translation]

Mr. Jérôme Payette: Thank you for that question.

According to SOCAN's figures, royalties paid to our members have declined by 24% since 2016. That's an enormous drop. We

know that music publishers play an important role in developing talent and supporting author-composers in writing songs that can then become popular locally and internationally.

You have to understand that having a strong music industry and developing many and diverse talents gives us a chance to conquer bigger markets. Currently, as we've seen, all revenue is shared by a very small number of international artists. There's virtually no middle class because everyone is either too poor or extremely rich. There has been no egalitarian growth for everyone. It's the platforms that benefit most, and they don't do much for us.

[English]

Mr. Tim Louis: Thank you.

We've just heard testimony that some people believe that this legislation shouldn't be updated for years. Do you think our Canadian artists have that kind of time?

[Translation]

Mr. Jérôme Payette: No, I don't believe they do.

The CRTC hasn't done anything for the past 20 years. We've been consulted since 2016 on the modernization of the act. At the time, it was within the "Creative Canada" policy framework. After that, if memory serves me, there was a CRTC report, followed by the report from the group of experts on the Yale review panel. Then there was Bill C-10.

We are now studying Bill C-11. This will be followed by a period during which the CRTC will gather information, which is the usual way of proceeding. It will really take the time required to properly understand what's going on and take established objectives into account. That will lead to the creation of regulations.

It's therefore still going to take quite a while for this to reach people in the field, the entrepreneurs I represent and the artists they work with. We don't have time to wait much longer. Bill C-11 has to be adopted and the CRTC has to remain flexible.

I don't know how much speaking time I have left, but I could say more about Ms. Fortier's comments, if you don't mind.

• (1250)

[English]

Mr. Tim Louis: Yes, please do.

[Translation]

Mr. Jérôme Payette: There are a lot of things on YouTube. We are interested in everything related to the music sector, because we represent the workers in that sector.

These platforms have teams that interact with the music industry. They decide on editorial policies and recommend content on the basis of these policies. Sometimes, this means editorial playlists established by company members, and sometimes algorithmic playlists. Some of the algorithmic playlists include songs chosen on the basis of the company's editorial policies. In short, these companies choose the winners and losers without giving consideration to anything other than their portfolio.

The Broadcasting Act defends cultural objectives. For francophone music, for all non-anglophone minority community groups and for groups seeking equity, the new act will really make it possible to improve things. The CRTC must be given the flexibility it needs to do its work. It has to be able to rely on real data and experts, and ignore anecdotal evidence. It has the resources to do this effectively for Canadians in order to give them access to more choice and more diversity.

Canada has been noteworthy for 50 years now in terms of protecting culture and the diversity of cultural expressions, and for combatting cultural uniformity. This has to continue. We can't allow the platforms to become a law unto themselves.

Mr. Tim Louis: Thank you very much, Mr. Payette.

[English]

Madam Chair, I believe that's my time.

[Translation]

Mr. Martin Champoux: Madam Chair, your mike is on mute.

[English]

Mr. Tim Louis: I'll keep going if I can.

The Chair: I am trying to unmute myself, Martin.

For the Bloc Québécois, Martin Champoux for two and a half minutes, please.

[Translation]

Mr. Martin Champoux: Thank you very much, Madam Chair.

I'd like to return to what Mr. Geist was saying earlier. He mentioned that the audiovisual production sector was doing very well in Quebec.

Mr. Geist, with respect, I would say that the ratios are the same as in the rest of Canada. A lot of these figures still come from production services that are not involved in local creation. These are not productions that tell Quebec and Canadian stories. They are the same ratios with the same problems. So the situation is disastrous in Quebec too.

Let's assume that we agree that user-generated content, culture, the audiovisual production industry, broadcasters, and so on, all need tight regulation. If we were to agree on that, what would be the most appropriate regulatory body to administer it all? You don't seem to think that the CRTC is the right organization.

What would you suggest to regulate all this?

[English]

Dr. Michael Geist: I don't think I said the CRTC shouldn't be regulating. On the broadcast side, I think what I've tried to say is

that user content and the work coming out of the Internet is not broadcast, so that ought to be outside of the CRTC's remit, because it's inappropriate to put it in this regulatory structure.

On the broadcast side, to respond to your question, the CRTC is the appropriate place, but there are other issues. You noted that it's not local production. With respect, that's often not true. For example, *Jusqu'au déclin*, produced by Netflix, had a Canadian production company, screenwriter, director, lead performers, director of photography, production designer, composer and editor—everything Canadian—and yet it's not treated as Canadian. I can name others: *The Willoughbys*, *ARQ*, *In the Tall Grass*. The reality is that we are seeing a lot of Canadian production from all of the major streaming services.

One of the problems that we face, whether in Quebec or outside of Quebec, is that we have definitions that frankly don't work if what we are truly trying to do is tell Canadian stories. As I noted off the top, one of the most ardent supporters of regulation in this space, Peter Grant, has himself said the Canadian content rules don't even require them to be Canadian stories. If your goal in this legislation is to ensure that this happens, then surely one of the things you need to do is ensure that the regulations themselves better reflect those Canadian stories.

• (1255)

[Translation]

Mr. Martin Champoux: I'd like to ask you a final question, Mr. Geist. I'll be brief.

You don't acknowledge that streaming music and audiovisual productions on online platforms constitutes broadcasting activities.

Did I understand you correctly?

[English]

Dr. Michael Geist: No, I didn't say that. I said that user content—

The Chair: I'm sorry, Dr. Geist and Martin; we have ended. There is no more time.

We will go to the NDP and Peter Julian for two and a half minutes, please.

Mr. Peter Julian: Thank you very much to all the witnesses today.

I think the most disturbing testimony we heard was from you, Mr. Danks. We've heard about the secretive algorithms, and as Mr. Payette referenced, these massive companies that choose winners and losers without the public even being aware of how they have put these algorithms together. Your testimony about simply being refused by streaming services is very disturbing to me. If you could expand a bit more on these companies that basically refused service, how did they justify that exclusion? What recourse did you have?

Mr. Brad Danks: They justified it by simply saying that they're not interested in LGBT content. One American company, one South Korean company and one Chinese company, all of whom you would know by name and through function, simply said, "We won't put that content on our platform."

That is one of the bigger problems that I see us having in Canada. There's another problem related to that. You mentioned algorithms. Many of the streaming platforms use an algorithm to determine whether or not you'll have any subscribers, and they'll say, "We can't take you, because you're not going to have any subscribers." We had an example with one where we literally had to hack their algorithm by putting content like ours on their free service in order to demonstrate that there was interest in the content.

We have a real problem, where the streaming services turn around to a Canadian service like APTN or others, for example, which are really important in Canada, and say, "Our algorithm says no one is going to watch you". I'll say, "Yes, but that's maybe not true, because we have a lot of people in Canada who will."

We have to be really careful, because algorithms are very backward-looking and they look at what's already been done, not what can be done in the future.

These are certainly big problems, but I'll reiterate that we are very concerned that many of the larger aggregators that will arrive.... I will not speak ill of Amazon, Apple and Roku. They've been terrific to Canadian providers, but there are others coming that will not have the same attitude. Some of them are extremely powerful, very popular, and owned by and have attachments to foreign governments. We will simply not be able to access those services without the CRTC's authority to say, "You shall be on and you shall be paid fairly".

The Chair: Thank you very much, Peter.

You have six seconds. I don't know that you can get a Q and A into that.

Mr. Peter Julian: Thank you. This is very important testimony and we will take it to heart.

Mr. Brad Danks: Thank you.

The Chair: Thank you very much.

I want to thank the witnesses for coming. You've spent two hours with us. That's been a long time, so I want to thank you for your patience and your diversity of opinions.

With that said, we will suspend so that we can get into our next panel.

Thank you very much.

• (1255)

(Pause)

• (1300)

The Chair: I call the meeting back to order.

I'd like to make a few comments for the benefit of the witnesses in the room.

For those of you who need interpretation, you have the choice at the bottom of the screen of English or French. I would remind you that all comments should be made and addressed through the chair.

I now want to welcome our witnesses, and we will begin. Witnesses have five minutes to present, regardless of whether there are two of you, so each organization has five minutes to present. That will be followed by a round of questions and answers.

We have with us Dr. Irene Berkowitz, senior policy fellow at the audience lab of the creative school at Toronto Metropolitan University. We also have Mr. Alain Saulnier, author and retired professor of communication from the Université de Montréal.

We'll begin with Ms. Berkowitz for five minutes.

Thank you.

• (1305)

Dr. Irene Berkowitz (Senior Policy Fellow, Audience Lab, The Creative School, Toronto Metropolitan University, As an Individual): Hi, and thank you for inviting me. I am appearing as an individual, not on behalf of the Toronto Metropolitan University.

I've been writing publicly on issues relating to Bill C-11 since 2014, when I testified at "Let's Talk TV".

Bill C-11 to me is not the visionary legislation we deserve. Its story could have been how a small nation of 37 million will engage a global audience of seven billion. As one of few researchers to table original data on new and legacy content, I'm deeply concerned that C-11 will chill Canadian media innovation.

Today, I'll share data from Watchtime Canada, the YouTube study I led, and my book *Mediaocracy*, which is on legacy media. To be clear, Bill C-11 does not support Canadian storytelling. It supports old ways that define and distribute our stories.

As you heard this morning, Bill C-11 needs clear, decisive amendments. Politicizing this process hurts all Canadians, because we all benefit from a strong media sector, and so does our tax base. Our media is our face to the world.

Our Liberal Prime Minister Justin Trudeau asserted in 2016 that Canada would be known for resourcefulness, not resources. Just this month, this May, Trudeau announced a \$3.6-billion auto sector investment that will make Canada a global leader in electric vehicles, innovations that he said will create hundreds of jobs.

Without public investment, YouTube, costing more than \$6 billion annually at no cost to Canada, created more than 160,000 Canadian entrepreneurs and 30,000 jobs. Make no mistake; as you've heard today, working YouTube, TikTok or Instagram is grueling. We found that 60% of eligible channels on YouTube earned less than \$10,000, and 9% did earn more than \$100,000, but it's 100% risk—no free ride.

Yet in open global competition for audiences, Canadians are winning. They're YouTube's number one exporters, with 90% of views outside of Canada, diverse without quotas and enhancing the soft power of our values around the world.

YouTube has empowered local Canadians of every race, ethnicity, ability and gender to engage global audiences. French Canadian YouTubers include this year's Juno nominee singer Charlotte Cardin, Chef Carl is Cooking, beauty artist Cynthia Dulude and Radio-Canada journalist PL Cloutier.

Bill C-11's wrong turn starts with the notion that CRTC has jurisdiction over the whole internet for two reasons. The first is scale. Consider the math. On YouTube alone, 500 hours of content is uploaded per minute, which is 12,000 a day, 150,000 a week. Then add TikTok and other platforms. YouTube does know what's uploaded in Canada; it just doesn't know if the uploaders are Canadian or their team. They don't know if Canadians are uploading from any other place on earth, say, a Buffalo Airbnb, or a VPN. Shoving the new into the old instantly gets absurd.

Second, new media is a feature, not a bug. It's additive innovation. The open Internet paved our way to electric cars, mRNA vaccines and more. Why mess with the earnings of self-starters who never asked a penny from the public purse? If user-generated content, why not video games and reality TV? These are two genres that are healthy because they are market-driven. Bill C-11 gets it backwards. Instead of positioning new media as a model to engage audiences, it ensnares new media in the epic fail part of our old media: disregard for audiences.

Amendments to narrow scope and clearly delete user-generated content would have multiple benefits of quelling concerns about free speech, discoverability—at least for UGC—and the 1950s-style rule-making authorities. The result would focus CRTC on what it does urgently owe legacy media: producer-accessed, platform—agnostic funding.

As a researcher who believes in data-based, goal-driven policy, I ask this: What is C-11's goal? I get that Liberals have the power to pass Bill C-11 as it's written, yet if they do, I suspect challenges will long delay the urgent work and promised windfalls, as you heard this morning.

I'll close with the words by a legacy media CEO who recently sent me an email about Bill C-11. It's short. Here it is: "The industry is shooting itself in the foot."

Thank you for your time. I'm truly honoured to be here, and I look forward to your questions.

The Chair: Thank you very much, Ms. Berkowitz.

I'm going to go to Alain Saulnier, author and retired professor of communications from Université de Montréal.

• (1310)

[*Translation*]

Mr. Alain Saulnier (Author and Retired Professor of Communication from Université de Montréal, As an Individual): Good afternoon.

I taught journalism, particularly investigative journalism, at the Université de Montréal for about 10 years. That's when I became particularly interested in the relationship the media and culture have with the Internet giants. My acquired expertise led me to publish a book in February whose title is *Les barbares numériques: résister à l'invasion des GAFAM*.

I also spent time as the director of information at Radio-Canada. From 1992 to 1997, I was the president of the Fédération professionnelle des journalistes du Québec. More recently, from 2017 to 2019, I co-chaired Culture Montréal's Commission permanente Montréal numérique.

I said that I was particularly interested in the relationship the media and culture have with the Internet giants, most of which are American, and which I call barbaric.

Here is a quote from my book:

The history of the Western world will record that it was the most important conquest of the 21st century. What am I talking about? The conquest of the digital world and our lands by American superpowers. In fact, it was the most crushing attack on national sovereignty ever experienced by states in the new millennium.

That's why I believe that states and their institutions need to take appropriate measures to protect their media and their culture. In my brief, I place more of an emphasis on the protection of our francophone language and culture. The problem is that I don't think we've understood that for us, francophones, this invasion of our territory by the Internet giants has marginalized our media, our language and our culture. We must never forget that these superpowers are largely American. It's an invasion that has to be resisted.

I believe that Bill C-11 is one way of accomplishing that. Additional measures will, I hope, be introduced. The CRTC could also address the various aspects of implementing this act. In any event, it's one way of regulating the cohabitation between American Internet giants and us. It's essential to place foreign digital companies and Canadian digital companies on an equal footing.

Giving the CRTC the power to regulate all digital activity pertaining to culture and communications could promote a healthy form of cohabitation between the Internet giants, on the one hand, and our own companies, creators and people, on the other.

Requiring superpowers to reinject a significant share of their revenues here, in creation and production by people from here, is one way of supporting our cultural milieu and our media. That would be the best way to counter the American content that dominates these platforms.

Protecting our cultural sovereignty is what it's all about. Doing nothing amounts to total *laissez-faire*. Playing the game with those rules would give us nothing. Doing nothing amounts to allowing these Internet giants and their marketplace laws to dictate for us what's good and what's bad. As we have been able to see, they have failed in terms of self-discipline in performing the role of major content regulatory bodies. False information has piled up, particularly over the past two years. And all the while, they have generated record profits.

In Canada, we have always been able to respond when American corporations have attempted to invade our territory with their cultural content. That's why the Canadian Broadcasting Corporation was established in 1936, and why the CRTC was entrusted with the power to regulate communications. Similarly, the government introduced television in 1952 to counter American television when Americans treated Canada as part of their market.

In 1997, the CRTC unfortunately missed the boat when it decided not to regulate the Internet so that it could foster its growth. Well, the growth has happened, and that's the best I can say about it. These days, people under 35 years of age live strictly through the social networks and platforms operated by these American Internet giants. They obtain information through social networks, which weakens our own media. Their main source of music is now YouTube. A little earlier, Mr. Jérôme Payette pointed out that Quebec's market share was only 8% for those among the 10,000 most popular performers. How can you have a career in music when a single play on YouTube earns the songwriter only half a cent.

There is another source of concern. For the first time in our history, traditional television is being outpaced by streaming platforms like Netflix, Amazon and Disney+. According to the Media Technology Monitor, 70% of anglophones and 58% of francophones in Canada have a Netflix subscription. That's how people watch television series and movies now.

So today, we need to go through the same exercise again. The Internet giants want to establish their own ground rules and are challenging ours.

As we heard, they are lobbying heavily and fighting against state efforts to establish a healthy form of cohabitation between them

and us. That's why we need to act now. Bill C-11 is a first step in that direction.

As I wrote in my book, it's late, but it's not too late.

Thank you for your attention.

• (1315)

[English]

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

I now go to the final panel group and that is the Coalition for the Diversity of Cultural Expressions. There are two witnesses there. There is Nathalie Guay, who is executive director, and Bill Skolnik who is co-chair.

You have five minutes between the two of you, so one of you may speak or you may split the time in two. It's your decision.

Mr. Bill Skolnik (Co-Chair, Coalition for the Diversity of Cultural Expressions): I'm going to start.

Thank you, Dr. Fry, and I'd like to thank the committee very much for having us once again. It's a great honour, and we're very pleased to be here. My name is Bill Skolnik. I am the co-chair of the Coalition for the Diversity of Cultural Expressions.

We are an alliance of 47 associations representing more than 200,000 performers, creators, technicians and professionals, and 2,000 organizations in music, screen production, book and music publishing, live performance and the visual arts. For more than 20 years, our members have been working together to protect and promote Canada's diverse cultural expressions. My colleague Nathalie Guay and I have been delegates at several UNESCO assemblies held to support the objectives of the 2005 UNESCO convention on the diversity of cultural expressions.

Canada, as I'm sure you are aware, was the first country to ratify this convention and is considered a leader in ensuring that the principles of the convention are upheld. This crucial protection and promotion requires the exercise of cultural sovereignty, and that is the essence of Bill C-11. The Broadcasting Act is cultural policy. It is our belief that this tradition and legacy must continue to thrive. Moreover, the review of the Broadcasting Act is an essential part of the tool kit needed to redefine and rebalance our ecosystems.

This committee has had the chance to learn at length about the impact COVID has had on our sector. The CDCE applauded the tabling of Bill C-11 on February 2. We can only hope that this attempt to revise our legislation will conclude shortly so the benefits can reach Canadian creators, artists, producers and organizations as soon as possible. They have been waiting for a very long time.

Finally, allow me to recall that, according to a recent Nanos poll, the legislation has broad support from the public.

I will now turn the floor over to Nathalie who will present the changes that we ask you to consider. These proposals emerged from intense and detailed discussion, and represent a broad and unified consensus crafted by our multi-faceted membership and beyond.

Thank you.

[*Translation*]

Ms. Nathalie Guay (Executive Director, Coalition for the Diversity of Cultural Expressions): Good afternoon, everyone.

My name is Nathalie Guay, the Executive Director of the Coalition for the Diversity of Cultural Expressions, which has only a few requests to make with a view to improving Bill C-11.

First, the broadcasting system must continue to promote Canadian talent. The suggested wording of paragraph 3(1)(f) establishes two regimes. The first sets higher expectations for Canadian undertakings, including online Canadian undertakings, with respect to the use of Canadian creative resources, expenses related to Canadian programming, contributions to the fund for the support of content development and efforts to promote Canadian programming. The second regime opens the door to reduced requirements on foreign online companies in these areas.

It shouldn't be forgotten that the Canadian Heritage estimate that the bill could lead to the injection of an additional \$830 million per year in our ecosystems was largely based on an estimate of spending on Canadian programming and on a contribution comparable to the current obligations of Canadian broadcasting undertakings. With a two tier system, there is a risk of setting this objective aside, not to mention the fact that an imbalance is being introduced between the respective obligations of Canadian undertakings and foreign undertakings.

Second, we think that the CRTC orders need to be subject to the possibility of an appeal to the Governor in Council to have them cancelled or referred back to the CRTC for review and a new hearing. It would simply adapt the current provision in the Broadcasting Act to the new regulatory framework. In addition, it could strengthen both parties' confidence in the CRTC.

Third, we would like to see a public hearing process for orders. We think that this would encourage a more effective way of factoring in the various points of view, particularly with respect to potential stakeholders' varying levels of experience and resources, and also because hearings provide an opportunity to respond to the arguments of other parties.

Fourth, we suggest an amendment to subsection 8(2) to allow for providing full representations concerning a notice rather than simply a summary.

Fifth, we would like the committee to reintroduce a number of terms that had been adopted in the former legislative instrument, Bill C-10. I could explain that in further detail if anyone would like me to.

To conclude, we are not proposing any changes to the social media provisions. The government has already tightened this up by proposing criteria that the CRTC should use for its analysis. We also believe that adding further details would make the framework less flexible and would create loopholes that would make the new framework obsolete.

Thank you very much for your attention.

• (1320)

[*English*]

The Chair: Thank you very much.

That brings us to an end of the witness testimony. Now we're going to the question and answer segment. It's a six-minute round. Those six minutes include questions and answers.

I will begin with Mr. Kevin Waugh for the Conservatives.

Mr. Kevin Waugh: Thank you, Madam Chair.

Thank you to the three groups that are in front of us here this afternoon.

I'll start with the Coalition for the Diversity of Cultural Expressions. I believe you were in front of us on Bill C-10, so what's changed, in your mind, between Bill C-10 and Bill C-11?

Nathalie, I noticed that you talked about the \$830 million that was supposed to be generated. At the time, it was Minister Guilbeault. Nobody substantiated that \$830 million. Nobody knew where that number came from. To be honest with you, as a hypothetical number, the minister at the time said that would be the windfall for Canadian producers. Maybe you can comment on that, because you did bring up the number of \$830 million.

[*Translation*]

Ms. Nathalie Guay: Thank you very much for the question. I'd be glad to answer it.

I found the methodology used for the calculation at the Canadian Heritage site. I'd be happy to send you the information. It clearly explains how these amounts were determined for both the audiovisual and music sectors.

We would like to point out four major differences between Bill C-10 and Bill C-11. First, in Bill C-10, there is a mention of "original programs in French", whereas in Bill C-11, unfortunately, the reference is to "original French language programs". In addition, it's important to us that the expression "official language minority communities" be put back into Bill C-11.

Then there is the question of the factors that would encourage independent producers to own the intellectual property. I'm talking about the new section that provides guidelines for the definition of Canadian programs.

Finally, with respect to paragraph 3(1)(a) of Bill C-11, which concerns the fact that the Canadian system ought to be the property of Canadians and under their control, we would propose a different wording, because we believe that the changes made could make it easier for foreign undertakings to acquire Canadian undertakings.

Of course, there is also the new item on social media. We had been satisfied with the final wording in Bill C-10. Now, we consider the sandbox, as it has been called, to be an acceptable solution. We are very much looking forward to the next phase so that the CRTC can do the work of reviewing the data. We're hearing a lot about how this might play out, and about the various types of regulations that could affect social media. However, it's important to remember that the first phase consists of conducting an analysis and that this can only be done once there is enough transparency and data sharing among the principal stakeholders and the CRTC.

• (1325)

[English]

Mr. Kevin Waugh: Thank you. We heard the same from the CRTC and the chairman last week. It's going to take at least two years to set up, if not longer.

I'll go now to Dr. Berkowitz.

You are speaking as an individual. Thank you for that. You mentioned 30,000 jobs. My Internet was in and out, so I just want you to repeat how the industry has flourished, certainly over the last two or three years, on YouTube and how well Canadians are doing. We certainly saw that here with the awards in this country. You did point that out.

It's an industry that is growing at a rapid pace. Canadians are very proud of their content and are sharing it worldwide. You had some numbers I wish you would go over again with us, if you don't mind.

Dr. Irene Berkowitz: Thank you so much for your question.

I can give a brief review of the UGC numbers and then also give you some comments on the legacy media, which is, as was mentioned earlier this morning, performing marvellously.

Here's this Watchtime report. I really, truly wish you would all read it because there are 50 data charts in here. The bottom line is that Canada is the number one for exporters on the entire platform. We did quite a conservative evaluation. All the methodology is described in the report. In the 15 brief years of YouTube's existence, there are already 30,000 full-time jobs for Canadians and 160,000 Canadian entrepreneurs who are trying to make it without any public investment.

Going over the the legacy side, as was reviewed this morning by Dr. Geist, you've heard about record TV employment thanks to these global platforms. You've also heard of shows like Denmark's *Borgen*, Israel's *Fauda* and South Korea's *Squid Game*. I wanted to add that small countries like ours are really killing it on the global stage today because they have done the policy work that we really need to get CRTC to focus on.

Language is not a barrier. Competition is rising and it is imperative that we update and innovate our own policy because streamers really need content that will make it on the global stage.

Mr. Kevin Waugh: Thank you very much, Dr. Berkowitz.

The Chair: Thank you. That's the end of that round.

I would like to go to the Liberals for six minutes with Tim Louis.

Mr. Tim Louis: Thank you, Madam Chair.

Thank you to our witnesses. I appreciate your being here.

I'll begin the questioning through you, Madam Chair, to Professor Saulnier.

You did a wonderful job explaining how, as a nation, we've reacted in the past in regard to media and culture over the decades and how we've protected our culture. Now we're well into the digital universe, and it seems past time to do something.

Could you just express the importance and the time limits of what we're doing and what Canadians have already done for decades, which is protecting our cultural sovereignty and our voices?

[Translation]

Mr. Alain Saulnier: As I was explaining a little earlier, when Canada and Quebec had to deal with the influence of American culture at their borders, the government decided to do something about it. In 1936, the CBC was created. Later, the CRTC obtained regulatory authority over communication. In 1952, the English counterpart of Radio-Canada, CBC/Radio-Canada was created to counter that influence.

It's important to be able to continue to fend off this invasion, this imposition of American content. In the movies, for example, the major established American studios consider us part of their domestic market. That's why they screen all of their blockbusters in our movie theatres, in all our major cities and just about everywhere else in Canada.

As I was saying a little earlier, in 1997, the CRTC missed an opportunity. It thought that allowing the Internet to develop on its own without any regulation would promote its growth. But I believe that was a mistake. We should have reacted more quickly. Since then, it has grown into the law of the jungle. As a result, cultures like ours—I'm not talking only about francophone culture, but first nations culture too—are becoming increasingly marginalized and it's difficult for artists to be discovered. That's why we need some regulation, and an act, and the CRTC needs to be granted the regulatory powers that will put us on an equal footing.

Otherwise, it will be a return to the law of the marketplace and the Internet giants, who will determine what's good for us and what isn't. I personally don't want that.

• (1330)

[English]

Mr. Tim Louis: Thank you.

I believe you mentioned that the main gateway to music is YouTube, yet very few artists are making a living from YouTube. We're also seeing a public that's increasingly more dependent on online social media platforms and those streaming services.

What about the artists and creators who have that presence online? Would you consider them dependent on these digital platforms, and in what ways are these digital spaces making our creators vulnerable?

[*Translation*]

Mr. Alain Saulnier: Earlier this morning, Mr. Payette explained to us just how drastically the field of music had changed since the introduction of these online platforms. Now, the largest source of music is YouTube.

We have excellent artists, like Hubert Lenoir and Ariane Moffatt, who get some exposure. How do you get exposure? You can perform at concerts, release what we used to call records back in the day, or make sure that your music as much play as possible on radio. However, that's no longer the way people listen to music.

That means not only that a different way has to be found to regulate the presence of music on platforms like YouTube, but also to ensure that francophone artists can be heard on these platforms.

The task of determining how this can be done will no doubt fall to the CRTC. What will clearly happen unless an act like the one being studied at the moment does not receive support, and if we are unable to provide a regulatory structure to support it, francophone artists will remain undiscovered. It will mean that our writers will will almost no money. In the medium and longer term, it means the disappearance of our music.

[*English*]

Mr. Tim Louis: I very much agree. Thank you.

Maybe I could turn to Mr. Skolnik. Bill C-11 has important provisions to support our programming specifically for historically overlooked communities. Can you speak to how Bill C-11 will be important to our cultural identity and our community, and how that window is closing and this timing is critical?

Mr. Bill Skolnik: As you heard, we're in favour of diverse cultural expressions. That's our *raison d'être*. The window is closing because, whether it's deliberate or inadvertent, the large platforms are taking over. We need to allow particularly our indigenous folks, and other communities as well, the ability to continue to receive funding through the various means that the traditional broadcasters have provided. That is something we want to see continue and that's represented in Bill C-11 by using the platforms and their contributions.

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

Now we move to the Bloc Québécois and Monsieur Champoux for six minutes.

[*Translation*]

Mr. Martin Champoux: Thank you very much, Madam Chair.

I'd like to thank the witnesses for being here with us today.

[*Technical difficulty—Editor*]

• (1335)

[*English*]

The Chair: Martin, can you say something?

Clerk, can we suspend for a while so you can check out what's happening, please?

• (1335)

(Pause)

• (1335)

The Chair: We're back.

[*Translation*]

Mr. Martin Champoux: I'm back.

I hope you didn't miss me too much, Madam Chair.

[*English*]

The Chair: I missed you a lot, Mr. Champoux.

[*Translation*]

Mr. Martin Champoux: Mr. Saulnier, you were the director of information at Radio-Canada at a time when digital platforms were beginning to expand dramatically. If I'm not mistaken, you were among those who, at the time, felt that Canada should have regulated this new reality more quickly.

I believe that Canada waited much too long before considering regulation.

What did people tell you at the time when you told them that something had to be done about the Internet giants that were beginning to occupy that space?

Mr. Alain Saulnier: You have to remember what it was like at the time. Steve Jobs became a major creative celebrity. We were all obsessed and enthralled by the creativity and modernity of these people. I'm talking about people like Mark Zuckerberg and Jeff Bezos.

In a way, I think that successive governments—the Conservatives and the Liberals—until recently had the impression that it would be unwise to do battle against the Internet giants. Remember the Netflix tax. People said that it shouldn't be introduced. Remember also that there was an outcry in Quebec, because the media and the cultural milieu decided instead that something had to be done.

If we were too slow, it's because we were impressed and mesmerised by the power of these Internet giants, which oozed modernity.

We are beginning to put all of that into a framework, which is all to the good. However, we lost a full year over Bill C-10, which died on the Order Paper when the election was called. Personally, I believe that the longer we wait, the longer we will be stuck with the law of the jungle that I alluded to earlier.

At the CBC, people were telling us that it was important to be on Facebook. What happened? We went on Facebook. All the media shot themselves in the foot at the time because it meant that we were becoming increasingly marginalized. You can't allow access to the media through social networks. Things have to be done differently. The media have to be very strong.

Mr. Martin Champoux: I don't want to draw a parallel with the wild west, but that's what we're seeing, to some extent. The market has indeed developed without any framework or regulation.

I know that you mainly worked in information, but you also taught communications at a university. You therefore have a good overview of the industry.

Do you think that if we had done something 10 or 15 years ago, when it could be done easily and gradually, the market would be very different today, not only for the platforms, but also for the news and cultural content creators?

Mr. Alain Saulnier: We've allowed these giants, these platforms, to set up permanently in our jurisdictions, and Canada and Quebec aren't the only ones dealing with this. Every country in the west has had to face this new reality. That's why it has taken everyone so long to respond, although Europe has taken a much more aggressive approach, if you will. Here, though, we have been much too slow to make regulations.

Now, it feels as though we are up against giants and reeling them in at all is impossible. That is why I think Parliament needs to pass Bill C-11 quickly. If lawmakers don't do it now, they'll just be kicking the can down the road yet again.

Small cultural groups around the world—that includes us, as francophones—will become even more marginalized than they are today. Lawmakers should not wait any longer; nor should they be influenced by the digital giants who want to impose their content their way by deciding what is good and what is bad. We can't go down that road.

• (1340)

Mr. Martin Champoux: Thank you, Mr. Saulnier.

Ms. Guay, you heard what the witnesses in the previous panel said.

I'd like to hear your comments on that discussion. I am certain that you didn't miss a second of it.

Ms. Nathalie Guay: You're right. I didn't miss a second.

[*English*]

The Chair: Ms. Guay, you have 30 seconds.

[*Translation*]

Ms. Nathalie Guay: I have to tell you that I agreed with all the points raised by my colleague Jérôme Payette, who is the treasurer for the Coalition for the Diversity of Cultural Expressions. It's unfortunate that those who support the bill are seen by some as people who don't really understand what's going on, people who are out of touch, people who are no longer in the know.

We see the efforts artists, creators and companies on the ground are making to contribute to the wealth of metadata and gain visibili-

ty on the platforms. They are working harder and harder with fewer and fewer resources to break into the market. It's really unfortunate to hear what is being said about the arts community, but I can talk more about that later.

Mr. Martin Champoux: Rather than creating division, we should all be joining forces to help the arts community flourish.

[*English*]

The Chair: Thank you so much, Mr. Champoux. I think we're finished there.

I'm going to go now to the New Democratic Party.

Peter Julian, you have six minutes.

[*Translation*]

Mr. Peter Julian: Thank you, Madam Chair.

I'd like to thank all the witnesses for their presentations, which were very informative. I hope they and their family members are healthy and safe given the ongoing pandemic.

I have three questions. They are for Mr. Saulnier, Ms. Guay and Mr. Skolnik.

My three questions have to do with comments made by the first panel of witnesses we heard from today.

Number one, the OUTtv Network executive told us that online platforms were engaging in a form of discrimination by rejecting certain content. I'd like to know more about that.

Number two, I want to know how exactly Bill C-11 could impact Canadian artists. Mr. Payette said that the big companies picked the winners and losers and that the bill could help create a more level playing field for Canadian artists.

Number three, if Parliament does not pass Bill C-11—if we allow the industry to go unregulated for even more years—what impact will it have on Canada's cultural industry and Canadian jobs?

I'd like to hear from Mr. Saulnier first, please.

Mr. Alain Saulnier: I will focus on the last question.

Doing nothing will marginalize cultural groups, like francophones, all over the country.

Artists, video-makers and authors have worked too hard for lawmakers to suddenly let the market dictate what happens, leaving it up to companies—whose editorial policies and strategies are determined by shareholders—to decide what is good or bad for us. That is not up to them, so we really need to get moving. We can't wait another 30 years for a new Broadcasting Act. We need to act quickly.

In my view, we are in danger right now. By we, I mean franco-phones, first nations and small cultural minorities other than anglo-phones in the west. We need to do something, and we need to do it now.

I would call Bill C-11 a first step. Other legislation is coming, including Bill C-18, which deals with the media. In fact, I would be happy to appear again once the bill has been referred to the committee. To my mind, we need to start moving the needle now.

• (1345)

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

Would you care to add anything, Ms. Guay?

Ms. Nathalie Guay: Thank you, Mr. Julian.

I completely agree with what Mr. Saulnier just said.

I have some statistics in connection with the last question.

Between 2016 and 2020, contributions to the Canada Media Fund and other such funds dropped from \$431 million to \$397 million. Canadian programming expenditures declined by 6.7% for conventional services and 9.3% for discretionary and on-demand services. It is clear that more people now subscribe to online services than to conventional cable or satellite television services.

The transition is quite advanced. The funding needed to support the continued creation and production of oh-so-important Canadian content is dwindling. It's about more than just jobs or the economy. It's about people being able to see themselves reflected on screen.

Our cultural sovereignty matters because it contributes to shared values and a collective identity that means something. It's not about cutting ourselves off from the rest of the world. It's about making sure a diversity of cultures and identities continue to exist in the world, as opposed to one homogenized culture where everyone thinks exactly the same way.

It is vitally important to implement policies that encourage diversity and create a place for stories that showcase the experiences of the LGBTQ+ community, for instance. That is fundamental. The market may see no reason for doing that, but the values represented by openness and the need for tolerance are the reasons.

Having a cultural policy is essential if we want the content available to us and what we teach our children to reflect what we aspire to be as a society.

[*English*]

Mr. Peter Julian: Thank you very much.

Mr. Skolnik, I'll ask you the same three questions.

Mr. Bill Skolnik: Most of what I'm going to say has been said by both Professor Saulnier and my colleague. I think what's vital to realize here is that—and I think Professor Saulnier already said it—this isn't new. Other countries in the world, particularly in the European Union, are leading the way here. They recognize that, as much as we appreciate the content that we get from the platforms, it's very important to maintain your own identity. It's very important to have your own stories told, or at least the perspective from your own citizens. It's not mutually exclusive. Everybody would like to

be on the legacy networks despite the fact that they are also on the platforms.

The Chair: Thank you.

We're going to go to a second round now. It's a five-minute round this time. I'm beginning with Mr. Uppal from the Conservatives.

You have five minutes. Please go ahead, Tim.

Hon. Tim Uppal: Thank you, Madam Chair.

I'm going to start with Ms. Berkowitz. There has been some considerable discussion about diversity—

[*Translation*]

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

I think the honourable member needs to adjust his microphone.

[*English*]

The Chair: Mr. Champoux, we are also going to have to go with the same kind of round we had the last time by not having a full round.

We're going to go with the Conservatives for five, the Liberals for five, you for two and a half and Mr. Julian for two and a half, and it will end there because we don't have a lot of time left.

[*Translation*]

Mr. Martin Champoux: Thank you for that clarification, Madam Chair.

I raised the point of order simply to indicate that my fellow member needed to adjust his microphone.

[*English*]

The Chair: Thank you.

I'm sorry, Mr. Uppal. You can start again. Thank you.

Hon. Tim Uppal: Thank you, Madam Chair.

Thank you, Martin, for reminding me about the mike.

Ms. Berkowitz, I just want to start with you. We've had a considerable discussion about cultural diversity and protecting cultural diversity, but we also in Canada have a considerable population that speak a third language or that represent ethnic cultural diversity. Not only for my parents' generation but even in my generation cultural diversity also means seeing some international content.

Canadian content creators are collaborating with international creators. Many singers are singing in a third language and either they're using musicians from other countries or some of their production is actually being done in other parts of the world. Even a lot of the content in local news, from what I understand, the interviews and whatnot, is done here in Canada but it's produced internationally. Some of that is just because of the time difference. They're able to do this overnight and send some clips to India. It gets produced there and then shown here. A lot of that's being done online, being shown online, and Canadians are able to discover it online and see that.

I'm hearing from content creators who are doing cultural content creation and who are concerned that this bill would actually hurt their ability to reach their audience here in Canada. What do you think about that?

• (1350)

Dr. Irene Berkowitz: Thank you so very much for that question.

This is a huge topic. I'll try to make a few comments in the time allotted and will be happy to follow up.

First of all, from a theoretical point of view, it comes down to whether protection by data strengthens or competition strengthens. We found that, in open competition, YouTubers have become, in 91 countries, the number one exporters and are diverse without any quotas, mostly equal to or in some cases in excess to StatsCan.

That's for the creators, but in our research, we asked both groups what they thought about YouTube. I direct you to figures 2.21 and 3.15. Canadians really cherish the diversity they see on YouTube, and 90% of Canadians—we were so surprised by this data that we parsed it for age, for geography and for language—don't search for Canadian content. They search for the content they want to watch, and they treasure the access to global content.

As well, a majority of Canadian creators, when we asked them this, felt that if there were a sort of artificial discoverability imposed on their channel, which means they would lose the ability to organically rise in other countries, which directly impacts their revenue—that's a long explanation that probably should happen at some point, but anyway—they would be very negatively impacted by that.

Canadian consumers and creators on YouTube are aligned in wanting this to remain an open platform. Does that answer your question?

Hon. Tim Uppal: Yes, thank you.

Thank you for that and—

The Chair: Mr. Uppal, can you plug in your mike, please? I think it's unplugged.

The technicians say you are using your computer microphone, not your headset microphone.

Hon. Tim Uppal: No. I am using the headset mike.

The Clerk: If I may, Mr. Uppal, if you could just go to the bottom of your screen, in the bottom left corner, where it says “unmute”, there should be—

Hon. Tim Uppal: Is that better? Has it changed?

I'm getting a lot of thumbs-up.

The Clerk: I'm being told it's selected. Thank you very much for the change, Mr. Uppal.

Hon. Tim Uppal: That's perfect. Thank you.

I just wanted to know.... To switch over to the Coalition for the Diversity of Cultural Expressions, since we do have this concern with ethnic experience in Canada, and with those creators having concerns that this bill would actually hinder their ability to reach an audience, do you not think that cultural experience should also be protected in the same way?

Mr. Bill Skolnik: Nathalie, do you want to go ahead?

Ms. Nathalie Guay: Yes. I think that if YouTube, let's say, or other services go in front of the CRTC and demonstrate that these types of measures would have that impact, I do trust that the CRTC would not impose such conditions. I think this argument that we have been hearing over and over is not up to now based on any facts, and there are many other ways to promote and showcase the content than just tweaking the algorithm.

There is also the assumption that there is no Canadian content that would fit the preferences of any other users. I find that.... Let's go to the CRTC. Let's bring those data and experiences, the CRTC will examine the broadcasting policy objectives, and we'll determine what the different services will need to do to showcase these contents in a way that will not obviously harm other Canadian creators.

• (1355)

Hon. Tim Uppal: Are we in a situation—

The Chair: Thank you, Mr. Uppal. I think you only have a few seconds left.

Hon. Tim Uppal: That's fine, then. Thank you.

The Chair: Thank you very much.

I now go to the Liberals for five minutes.

We have Chris Bittle.

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

Dr. Berkowitz, in a study in 2020, you indicated, “Canadian creators are rocking it on YouTube.” In the study, you say, “70% of channels eligible for monetization (minimally requiring 1,000 subscribers) reported earning some form of revenue. From this group of eligible YouTubers who earn revenue, 60% generate \$10,000 or less.” Is that correct?

Dr. Irene Berkowitz: I think you are quoting from the Watchtime Canada 2019 study.

Mr. Chris Bittle: Perhaps. I could be. That's why I'm asking. It's from 2019, not 2020.

Dr. Irene Berkowitz: Yes.

Mr. Chris Bittle: When you say 60% of 70%, does that mean 30% of eligible channels earn \$0? How are we dividing up this number if that's not correct?

Dr. Irene Berkowitz: We updated that during the pandemic, so you may be quoting from a CMF article that I co-wrote.

We found that there were 160,000 Canadian entrepreneurs on YouTube. Only 25% of those, or 40,000, are part of the partner program and eligible, as you mentioned, for monetization. We only measured the monetization of those channels, so it would be the per cent of the per cent.

I'm not sure if I'm clarifying—

Mr. Chris Bittle: That was 40,000 out of 160,000.

Dr. Irene Berkowitz: Yes.

Mr. Chris Bittle: Three-quarters of them earn nothing.

Dr. Irene Berkowitz: A lot of them are struggling and it's interesting. We found that in the Canadian YouTube revenue picture—there is also a chart in the study about that—most Canadian YouTubers have a revenue mix of brand deals, pan-media, other books, etc. Fascinatingly, a number of channels that aren't even eligible for the partner program report revenue based on these alternate sources of revenue. They are—

Mr. Chris Bittle: I'm sorry. If I can interrupt.... I have a limited amount of time.

Dr. Irene Berkowitz: Yes, sure.

Mr. Chris Bittle: If a very small portion of Canadians are earning revenue on YouTube, most of them in that small percentage are making less than \$10,000. How can we say that they are “rocking it”, when they're making less than the median income of a traditional artist?

Dr. Irene Berkowitz: We also have 15% earning.... Let me get these numbers for you.

Mr. Chris Bittle: It's 15% earning more than \$50,000, but that's 15% of 25%. That is what you're telling us.

Dr. Irene Berkowitz: Yes. I also think that this is a very new platform. We're only talking about 15 years of this amount of economic activity. I think that Canadians are rocking it on YouTube. They are the number one exporters of 91 countries, and there is an exuberance to keep growing this new world way of earning money.

Remember, this only relates to YouTube, not TikTok, Instagram or the other platforms.

Mr. Chris Bittle: TikTok doesn't pay its Canadian artists.

Moving on, there was a study from the United States, “Time to Face the Influencer Pay Gap”, which showed a substantial gap between BIPOC creators and white creators. There's a 29% difference. Again, this is in the United States. If you focus on just white and Black influencers, it winds up to a 35% difference.

Have you encountered in your study at all the substantial difference between Black, indigenous and persons of colour versus white creators, and how that works? That's all under the scope of YouTube earning about \$29 billion in ad revenue last year.

• (1400)

Dr. Irene Berkowitz: I'll say that YouTube has no information about the off-platform revenue, so we wouldn't know that, but we love the diversity picture on YouTube and that is obviously some-

thing that needs more study. That is very concerning, but we have Notorious Cree, Evan Fong and Lilly Singh, who's gorgeous.

The Chair: Thank you. We're out of time.

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

[*Translation*]

Mr. Martin Champoux: Thank you, Madam Chair.

Ms. Guay, we've heard a lot about trust in the CRTC and its oversight of online broadcasting. You, yourself, said it was necessary to strengthen that trust.

Last week, Ian Scott said it was important to distinguish between regulating the Internet and regulating online broadcasting or distribution activities.

Do you think the CRTC has the tools to make that distinction?

How can we convince the public to trust the CRTC in this situation?

Ms. Nathalie Guay: Thank you for your question.

The CRTC has been regulating broadcasting activities for decades, and I am sure that it will find a way to do the same online. It's a matter of time.

A number of experts have made suggestions on how to do that, including Pierre Trudel. I think we should look to the future with confidence on that front because it's certainly not an insurmountable challenge. I think the CRTC can do it.

The issue of trust has come up repeatedly, and of course, numerous challenges will have to be met. We have a suggestion. The current legislation lays out an appeal mechanism, a meaningful counterbalance that could help reassure people who do not trust the CRTC or people like us, who want to ensure that the ability to petition the Governor in Council remains intact—

Mr. Martin Champoux: Last year, I actually proposed an amendment to extend that to the orders, but it was rejected.

How can we convince the Liberals and Conservatives who rejected the amendment last year to be more amenable to the idea this year?

Ms. Nathalie Guay: It may be worthwhile to look at the number of petition submissions that have been successful in the past versus the number of petitions submitted. It doesn't happen often, but a few petitions have been successful. In some cases, it made all the difference. A well-known case in 2017 comes to mind. The CRTC did not see fit to establish requirements for the creation and provision of original French-language programming and musical programming when renewing the television service licences held by the large French-language ownership groups. When that happened, a number of our members submitted a petition, which was successful, and it really made a difference.

A process like that would help bring people who have concerns on board. If the CRTC strays from its mission and makes a bad decision, one that hurts Canadian creators—as Ms. Berkowitz and YouTube and other platform users seem to fear—they could appeal the CRTC's decision. If the complaint were deemed valid, a review would be necessary. I think that sort of measure would help reassure people who fear—

• (1405)

Mr. Martin Champoux: You think that would restore trust in the commission.

[*English*]

The Chair: Thank you, Ms. Guay, and thank you, Martin.

I go now to the New Democratic Party for two and a half minutes, with Peter Julian.

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

I'm going back to Mr. Skolnik because he wasn't given enough time to answer the first question around concerns about discrimination and streaming platforms basically refusing certain content.

I also want to add another question to the mix, Mr. Skolnik, which is around the issue of employment. We looked at proposed paragraph 3(1)(f), which basically gives foreign streaming platforms less obligation than Canadian companies in terms of Canadian employment. I want to know if that is a concern of yours as well.

Mr. Bill Skolnik: It does appear to do that. I don't even know if that's the intent, but we're very concerned about that possibility.

I'll use the expression “the lowest common denominator”. It creates the possibility for broadcasters, for example, and to a certain extent those who produce, to create the lowest common denominator. Let's say I'm a producer and I have to compete with somebody who is putting a program on platforms. If I want to get Canadian content on, but we don't have the same standards as to what inherently is Canadian and what needs to be done in order to satisfy the obligations for Canadian content or Canadian participation, then I'm going to want the same thing as the other guys.

We're very concerned that the standard remain at a high level, and that everybody who wants to take advantage—and must take advantage—of the Canadian content, and is obligated to provide that percentage, has the same regulations so that we do not lower our own domestic producers' obligations by saying that we're going to be fair. We are fair. We're going to make it the same for everybody, and that is a big concern.

Employment is an issue. We're very pleased that the foreigners come here and produce here. They actually help a lot in the training. However, it doesn't take away the fact that we need to be altruistic about this. We need to say that we have to tell our own stories and we'd like to take advantage of it. These are not mutually exclusive things. We want both and we can get both, and we've had a history of getting both. Look at the Juno rules. Look what they have done.

That's all we're asking for. Keep things going. Keep them the same way, and keep them Canadian.

The Chair: Thank you.

That wraps up this round. I would like to thank the witnesses for coming and having such patience answering questions. It is a complex issue.

I would like to thank the committee. Let's take half an hour for a health break. I'll see you back at 2:30.

Thank you.

• (1405)

(Pause)

• (1430)

The Chair: We'll resume this meeting.

I will just again mention that there are a couple of things to remember.

Please wait until I recognize you by name before speaking. For those of you participating by video conference, click on the microphone icon to activate your mike, and please mute yourself when you're not speaking. For interpretation, for those on Zoom, you have the choice at the bottom of your screen of floor, English and French for whichever you would like. I will remind you that all questions should be addressed through the chair.

We are meeting again to discuss Bill C-11.

Witnesses, I just want to remind you that you each have five minutes for your organization to present, and then we go into question and answer rounds.

I will begin by calling you by name, and you can begin your five minutes.

We will begin with the Association québécoise de l'industrie du disque, du spectacle et de la vidéo with Eve Paré, the executive director, and Marie-Julie Desrochers, director of institutional affairs and research.

I don't know which of you will be speaking, so I'll just let you begin for five minutes, please.

• (1435)

[Translation]

Mrs. Eve Paré (Executive Director, Association québécoise de l'industrie du disque, du spectacle et de la vidéo): The Association québécoise de l'industrie du disque, du spectacle et de la vidéo, ADISQ for short, represents independent businesses in Quebec dedicated to the development of musical artists. On behalf of our members, I would like to thank the committee for the opportunity to comment on Bill C-11. I am joined today by Marie-Julie Desrochers, our director of institutional affairs and research.

In Canada, independent businesses are responsible for 95% of French-language music production. That sets us apart from the rest of the world, where large companies dominate the market. The Broadcasting Act has for decades been instrumental in that minor miracle. The act has helped homegrown French-language music spread, structure itself as an industry, reinvent itself and reach the public over the years.

In Canada's French-speaking markets, two out of three songs played on commercial radio are French. On satellite radio, our francophone music has secured a meaningful place for itself among hundreds of English-language channels, despite the initial protests of companies claiming they weren't able to showcase our homegrown music. Our television music programs are broadcast almost weekly on our public and private general interest networks.

All of these showcase media have such a rich and diverse supply of music to draw from thanks, in large part, to broadcasters' contributions, most of which are paid to Musicaction and the Radio Star-maker Fund. Both of those mechanisms are dedicated to funding the production and marketing of French-language music in all its forms, and do so admirably. As a result, artists are able to launch and build lasting careers in Canada and abroad.

The effects of that virtuous circle are impressive. According to the Observatoire de la culture et des communications du Québec, music produced by local artists accounts for 50% of music purchased by Quebecers in any given year. People like and choose homegrown music, but first, they have to have exposure to it.

As you know, the way people consume music is changing. Online media represent an increasingly large share of that consumption, alongside conventional media. In March of this year, Léger conducted a survey commissioned by ADISQ, and what it reveals about how the two types of media coexist is quite telling. The results show that 60% of Quebecers identify the radio as a tool for discovering new artists, making it the most popular medium for musical discovery.

The survey also reveals that 61% of people now listen to music using an online service. Unlike conventional media, online services are completely unregulated, to the point that the effects of the act have been waning for far too long, both funding-wise and promotion-wise. What that means in concrete terms is alarming. ADISQ uses data from Luminato to measure what Quebecers are listening to every week on online audio services. Just 8% of the tracks people listen to are French.

That is why action is so urgently needed, and Bill C-11 could finally make the difference. In order for those changes to truly matter, we recommend looking at them through two lenses.

First, the bill should end the unjustifiable inequity currently undermining our ecosystem by treating conventional and online companies differently. The effort to achieve balance, however, must not lead to a lower standard. The support provided by conventional media remains crucial and should be supplemented by online media. That means the bill should safeguard the Canadian character of conventional companies, protect minority languages, enshrine the use of Canadian resources as a clear goal and, above all, adopt a technology-neutral approach so that it covers all services that affect Canada's cultural sovereignty, today and tomorrow.

Second, it is necessary to ensure that the CRTC has the staff, funding and enforcement powers it needs to carry out the ambitious renewed mission with which it is being tasked. No matter what some may argue, the CRTC does not have too much power. All it needs are the proper tools to counterbalance the disproportionate power currently held by foreign companies, which are driven solely by profit.

Some claim that the cultural community is advocating for a handful of creators and producers, but those who do misunderstand the attachment people have to their culture. According to that same survey, 70% of Quebecers who stream music want platforms to recommend French-language music made in Quebec. Approximately 73% of people think the government should pass legislation to make it mandatory for Apple Music, Spotify, YouTube and similar music platforms to contribute to the funding of such music. That's what you call widespread support.

The work you will be doing in the weeks ahead will benefit Canadians and creators alike. By supporting the diversity of cultural expression, you promote freedom of expression, expand consumer choice and strengthen Canada's democracy. For Bill C-11 to do what is promised, Parliament must pass a strong piece of legislation that covers all the services operating in our ecosystem and that provides Canadians with a nimble regulatory framework for decades to come.

Thank you.

• (1440)

[English]

The Chair: Thank you.

Matthew Hatfield from OpenMedia, you have five minutes.

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

Good afternoon. I'm Matt Hatfield and I'm the campaigns director at OpenMedia, a grassroots community of over 200,000 people in Canada who work together for an open, accessible and surveillance-free Internet.

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

OpenMedia is not made up of academics or lawyers. We're a citizens' group. I'm here today to ask that you ensure that the online streaming act respects the choices and freedom of expression of ordinary citizens.

The Internet works nothing like traditional broadcasting. I say that knowing full well that we're gathered to discuss a Broadcasting Act reform bill that would give the CRTC, a broadcasting-era regulator, the power to treat Internet content as if it were broadcasting. However, holdover ideas from the radio and television era are the reason for the deep confusion you've run into as a committee in trying to keep Bill C-11 and its predecessor, Bill C-10, from seriously overstepping the government's intent.

Traditional broadcasting was a top-down system in which the wishes and preferences of Canadians could not be directly expressed. Our only choice was to watch what a broadcaster chose to air on a few dozen channels, or not to watch at all. No one gave us a chance to share our own thoughts and voice, outside a few proud local community stations with limited reach.

The Internet is utterly different from that. Every day, we each make hundreds of choices among millions of channels and pieces of content online. Many of us take on the next step and share our words, jokes and passions back into that system through the same distribution platforms. We're not passive recipients of the Internet. We're active participants in crafting the feeds we want. We follow the individual creators we like and we use platforms like Patreon or YouTube to earn revenue from our fellow Internet users.

Treating the broadcasting system and the modern Internet as fundamentally similar would seem like a joke if the consequences were not potentially so serious.

We've heard for over a year that Bill C-10 and Bill C-11 would never regulate user content. Minister Guilbeault's team pretended that excluding users personally as legal entities meant their content was safe from CRTC regulation. That was untrue. Minister Rodriguez's team is telling us that they've fixed it and that user content is now excluded, but last week CRTC chair Ian Scott confirmed that this is not true and our content is still subject to CRTC regulatory control under Bill C-11.

You need to fix this. We understand that the CRTC believes it has always had the power to regulate our user audiovisual content online. That's a theoretical position and it doesn't matter very much to ordinary Canadians. Concretely, you are now considering a bill through which the CRTC will explicitly take up and use very broad regulatory powers that it has never exercised before over the Internet. The minimum safeguard you must adopt would be ensuring that user-generated content is fully, plainly and definitively excluded from CRTC regulation.

Proposed subsection 4.1(2), which reincludes most of our online user content in the CRTC's control, is the heart of the problem. The three criteria laid out do not meaningfully protect any of our content. More or less, everything earns revenue online, everything has unique identifiers attached to it, and all major online platforms are going to be broadcasting undertakings registered with the CRTC.

All we're really getting from the government right now is a flimsy promise that the CRTC won't misuse this astonishing extended

power and a policy direction that they won't even let Canadians see yet. That's not good enough. Policy directions can be changed at will, which means that at any time, a future government could issue new CRTC guidance requiring they regulate our posts directly.

Our online rights must be legally entrenched, not informally promised. Canadians need proposed subsection 4.1(2) to be removed altogether, or much more definite limitations to be placed on it. You must clearly exclude all of our podcasts, TikToks, YouTube channels and social media posts from this bill. Leaving this dangerous loophole clause this wide open is not responsible. It's leaving a door ajar for future mass censorship of Canadians' personal online expression.

While respecting the content we produce, our government must also respect our right to freely choose the content we consume. We would never tolerate the government setting rules specifying which books must be placed at the front of our bookstores, but that's exactly what the discoverability provision in proposed subsection 9.1(1) of Bill C-11 is currently doing. Manipulating our search results and feeds to feature content that the government prefers instead of other content is gross paternalism that doesn't belong in a democratic society. Any promotion requirement on platforms for government-selected CanCon should respect our choices and limit itself to optional or opt-in results, not mandatory quotas.

People in Canada are looking to see whether public officials like yourselves are going to defend our fundamental rights. Since last year, OpenMedia community members have sent over 53,000 individual emails to our MPs and the Department of Canadian Heritage on Bill C-10 and Bill C-11.

While our community is interested in seeing Canadian stories told in the 21st century, it cannot come at the price of a blank cheque to the CRTC to take regulatory authority over our audiovisual posts, or having the government decide what we should be watching and listening to. We urge you to fix Bill C-11's overreaching on both these fronts before the bill leaves your hands.

• (1445)

Thank you. I look forward to your questions.

The Chair: Thank you.

Next we have Mr. Kirwan Cox, executive director for the Quebec English-language Production Council, for five minutes, please.

Mr. Kirwan Cox (Executive Director, Quebec English-language Production Council): Thank you.

Ladies and gentlemen of the standing committee, thank you for giving us this opportunity to meet you and express our support for Bill C-11, which is desperately needed and long overdue. We hope Parliament passes this legislation as soon as possible.

I am Kirwan Cox, and my colleague is Kenneth Hirsch, from the Quebec English-language Production Council. We represent the English-language film, TV, and media production industries in Quebec. Our objective is to increase the production of films and television by the official language minority in Quebec, which, unfortunately, is now at its lowest level in history. QEPC strives both to increase the vitality of English programming in Quebec and to support Canadian content in both official languages across the country.

Today, we will focus on the official-language minority elements of the act. We are very pleased to see that the official-language minority measures adopted by this committee in Bill C-10, and passed by the House of Commons, have again been proposed by the minister in Bill C-11.

Not since the original Official Languages Act was passed over 50 years ago has any legislation been more important to the vitality, if not the survival, of both official-language minorities than Bill C-11 as now written.

We hope you will support these measures that are so important to us, to our French colleagues, and to the larger Canadian cultural sector.

Mr. Kenneth Hirsch (Co-Chair, Quebec English-language Production Council): Thank you, Kirwan.

I'm Kenneth Hirsch, co-chair of the Quebec English-language Production Council.

That said, we do have concerns with the terminology used in Bill C-11. We want to be sure that the language in the act is clear and unambiguous. The nomenclature that appeared in Bill C-10, "official language minority communities" in English, and "*communautés de langue officielle en situation minoritaire*" in French, has been replaced in Bill C-11 by the expression "English and French linguistic minority communities" in English, and "*minorités francophones et anglophones du Canada*" in French.

Thus, the French version of the new wording proposed in Bill C-11 removes the word "community", which is an important concept for organizations working for these communities and distinguishes them from the majority. To avoid these problems, we would propose that Bill C-11 should return to the term originally used in Bill C-10, which we prefer: "official language minority communities", and in French, "*communautés de langue officielle en situation minoritaire*".

In addition, Bill C-11 should expressly define these minorities as English-speaking communities within Quebec, and French-speaking communities outside Quebec.

We thank you for your time and look forward to your questions.

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

I will go to the next group of witnesses, Unifor, with Randy Kitt and Olivier Carrière.

You have five minutes.

Mr. Randy Kitt (Director of Media, Unifor): Thank you, Madam Chair.

Thank you for the opportunity to speak and provide comments today.

I'd like to acknowledge that I am on the unceded territories of the Haudenosaunee and the Mississaugas of the Credit first nation.

Unifor is Canada's largest private sector union, with more than 310,000 members across Canada working in 20 economic sectors. Our union represents more than 10,000 media workers, including 5,000 members in the broadcast and film industries.

In 2009, Red Deer lost their TV station, making them the biggest city in Canada not beside a metropolitan centre that doesn't have a TV station. Since then, employment in private conventional television has decreased by more than 30%.

This committee got it right in a 2017 report, when you talked about the importance of local news and its role in holding power to account, strengthening democracy and building community. Community has never been more important. Social media has proven to divide us, pitting neighbour against neighbour. We are more polarized than ever, but a strong Canadian media can build community.

This committee said:

Local media...perform a fundamental civic role by supplying reliable, timely and unbiased information on community affairs. They ensure public and private institutions are held to account.

The media also reflect our country's diversity.... They build bridges between cultures and support the integration of newcomers.

You also said the following:

We recognize the challenges the media face and we believe that steps must be taken to help them navigate this tumultuous period. Therefore, the Committee has developed the following statement of principle:

Given the media's importance as a reflection of Canada's diversity and a pillar of our democracy, the Government of Canada must implement the necessary measures to support the existence of a free and independent media and local news reporting.

Go ahead, Olivier.

● (1450)

[*Translation*]

Mr. Olivier Carrière (Assistant to the Quebec Director, Unifor): Thank you.

Good afternoon, Madam Chair.

My name is Olivier Carrière, and I am the assistant director of Unifor Québec.

I'll pick up where my colleague Randy Kitt left off.

The local program improvement fund, or LPIF, was created in 2009. At the time, the problem was clear. The CRTC understood that and everyone agreed that the way to fix it was to set up a fund to support local news. In 2014, the CRTC unfortunately changed its tune. Suddenly, a fund to support news was no longer necessary because of the return of advertising revenue.

The CRTC got it wrong. After eight years of decline, it is now clear that the content offering is more and more out of touch with the realities in Canada and Quebec. American media now dominate our living rooms, with no regard for local programming or news.

That is why we can't let the CRTC make these decisions single-handedly. We believe Bill C-11 should be amended.

Specifically, Unifor supports the bill but recommends that subsection 11.1(1) of the new act be amended by adding paragraph (d), which would establish a fund.

The paragraph reads as follows:

(d) developing, financing, producing or promoting local news programming and coverage, using contributions paid by distribution undertakings to related programming undertakings or by distribution undertakings or **online undertakings** to an independent fund. In making regulations respecting the distribution of the contributions, the Commission must take into account the local presence and staffing of the programming undertaking.

That is paramount. Funding for local news must be tied to the actual number of local human resources needed to produce that news. In our view, that is the most reliable way of ensuring that industry funds will be spent solely on the purpose for which they are intended: making sure that Canadians have access to relevant and timely local news coverage they can count on. In order for people to access relevant news coverage, someone has to make it available.

The Broadcasting Act was created to protect Canadian voices in a marketplace in which they would not otherwise receive support. That has not changed. Bill C-11 merely updates—or modernizes, if you prefer—the law. The local news model was upended and now deserves some consideration.

I'll turn the floor back over to Mr. Kitt.

[English]

The Chair: Mr. Kitt, you have 30 seconds left.

Mr. Randy Kitt: Thank you.

The Broadcasting Act and the CRTC prevented foreign broadcasters from entering our market for decades, allowing a thriving media industry that heavily supported local news. This committee got it right again when taking on the Rogers-Shaw merger, when you said, “it is essential that Canadians have access to local news that reflects their identity and reality.” Almost all witnesses in this study said that local news is critical to a strong democracy.

To sum up, local news is in crisis. Local news is essential to the public good. We know that a local news fund administered by the CRTC can work, because they've already done it successfully. Bill C-11 is just a much-needed update to the Broadcasting Act to en-

sure that Canadians have access to Canadian local programming, which couldn't happen if we let these Internet giants control our media.

Let's not get sidetracked by noise. Let's get Bill C-11 passed with this small amendment to ensure a sustainable future for local news. Let's all imagine a world without news, imagine that void, and now imagine that you could do something about it.

Thank you.

• (1455)

The Chair: Thank you, Mr. Kitt.

Now we are going to move into what is known as a question and answer segment. This first round is a six-minute round. Remember that the six minutes include a question and an answer, just so the time doesn't get away from you.

I will start with John Nater from the Conservatives.

Mr. Nater, go ahead for six minutes, please.

Mr. John Nater (Perth—Wellington, CPC): Thank you, Madam Chair.

Thank you to our witnesses this afternoon. It's been great to hear the different opinions and commentary on Bill C-11 and suggestions to go forward.

I am going to start my questions with Mr. Hatfield from Open-Media, and then I'll probably bounce around and try to hit a few other witnesses afterwards, if I have time. I'm sure the chair will give me an extra two or three minutes at the end just to get to some extra questions here.

Mr. Hatfield, your organization is in an interesting position, because you're not an industry group and you're not a stakeholder group. You're a citizens' group. I often think that this perspective—the user perspective, the consumer perspective, the perspective of the general public—isn't always heard in these types of discussions, especially when we're getting into the more technical issues with something like the Broadcasting Act.

I just wanted to give you a chance to talk and to give us that perspective. What is the public saying? I think you mentioned that 53,000 Canadians have contacted you and, through you, other members of Parliament. What is the commentary? What is the message you're hearing from those who are subscribing to your campaigns?

Mr. Matthew Hatfield: Thank you so much.

I think the fundamental message from people is that they're not against there being more funding for Canadian cultural content, but they don't want it to come at the cost of their individual choices or at the cost of their own content potentially being regulated in some ways by the CRTC.

There are a lot of ideas that get pushed around about how to set the system up equitably, but I think part of what makes the Bill C-11 conversation so difficult is that there's a lot we don't know about what the government intends or what the CRTC actually intends here. We would have much preferred if there were much clearer instructions about how the CanCon system was going to be redeveloped in this bill.

We recognize that some of that can't be done in the legislation, but we really have no idea how 1980s definitions of what is Canadian are going to be updated and who is going to be in and who is going to be out. We think it should be a fair system, equally accessible to creators creating for every platform across the Internet, for online creators as much as for more traditional legacy media.

Our concern with the way things are set up right now is that it seems to be aimed at a sort of maximalist capture of giving every power to the CRTC, with very little clarity about how they're going to be using it. That's why in my comments today I've really focused on what I think the most important remaining piece is, which is defending the experience that ordinary Internet users have, getting their content fully excluded and getting their feeds left alone.

Mr. John Nater: Thank you for that. I was going to go in a different direction, but now I'm going to go in a different direction based on some of the comments you just made about Canadian content and about what it is and what it isn't.

A concern that has been brought to me privately by a number of stakeholder groups is that no one, yet, has seen the policy directive from the minister that will go to the CRTC. It's not clear what will be considered Canadian or not Canadian under the new CanCon rules, which would of course feed into the concept of discoverability and how the CRTC will implement discoverability.

I guess my questions for you are these: What clarity would you like to see? What clarity do you think Canadians would like to see in terms of, one, what would be considered and what would not be considered CanCon, and two, how that would feed into a discoverability system, both on what we consider to be the streaming platforms, such as Netflix, Disney+, Crave and Amazon, but also on the other sites, the YouTubes of the world and the TikToks of the world, which do have some commercial content but also have primarily user-generated content? How would you foresee this? What clarity would you like to see in terms of directives from the government?

• (1500)

Mr. Matthew Hatfield: Well, I'm not going to try to define the future of CanCon on the spot, just because I do think that should run through a public process with a lot of back-and-forth between people.

I think our concern is that the system looks like it's steamrolling to being implemented without taking the seriousness of that redefinition into consideration, and that on day one, if it launches, it's not

actually going to be about supporting Canadian content or supporting the wide diversity of identities we have in Canada now, and it's going to default to forcing content from the legacy media outlets, from Bell and from the CBC, into people's feeds. Some of that is very good content, but people want a lot more than that from the Internet. Certainly, they would want to make sure that all the great Canadian creators they consume now are in the system. The system is completely unable to support them currently.

We would like to see the points system fixed up so that it's accessible to anyone creating Canadian cultural content, and we would like to see the bill set up so that it's not imposing regulatory broadcasting obligations on Canadians in a way that's completely inappropriate, I think, to the goals of the bill.

Mr. John Nater: I don't want to put words in your mouth, but would it be safe to say that the government ought to provide its policy directive sooner rather than later, so there is at least some level of certainty for Canadians in terms of how this bill will be implemented going forward?

Mr. Matthew Hatfield: Absolutely. I don't know if that decision is in the hands of this committee, but we'd certainly like to see it as soon as possible.

Mr. John Nater: It's not in the hands of this committee, but certainly some of us on this committee have strong views about that going forward.

Very briefly, I want to go to Mr. Hirsch and Mr. Cox.

You mentioned a definition change in terms of official language, minority communities and changing that definition. If you can, in 34 seconds or less, just tell me what impact making that definition change would have on the ground in the official-language communities in Quebec and across Canada.

Mr. Kenneth Hirsch: That's very much in support of our francophone colleagues outside of Quebec, because in the English part of the definition it says, "English and French linguistic minority communities", but in French it only says,

[*Translation*]

"minorités francophones et anglophones du Canada".

[*English*]

They feel very strongly, and we support them, because it makes common sense that it should also incorporate the word "community" into it to distinguish it from the full...because "French minority" could mean Quebec itself.

The Chair: Thank you, Mr. Hirsch. Perhaps you could elaborate on that at another time.

Now for the Liberals, we go to Anthony Housefather for six minutes, please.

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

I will give Kenneth a chance to elaborate on that right now.

[Translation]

I very much want to thank the witnesses. It's a real pleasure to have them here.

[English]

Kenneth, I'm going to come back to you because last time, for Bill C-10, we worked very hard to get a considerable number of amendments into the bill to support both the official-language communities of Canada and the francophone majority in Quebec. We worked collaboratively with all of the different organizations involved to make sure we had the right wording and the right definitions.

[Translation]

I'm not sure whether my fellow member Mr. Champoux recalls, but we all worked together to find definitions in English and in French that had the same meaning in both languages. Now I realize that we have a problem: the English says one thing, but the French doesn't say the exact same thing. Certainly, the committee has a duty to try to find the right definition in both languages.

[English]

Kenneth, could you just advise everybody what the other organizations are besides the QEPC that support that change to revert back to the language we used in Bill C-10: "official language minority communities" and "*communautés de langue officielle en situation minoritaire*"?

Mr. Kirwan Cox: The organizations are the APFC, which is our opposite organization in French; the FCCF, which is a broader cultural organization representing the French minorities outside Quebec; the Quebec Community Groups Network inside Quebec; the English Language Arts Network inside Quebec; and also the CD-CE, which you heard from earlier today. If you look at their position, you can see that they raised this issue as well.

Mr. Anthony Housefather: That would indicate to me that the amendment would have broad consensus with all of the different organizations, English- and French-speaking, across the country. I take note of that and thank you.

Given the fact that I come from the English-speaking minority in Quebec, I also want to give you a chance to talk to the committee about how Bill C-11 will support and enhance the ability of the English-speaking arts community in Quebec to thrive. Also, since we don't have the French-speaking organizations from outside Quebec today—

• (1505)

[Translation]

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

The interpretation has stopped.

[English]

The Chair: Madam Clerk, can we stop the clock, please?

[Translation]

Mr. Martin Champoux: I think it's fixed now.

Thank you.

[English]

The Clerk: The issue is with the placement of Mr. Housefather's microphone. There is a lot of popping.

[Translation]

Mr. Martin Champoux: Madam Chair, the interpreter is indicating that the sound quality is poor. Can you check with Mr. Housefather on that?

Mr. Anthony Housefather: All right.

[English]

The Chair: Technicians, let's check that, please.

The Clerk: Do you want us to suspend, Madam Chair?

The Chair: Okay, we'll suspend.

• (1505)

(Pause)

• (1505)

The Chair: We'll start the clock again. Thank you.

Mr. Housefather, go ahead.

• (1510)

Mr. Anthony Housefather: Thank you, Madam Chair.

My apologies to everyone. That's the first time the headset failed.

I was just asking if Mr. Hirsch and Mr. Cox could talk to us about the challenges that the official-language minority communities in this country face, and how they would be alleviated by the adoption of Bill C-11.

Mr. Kenneth Hirsch: Sure. Thank you very much, Mr. Housefather, and thank you for all your work on this bill and the prior incarnation.

I'll start, and then I'll throw to Kirwan.

The most shocking statistic is that around the turn of the century—this century, so 2000—about 20% of all English-language production in the country was done here in Quebec. Now we've fallen below 6%. We used to be more than a quarter and now we're about 1/20th of the English-language production in Quebec. That situation has to be reversed. It's impossible to keep the community vital when we're in that kind of free fall.

The answer to your question is twofold. Bill C-11 is going to go a long way in saving the Canadian content business across the country, and the six or seven safeguards that we've hopefully been able to build into the bill for official-language minority communities in Quebec and official-language minority communities outside Quebec would guarantee that our communities and our cousin communities, the French-language speakers outside of Quebec, will be able to tell our own stories in our own languages for the foreseeable future. That, I think, is a necessary and vital step to ensuring the vitality of our communities.

Mr. Anthony Housefather: Mr. Cox, do you have anything to add?

Mr. Kirwan Cox: I would just add that Bill C-11, like Bill C-10, provides tremendous support for the production of official-language minority programming. It also requires that the CRTC pay close attention and consult with us on the question of what kind of programming we should be doing. It's a tremendous step forward and gives us a great step up in terms of where we otherwise would be in trying to reverse the decline we have been facing.

That's about it.

The Chair: You have 30 seconds.

[*Translation*]

Mr. Anthony Housefather: Thank you, Madam Chair.

I'll come back to Ms. Paré and Ms. Desrochers in the next round.

[*English*]

Thank you, Madam Chair.

The Chair: Thank you very much.

We now move on to the Bloc Québécois and MP Martin Champoux for six minutes, please.

[*Translation*]

Mr. Martin Champoux: Thank you, Madam Chair.

It is now my turn to thank the witnesses, who were kind enough to make time for us in their schedules. We certainly appreciate it.

Ms. Desrochers and Ms. Paré, thank you for being here today.

One of the issues that keeps coming up in our discussions on Bill C-11 is the place of creators on digital platforms. That was also true when we were studying Bill C-10 last year. Obviously, this is something you keep a very close eye on.

The bill contains amendments that would affect platforms such as YouTube and TikTok, in particular, new section 4.2. It has gotten a lot of attention and is being hotly debated.

What do you think of that new section and the proposed amendments?

Are you concerned?

I'd like to hear your comments on that.

Ms. Marie-Julie Desrochers (Director, Institutional Affairs and Research, Association québécoise de l'industrie du disque, du spectacle et de la vidéo): Good afternoon.

Thank you for the question, Mr. Champoux.

In our view, this is not the right vehicle for going too far too quickly in terms of what will and what won't be regulated.

Our preference would have been for the bill to be as flexible and as broad as possible to give the CRTC all the necessary tools to collect data and make informed decisions on what is actually happening—what the broadcasting services are actually doing.

What this bill does is help to allay fears by imposing reasonable limits; it represents an acceptable compromise. We hope those limits will truly help to allay the fears that have been raised.

We think it's essential that the bill not go any further in terms of tightening things up. Our concern is that doing so would result in outdated legislation and bake an underlying inequity into the bill. That would be quite the paradox since the original purpose of the bill is to finally restore equity.

The idea is to restore equity between conventional services and online services. However, if the bill excludes some online services, companies will try to use that exception, and that would introduce a new inequity. All of the work we are doing here would be meaningless.

● (1515)

Mr. Martin Champoux: ADISQ is accustomed to making submissions to the CRTC, particularly when conventional media licences are being renewed. Is your confidence in the system based on your experience?

Are the concerns of the new players due to the fact that they have never really had to argue their position before the CRTC and so are not familiar with the rationale that comes of the hearings?

Do you think a lack of understanding of the system is to blame?

Ms. Marie-Julie Desrochers: I wouldn't want to assume that there's a lack of understanding on their part.

Regardless, a mix of factors come into play. For years, I have been preparing CRTC submissions to advocate for Quebec's music industry, particularly when it comes to French-language music. What that experience has taught me is that the CRTC makes its decisions very carefully and that they are always based on evidence and facts. That is the approach it takes in regulating the industry.

I have never seen the CRTC set out rules that were completely out of step with the reality or consumer habits. The system is built on consumer behaviour.

Today, only 8% of our music is streamed, which is a paltry, marginal proportion. It's devastating to us. We know full well that the CRTC won't decide overnight that the proportion has to go up to 65%. The CRTC examines the situation before making decisions.

The platforms have the power to make an artist's career, just like radio or television. They have the ability to take an artist, help kick-start their career and put their music on the map by giving the public an opportunity to discover it. We have always seen that in Quebec. It's the same for platforms. They know what tools they have, and they know what works. When they appear before the CRTC, they can explain what the best tools and methods are. We can all work together to learn the best ways to regulate practices.

What matters at this stage is ensuring that the bill remains flexible. It has to be technology-neutral because we will be living with it for years, even decades, to come. We can't predict what the future will bring.

TikTok emerged after Bill C-10 died on the Order Paper and before Bill C-11 was being considered. The place of TikTok has completely changed in a few months.

Who knows where we'll be in 10 years. That is why the bill needs to be as technology-neutral as possible.

Mr. Martin Champoux: Ms. Desrochers, we recently talked about what happened in France in relation to platform regulation. The arguments used sound like an alarmist campaign. Maybe I'm putting words in your mouth, maybe it's an opinion, but I'm under the impression that this is what it's all about: scaring creators. We use, for example, expressions like "infringement on freedom of expression". You know what I mean.

Are you under the impression that the major platforms are trapping content creators by scaring them about the regulations?

Ms. Marie-Julie Desrochers: Again, I don't want to speak for them, but certainly the platforms regularly use scaremongering arguments, relating, for instance, to censorship, freedom of expression or reduction of consumer choice.

These arguments have been used in Europe and the U.K. We spoke to representatives of groups and coalitions that represent the interests of creators in these countries. They confirmed that they had been in the exact same situation we are in now and had heard the same arguments and threats. They were told, for example, that the new regulations would break the Internet and that the legislators did not understand what they were about to regulate.

[English]

The Chair: Thank you very much.

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

Go ahead, please, Peter.

[Translation]

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

I thank the witnesses for being with us today.

Ms. Paré and Ms. Desrochers, you just said that the platforms have the power to launch careers. If the platforms have this power and if they are not subject to any regulatory framework, do you trust them to make decisions that will allow careers to be launched?

At the same time, if this bill were not before us and we had nothing to study at this time, what do you think the future of ADISQ and the Quebec industry would be?

Would some artists have difficulty breaking through and showcasing their talent?

• (1520)

Ms. Marie-Julie Desrochers: Thank you for the question.

In the absence of a regulatory framework, I do not think that the platforms will use their power to launch the careers of Quebec or Canadian artists who speak French. I don't think I'm wrong in saying that for the simple reason that, since we started discussing the bill, we have become exceptionally and extraordinarily closer to these platforms.

These platforms have been present in our market since 2014, if not before. Until last October, the platforms refused to publish data on consumption in Quebec. I don't think that was necessarily bad faith. It was simply a misunderstanding of the fact that there are two markets in Canada, one of which is a francophone market. If we can't get details about our market, we can't understand how music is consumed. Consumers in Quebec do not behave at all in the same way as those in Canada. This is what the data we now have access to shows us.

Only one streaming service is willing to share this data right now. I sincerely believe that this bill has allowed certain platforms to realize that our market, the Quebec market and the Canadian francophone market, exists. That is already a very big step. I hope that this is just the beginning and that we will continue to work together to use this power to launch careers for the benefit of our artists. It is obvious that we need a regulatory framework.

You asked me whether artists would have difficulties without the bill. When we turn on the radio in Quebec, two out of three songs are in French, and that is what has always allowed people to choose our music afterwards. In the shop, they choose it. When they go to buy tickets for a show, they choose it.

As for the streaming music service, however, barely 8% of the music is in French and barely 5% of the music is in French from Quebec. The artists whose tracks are most listened to are already those whose music is broadcast on the radio. In other words, this means that at the moment, traditional media, which are subject to certain rules, are still what stimulates the discovery of our artists.

Without rules, in a world where the free market dominates, we're going to see standardization. We're all going to be listening to the same thing, and it won't be our music.

Mr. Peter Julian: Thank you, Ms. Desrochers.

Mr. Carrière, you spoke to us about the issue of local news, and I fully understand the amendment you are proposing. We will soon be studying Bill C-18.

Am I to understand that what you are proposing is in addition to what is included in Bill C-18?

[English]

Mr. Randy Kitt: No, we don't want to confuse the two. This is about broadcasting. I know Bill C-18 is platform-agnostic, which is great, but this isn't about Facebook and Google. This is about Netflix and Amazon. The CRTC and successive governments have allowed these foreign broadcasters and foreign streamers to come into Canada. It's completely changed the business model, and advertising revenues are down.

We need a separate fund in this bill for broadcasters. I envision a day when Bill C-18, Bill C-11 and journalism tax credits could all combine into one really nice fund. Right now, they're still separate, and the Facebook and Google money does not replace what the LPIF did for broadcast news from 2009 to 2014, which the CRTC took away. We need to replace that.

The broadcasters, like Netflix and Amazon—Amazon is a BDU—need to contribute to Canadian local news. It's slipping away. If we don't do it now and we don't ensure in Bill C-11 that the CRTC creates a fund, I fear it will slip further.

• (1525)

Mr. Peter Julian: Thank you very much for this.

The Chair: You have 44 seconds.

Mr. Peter Julian: Thank you, Madam Chair.

I'd like to go back to you, Mr. Kit.

We heard testimony earlier today about the discrimination or exclusion of OUTtv. It was simply being excluded from some streaming platforms, and there's some concern about the power that they have. We also heard testimony from Mr. Payette that the web giants are choosing winners and losers.

You raised the issue of local news as well. Are you concerned with what would happen if this legislation wasn't being brought forward? Simply, some of the concerns that were raised this morning would continue.

Mr. Randy Kitt: Absolutely. I said in 1999 that this had to happen. When I was local president in 2009, we sent a submission to the CRTC saying they absolutely had to regulate the Internet. Broadcasting over the Internet is broadcasting, and it needs to be regulated.

We have advocated for a revenue threshold, which I think would take care of all the concerns that, say, Mr. Hatfield would have. Let's say that was \$10 million. I use this analogy: If you're posting cat videos on YouTube or TikTok and you're making \$10 million, we should have some Canadian cats. That's all I'm saying.

The Chair: Mr. Kitt, on that humorous note, I would like to move on.

We're now going to a second round of questions. These are for five minutes. Once again, you have five minutes for questions and answers.

We will begin with the Conservative Party, and it would be Ms. Thomas.

Ms. Thomas, you are required to have a House of Commons headset. Do you have one with you?

I'm afraid we cannot hear you, Ms. Thomas.

Mr. John Nater: Madam Chair, if I might, perhaps we could go to Mr. Uppal for this slot and we can come back to Ms. Thomas in a future slot.

The Chair: Thank you, Mr. Nater.

We have Mr. Uppal for five minutes.

Hon. Tim Uppal: Okay. I'm happy to jump in. Thank you.

I'm going to go to Matthew from OpenMedia. When Bill C-11 was released, you put this on your website:

Treating the Internet like cable television was a bad idea last year, and it's a bad idea now.... The Online Streaming Act continues to give the CRTC the power to use sorely outdated 1980s ideas about what "Canadian" content is, to control what shows up on our online feeds and what doesn't.

We also heard today from the former vice-chair of the CRTC that he believes it will take up to about five years for the CRTC to put together the expertise and the tools that it needs to regulate this for what it's being asked to do in Bill C-11.

Can you elaborate on why the rules designed for old television systems are not compatible with today's digital landscape?

Mr. Matthew Hatfield: I think that connects to, in a sense, what we're hearing from the other witnesses here. We're hearing a lot about revenue and the struggle of being in the industry. I don't think we're considering enough what it's like to be a Canadian Internet user and what people want from their services. Do people want to have a quota imposed on their content where, when I search for cats, 30% Canadian cats must appear in my feed? I don't think people want that.

I think people have an interest in making sure that there is some support available for the production of Canadian culture, but they don't want it crammed on them. They don't want it forced into all their search results. They don't want it forced into all their feeds. The reality is that the majority of the uses people make of the Internet today are not parochial. They're not focused on exclusively Canadian concerns. They are about connecting to a whole global community around many different things.

I don't know if we're speaking past each other or circling the same thing, but I think that Canadians ultimately want something that expands their choice, not that limits their choice. The kind of really heavy-handed provisions in Bill C-10 and, to a degree, in C-11 as well are still here and are about limiting peoples' choices. They're about manipulating the options that people get.

As I said in my opening remarks, we would never consider a situation where the Canadian government would go to Canadian bookstores and say, “We’ve thought about what Canadians need, and these are the types of titles we want you to put in your front window.” However, through the discoverability requirements we have in this legislation, that seems to be what we’re doing through this legislation. It’s inappropriate. It’s an overreach. If we’re supporting Canadian content, it needs to be in ways that are respectful of and responsive to what people in Canada want.

• (1530)

Hon. Tim Uppal: Thank you.

Much of the discussion around Bill C-11 has been about the discoverability of Canadian content in the new era of streaming services. Even though we have not heard a clear definition provided on discoverability yet, in your view, is Canadian content currently discoverable for Canadians?

Mr. Matthew Hatfield: I guess it depends on the nature of your feed and what you’re looking for.

People have done experiments searching for Canadian artists on major streaming sites, and they tend to be very easy to find. I think what many people from the industry are asking for is to make it easier to find feeds that highlight Canadian content. A feed that specifically highlights Canadian content, we’re not opposed to if it’s opt-in, if it’s voluntary, if it’s something that Canadian users can choose to take part in, or if I’m searching for music from somewhere else in the world or cultural content from somewhere else in the world, I will not have that forced on me and it will not be a mandatory part of the search algorithm on platforms. That’s what we’re asking for here.

Hon. Tim Uppal: I asked previous witnesses this before as well. We talk a lot about Canadian culture and diversity and trying to use Bill C-11 to protect that, but I’ve heard from—I’ll call them—third-language or ethnic cultural news outlets and cultural media, social media creators, who are saying that they’re concerned that Bill C-11 might cut them out because a lot of their content collaborates with international content. It’s local but it’s produced internationally.

Do you think the CRTC can properly regulate that so Canadians continue to see and connect with other countries? I know it’s important for me. It’s important for my kids to be able to connect with Punjabi culture and the Sikh faith. We use a lot of online content to do that.

Mr. Matthew Hatfield: Yes, I think we have very serious concerns about how that’s going to be done. I think we need to look at, not just what will happen to Canadian creators under this bill, but what will happen to their non-Canadian audiences. If France adopted a similar bill to this, that would be devastating for French Canadian creators.

The Chair: Thank you very much.

Now I’m going to the Liberal Party for five minutes with Michael Coteau.

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

Thank you so much to all of our witnesses today.

I have a question for Ms. Paré, but first I want to say that listening to the conversation as someone who grew up in the 1970s, 1980s and 1990s and having a lot of Canadian content on radio, a lot of good Canadian content on cable, on public, I think it made me a better person—

[*Translation*]

Mr. Martin Champoux: Madam Chair, I have another point of order. I’m sorry to interrupt my colleague Mr. Coteau.

[*English*]

The Chair: Martin, can you not hear?

[*Translation*]

Mr. Martin Champoux: Once again, the sound quality is not good enough for the interpreters to do their job. I’m sorry.

[*English*]

Mr. Michael Coteau: Do you want me to unplug and try to...? I haven’t changed anything.

The Chair: I will pause, Michael. Maybe we can have the clerk find out what’s going on from the technicians.

We’ll suspend, please, everyone. Thank you.

• (1530)

(Pause)

• (1535)

The Chair: Thank you.

Anthony Housefather, can you take over for Michael, while this is being fixed?

Mr. Anthony Housefather: Sure, Madam Chair. It seems today there are a lot of challenges with the headsets.

The Chair: Yes, there are a lot of challenges.

Excuse me, but before I start my clock so you can begin, I would like to say that one of the things that are always requested of everybody is that you use your House of Commons computer and the House of Commons headset. This may actually be preferable if we don’t want to keep stopping. The point is not only that we lose the time and I restart the clock, but that we lose the time on the big clock. We must finish here by 4:30. We need to remember that all of these little glitches aren’t cute. They’re just—

Mr. Michael Coteau: Just as a point, Madam Chair, everything I’m using here is government issued.

The Chair: I know, but I think the House of Commons computer is quite different and works differently with the House of Commons headset. That’s all I’m saying.

Please start, Mr. Housefather.

Mr. Anthony Housefather: Thank you, Madam Chair.

I am also using a House of Commons computer and House of Commons headset, and I was before as well. I think Mr. Coteau also is. Anyway, I appreciate your comments.

[*Translation*]

I'd like to start with Ms. Paré and Ms. Desrochers.

Could you tell us how francophone culture would be better protected by the adoption of Bill C-11?

How does the Broadcasting Act protect francophone culture across Canada, including in Quebec?

Ms. Marie-Julie Desrochers: Yes, absolutely.

As we said in our presentation, the Broadcasting Act is responsible for the small miracle we are witnessing in Quebec. In Quebec, half of the music purchased by consumers is francophone. We have Quebec and francophone music on the radio, on satellite radio, on Stingray, on television, and so on. So we can say that our soundscape, or what we might call the soundtrack of our lives, is in our language. It has all the accents of home, in all their diversity.

So extending the application of the Broadcasting Act to online services is simply a matter of continuity. It's not a matter of affecting demand, what people consume. We have never forced people to buy records in the shops. It's not that at all. We don't want to prevent people from listening to what they want to listen to. If they want to listen to things from other countries, that's fine. We just need to make sure that among the content offered, highlighted or recommended by the platforms, there is local content. In fact, I think this can be seen as an extraordinary opportunity. Wouldn't personalization of content and algorithms allow more local content to be discovered by the right people? I'm sure that the platforms would be able to make extraordinary matches for us and allow people who like Québécois metal, for example, to discover it.

Commercial radio stations, for example, have often been criticized for being a bit restrictive in what they offer from Quebec. Last year, 900 records were released in Quebec. Every week, 15 to 30 music videos by Quebec artists are broadcast on the PalmarèsADISQ platform. I'm sure they all have an audience that might like to discover them. All we're asking is that an effort be made so that the platforms recognize that this content exists and that people like it.

I repeat that in a survey by Léger, a very well-known polling firm, we asked people who consume streaming music if they like to be offered local content, and 70% of them said yes. So it's not just a handful of people who are asking for that, it's the people of Quebec who are saying they like to be exposed to diverse content and they want to continue to do that online and not just on the radio.

• (1540)

Mr. Anthony Housefather: I understand that. That's what I'm hearing from Quebecers as well.

I would like to ask another question.

We talked about the policy that will be developed by the government. I have heard the opinion of several people, and they tell me that there should be a consultation process before this policy is im-

plemented. Not only should there be a consultation with the government, but also with the CRTC.

Do you think it is important that a group like yours be consulted before this policy is finalized?

Ms. Marie-Julie Desrochers: We will gladly participate in the public debate. We will contribute to the best of our ability to any form of public debate by presenting data and arguments.

Mr. Anthony Housefather: I have another question for you.

You've proposed some changes to the bill. Could you tell us about two amendments that are priorities for you so that we can look at them?

Ms. Marie-Julie Desrochers: We support all the proposals the coalition has made for diversity of cultural expression. In paragraph 3(1)(f), an attempt is seemingly made to impose requirements that may be deemed less important for online services, and that is a major concern for us. That would be my priority.

I would also bring up the CRTC. I will mention an element with two components—the return of public hearings and the appeal to the Governor in Council. Those two elements give civil society power and should make us come together.

We all have different opinions, and that includes the witnesses appearing today. I think that holding public hearings on orders on development and funding could only reassure all the parties, as they would have an appropriate space to express themselves. We think that appealing to the Governor in Council is a democratic method.

[*English*]

The Chair: Ms. Desrochers, could you wind up, please? Thank you very much.

[*Translation*]

Ms. Marie-Julie Desrochers: Those mechanisms give Canadians a voice.

[*English*]

The Chair: Thank you very much, Ms. Desrochers.

Now I go to Mr. Champoux for two and a half minutes, please.

[*Translation*]

Mr. Martin Champoux: Thank you, Madam Chair.

I would like to speak to Mr. Hatfield.

I fully understand that, when you are part of an unregulated world, it is always alarming when someone wants to start regulating that sector. So I understand your apprehensions.

That said, having heard the arguments that have been presented, including on the process the CRTC uses before regulatory measures—consisting of hearings—don't you think you could, on the contrary, have your voice heard better and be understood by preparing a good representation to the CRTC? Ultimately, could you not benefit from that regulation?

I will explain what I mean. It is often said that algorithms are a tool for discoverability, but it is not necessary to use algorithms to discover new artists. The recommendation can be made in various ways. That may be an area where you could present very worthwhile arguments to the CRTC when regulations are being developed.

Don't you think it would be better to try to determine how that those regulations can benefit you instead of hurting you?

[*English*]

Mr. Matthew Hatfield: Certainly we will continue to engage at every stage of this process throughout the CRTC consideration, throughout redefining CanCon and throughout implementing this legislation.

That said, good legislation is not about biting off as much as you possibly can and then setting some policy directions later. The scope that is still left open in this legislation is absolutely astonishing. We would much prefer to see some tighter legal limits applied before we move to that next stage, which would give us, and everyone in Canada, some confidence that this was not going to go very much off the rails.

Some of my colleagues here started talking about TikTok and how it has emerged fairly recently as a major force. TikTok is not broadcasting. It is very clearly individual user expression. The government has no business regulating content like that under this legislation.

For that matter, when we talk about who benefits under these systems, the majority of TikTok creators are creating for people outside of their country. That's true in English, in French and in most of the world's languages. The only way to force Canadians to consume mostly Canadian content through a system like that would be to really firewall them off from the rest of the world and that's not in anyone's interest. That's not even in the interest of Canadian creators who would be gutted and shut off from access to most of the rest of the world through that system.

Of course we'll continue to engage, but we think things like revenue targets and further limitations to exclude user content now are really important at this stage.

● (1545)

[*Translation*]

Mr. Martin Champoux: You may be reassured by precautions in the act whereby the legislation would be reviewed every five years, and by the return of the provision on using the Governor in Council, for example. Of course, this is the first iteration of a piece of legislation that will regulate the online portion of broadcasting. That could reassure you. You could decide to give the system a chance and to then evaluate the situation if you go in the wrong direction, don't you think?

[*English*]

The Chair: Thank you, Martin. I think we might want to get that answer the next time around. I'm sorry, but we finished the time.

Thank you, Mr. Hatfield.

[*Translation*]

Mr. Martin Champoux: Thank you, Mr. Hatfield.

[*English*]

The Chair: We will go to Peter Julian.

Go ahead for two and a half minutes, please, Peter.

Mr. Peter Julian: Thanks very much.

I'd like to go back to Mr. Kitt and come back to the issue of local news. Of course, we've seen across this country a loss of employment. As you mentioned at the beginning of Unifor's presentation, what it is doing is pulling apart the links that unite communities, when there is not the same degree of local news available.

You put forward a case for your amendment. I would also like to mention the concerns that have been expressed by some witnesses around proposed paragraph 3(1)(f), where the employment provisions within Bill C-11 are less for foreign-owned streaming platforms than they are for Canadian broadcasters.

I would like you to comment on those two issues, if you could.

Mr. Randy Kitt: Thank you, Peter.

Employment, obviously, is a big issue for Unifor. Our members work in media and work in local news and also work in the film industries. When we talk about local news, the only real way to ensure that local news is funded correctly is if we talk about feet on the street, we talk about reporters, we talk about editors, and we talk about people in our communities writing about the things we need written about and shooting the things we need shot.

Employment is extremely important. When we talk about foreign services and employment, it's different when we talk about Canadian news because we don't want foreign news services in this country. We want Canadian news services in this country, and it has to be funded correctly. That funding has to go to feet on the street and journalism, and to making sure that our communities are bound together and that it's done in a way so that the money that flows to these organizations goes to news and ensures that it goes to news. That's why we talked about, in our presentation, that the money should be earmarked for local news.

The CRTC has been engaged in a process to ensure—we only see aggregate numbers, of course, and this is a similar issue with Bill C-18 that Unifor has raised—accountability and that the money that is received through these funds goes to local news. We know that in the CMF, for instance, the Canada Media Fund, when funding is received for a film, that film is made and we know that product is there. It's the same for local news. If local news receives funding, then that money goes to feet on the street.

The Chair: Thank you, Mr. Kitt.

I go now to the Conservatives for five minutes with John Nater.

• (1550)

Mr. John Nater: Thank you, Madam Chair.

Again, thank you for the answers thus far.

I want to start with Mr. Hatfield as well and follow up on something he mentioned in response to a question from Mr. Champoux in which he used the terminology of basically firewalling parts of Canada off to effectively prevent international participation. I was just wondering if you could follow up a little bit more about this.

I'm thinking about Canadian creators, indigenous Canadians, indigenous peoples, persons with disabilities and people from racialized communities who have found success through online means of basically exporting Canadian-created content internationally and how Bill C-11 might impact their ability to reach the global market, especially with very important groups that may not find that success domestically but have found that reach globally thanks to online means.

Mr. Matthew Hatfield: A lot of traditional broadcasting legislation, I think it's fair to say, was built on a fear that we would be swamped by primarily American content if left to our own devices. In the modern Internet, it's not really the U.S. that is dominating that for us. We are participating in a global system in which we experience content from creators all around the world and in which many of our creators—most of them, I would say—find most of their success outside of Canada.

The reason that's relevant here is that it's very risky for a small country like Canada to encourage this kind of model of prioritizing our own content. The benefits are pretty meagre if we make it work for our local content. The risk, if a larger country like France were to do the same thing, is enormous to us. We're talking about the majority of revenue that many people creating that kind of content could stand to lose, or they could at least have their content downgraded and earn less of that revenue.

We think it's a risky approach that we shouldn't be embracing here.

Mr. John Nater: It goes back to that message that OpenMedia provided earlier about the challenges of those participating in user-generated content who aren't professional but aren't amateur and are in that middle territory. They're making some money online but wouldn't qualify for CanCon provisions, so they can't access that. Nonetheless, they are going to be potentially harmed or at least will not benefit from the new rules.

Could you provide some comments on that segment of the online community? It's that person who makes some monetary gains online but falls out of both categories, so they have the worst of both worlds in that scenario.

Mr. Matthew Hatfield: As we've said elsewhere, we think in an ideal situation people who are in the intermediary category that you spoke of should be able to access CanCon financial support—whatever is available there either currently or under the new system—but they shouldn't be subject to the full parameters of broadcasting regulation.

Our concern with where we are today, based on the lack of clarity about where the CanCon process is going and the fact that user-generated content is still plainly included, is that the opposite is true. Those people look like they may be subject to broadcast regulation and completely locked out financially from future CanCon support, which is completely wrong-headed in terms of how to support those small creators.

Mr. John Nater: Thank you for that.

In my next question I'm going to go both to you, Mr. Hatfield, and Madame Paré.

It's more of a question of where things are today and to get your sense of whether you think there should be some form of research, audit or consultation done on where Canadian content is currently before anything is implemented. How are we doing online? Where are we reaching? Where are we going?

I'd like to get your thoughts on whether we should be determining where we are and where we stand today before implementing any of these new measures.

Mr. Matthew Hatfield: It's a good idea, but I think we should have started this whole process by talking about what CanCon is. What is Canadian content? We think the government's afraid of that question, because it's a hard question. It may have changed significantly in the last 40 years.

Without knowing what Canadian content is, it's very hard to calculate it and very likely that we would be leaving some important folk out if we just revert to more traditional definitions.

• (1555)

The Chair: You have 17 seconds, John. Do you want to go for that? I think we can't, really.

Mr. John Nater: I'll take the 17 seconds to make the observation that this is one of the challenges we're seeing. What we might think of as Canadian content from a subjective standpoint may not be considered Canadian content in an objective context when the CRTC checks the boxes under the CAVCO or the MAPL system. That might be a concern for many Canadians. I'm sure we can follow up on this in future rounds or in other venues.

Thank you, Madam Chair.

The Chair: Thank you, John.

I'm going to go now to Michael Coteau for five minutes.

How are we doing, Michael?

Mr. Michael Coteau: Thank you, Chair.

I'm good. How are you doing? Can you hear me loud and clear now?

The Chair: We're asking the clerk and the interpreters.

The Clerk: Yes. They need a few more words.

Mr. Michael Coteau: I hope everyone's having a great day today. Thank you so much for joining us in this very important work.

The Clerk: Mr. Coteau, we are going to do our absolute best with the sound quality we have available to us. If you could speak slowly and clearly, it would be greatly appreciated.

Mr. Michael Coteau: Thank you so much, and thank you to the interpreters for their important work as well.

I wanted to start off by saying that, in listening to this conversation over the last five hours, I've thought a lot about growing up in Canada in the 1970s, 1980s and 1990s, and about turning on the radio and picking up some Platinum Blonde or Glass Tiger. Even before that, I listened to 1970s Canadian content and could turn on the television and see a lot of that content.

I think we would all agree, regardless of what your position is on this specific piece of legislation, that putting forward good Canadian content is good for Canadians. It actually teaches about our history and about our present. It helps us understand where we're going as a nation, as well.

I think we need to find a balancing act. The simple truth is that these big Internet giants have become the new deliverers of content. The Amazons, Googles and YouTubes deliver content. If you go into any household in this country today and talk to a young kid, most of their content is coming from online services. We need to build a modern system that's reflective of our values as Canadians, but which also puts in place the realities of today. The world has changed.

I do appreciate everyone joining in on this conversation.

I have a question for Ms. Paré.

Specifically, why is it essential for us to include social media platforms in Bill C-11? Why is the regulatory flexibility under the bill so important to the music sector?

[*Translation*]

Mrs. Eve Paré: I will let my colleague Marie-Julie Desrochers answer your question.

Ms. Marie-Julie Desrochers: Thank you for your question.

YouTube is a dominant actor in music listening. We have data from a recent survey—not all the data has been published, but we will soon publish it—which shows how important YouTube is in Quebecers' music listening activities. This is a trend seen all over the world.

A bill was introduced whose main mission is to re-establish a balance or equity in a system that has been marked by inequity for 20 years. Yet if the core of the bill has a new inequity introduced by excluding services that play a major role in the music industry, the target is missed.

We are worried about passing a bill that is unfair and would not level the playing field for all platforms that play an important role

in music broadcasting. The bill would be vulnerable and objectionable. Why would we ask Spotify to support our music and not ask the same of YouTube? There is no logical reason for that, when we know that people are using both platforms in the same way.

We must simply ensure that, when the same activity takes place on different platforms, it is regulated equitably. I don't want to presume businesses are acting in bad faith, but according to my experience, even when there are rules, broadcasters are always looking to maximize their profits. If they think that, by trying to circumvent the rules, they will keep more freedom of action and a larger potential for profit, they will do whatever it takes to do that. So every time rules are tightened and criteria are established to which companies can adapt by changing a bit, there is a risk of them successfully excluding themselves from the legislation's scope, quite simply.

The legislation will help us not only set rules, but also get data to understand the impact of every service in our market. Right now, we have to conduct surveys. That's good, as it gives us a nice overview of the situation, but we should have access to the number of users—

● (1600)

[*English*]

Mr. Michael Coteau: I'm sorry to interrupt, but could I ask, Chair, how much more time I have?

The Chair: You have 46 seconds.

Mr. Michael Coteau: I'm going to take the last 30 seconds—and I'm very grateful for the answer—to state that there was a bit of discussion on digital first creators and eligibility, and I know they are eligible for CMF funding. That's something I want to put on the record because there was some discussion about it.

Thank you very much, Madam Chair. I appreciate the opportunity.

The Chair: Thank you very much, Michael.

Now we will go to a third round. I think we can do that given the time we have left.

I'll begin right away with the Conservative Party. I don't know if Mrs. Thomas is able to be on.

Mr. John Nater: Madam Chair, I think it's me. I think I'm the only one with a working microphone right now, so you're stuck with me this time around.

The Chair: We're stuck with you. Are we, John?

Mr. John Nater: I know, I know.

The Chair: Go ahead for five minutes.

Mr. John Nater: Thank you, Madam Chair.

I'll open with a few points that were mentioned earlier.

First of all, Madame Desrochers and Ms. Paré, you mentioned a survey that's currently being undertaken. I've tried to listen in French and understand in my second language, but I'm not always successful. Could you just clarify who that survey is targeting and who's conducting that survey on YouTube users?

Ms. Marie-Julie Desrochers: It's people living in Quebec who are 18 years old or more. It was made by Leger for ADISQ, and it shows strong support for the legislation.

Mr. John Nater: Great. I appreciate the clarity on that. It would be beneficial to the committee—if you would be willing—to share that data once it's completed.

Ms. Marie-Julie Desrochers: We have data in our *mémoires*, and we will share the official survey when we have it.

Mr. John Nater: That's wonderful. I appreciate that.

I want to follow up on another point that was raised earlier by Mr. Hatfield, and I want to direct this to you as well.

In terms of the opt-in provisions of discoverability, Mr. Hatfield suggested that for the user experience, there should be a way to toggle that on and off for someone who's looking to seek out Québécois content or Canadian content. There should be a way that they can toggle that, especially given some of the interest from users who may be looking for content from outside our borders.

Would your organization support giving consumers the option to toggle on and toggle off that side of discoverability?

• (1605)

[Translation]

Mrs. Eve Paré: I'm not sure I understand why a creator would want to exclude themselves from discoverability measures. So for us, that is not a question that has come up.

[English]

Ms. Marie-Julie Desrochers: If I may specify something, we've never—

Mr. John Nater: Just to clarify, perhaps, I was thinking more so about the consumer or the user of the different online platforms and whether it would be an option for them to toggle on or toggle off their promoted content.

Ms. Marie-Julie Desrochers: It's not something we would support, but we don't expect people to look for content from Quebec. We just expect them to look for content they might like, and sometimes what is proposed happens to be made in Canada or made in Quebec. If we do that the right way, that's the way it works. It's not because you want to listen to something specifically from Quebec. You just want to listen to something good that sounds similar to the other artists you like and it happens to be made in Quebec.

Mr. John Nater: I don't want to put words in anyone's mouth, but if I understand correctly, you want the content to be available, especially Québécois content, but still provide the consumer with the choice to decide whether they click on song X or song Y depending on what is of interest. Is my understanding correct?

[Translation]

Ms. Marie-Julie Desrochers: We absolutely don't want to prevent people from listening to what they want on demand.

[English]

Mr. John Nater: Thank you for that.

I want to go to Mr. Kitt from Unifor very briefly. One of your colleagues, Howard Law, made the comment, “Discoverability is streaming-speak for ‘promotion of content.’”

I'm curious if you could expand on that and what we see with all the different platforms, whether it's Google, Netflix or Disney+. Each has its own unique algorithm, for lack of a better word, that targets the user experience. When you're saying discoverability is the promotion of content, do you see any way that will have a negative impact? I'm thinking specifically about Canadian content and when one type of Canadian content would be promoted over another type of Canadian content.

Mr. Randy Kitt: I don't know the context of Howard's comments, but there's been a lot of discussion about discoverability. We take the position—like Michael Coteau mentioned earlier—that Canadian content is important and it ought to be supported. The discoverability of that content ought to be supported.

The notion that there's a free-market Internet.... Nothing is for free. These companies target and design those algorithms for maximum profit, not for my viewing enjoyment. It's important that we ensure that our Canadian content creators are discoverable.

I'm not an expert by any means in these matters, so I'll leave that up to computer experts. I think it's important that Canadian content creators are discoverable.

Mr. John Nater: I would agree in the sense that we want to see Canadian content. I want to enjoy Canadian content, but I would be somewhat surprised if none of these platforms took into account the user experience because they're going to lose subscribers awfully quickly, as we're seeing in some contexts with the user experience.

The Chair: Thank you, John.

I will go to Lisa Hepfner for five minutes.

Ms. Lisa Hepfner: Thank you very much, Madam Chair.

I'm going to assume everybody can hear me okay.

I would like to direct my questions back to Mr. Kitt with Unifor.

I'll let you expand a bit on your last comment. You were talking about how it's not really a free market out there. Algorithms and companies are deciding the content. It's not like it's a free-for-all. It's not CRTC imposing rules, but companies are making the algorithms.

• (1610)

Mr. Randy Kitt: That's correct.

Again, I'm not an expert on that, so I imagine that we all like to watch good content. The idea that people are losing subscribers is maybe because there is not enough good content or that we've watched it all too quickly. I don't know.

I'm not an expert on algorithms. I think discoverability is important.

Ms. Lisa Hefner: Let's go back to what you are an expert in. You're from Unifor and you represent journalists, camerapersons and the people behind the scenes. You've seen that there has been a decline in the number of those people employed in journalism over the past number of years.

We heard earlier today that a very small percentage of YouTubers actually make money on the platform. Of the ones that do make money, 60% of them make less than \$10,000 a year.

What do you think your members would think of that sort of job opportunity?

Mr. Randy Kitt: When we're talking about a revenue threshold for regulating content, we were looking at \$10 million, so I don't think anyone had any concerns about those types of regulations for TikTok users—

Ms. Lisa Hefner: I'm sorry. Maybe I wasn't clear, Mr. Kitt.

Of the people who make money on YouTube, which is a small percentage, 60% of them make less than \$10,000 a year. Would a journalist be employed for that amount of money? Is it a viable career option for a Unifor member?

Mr. Randy Kitt: It is absolutely not.

Ms. Lisa Hefner: You started off your segment talking about how important local news is in our communities. You said it has never been more important. I'm wondering if you can expand on that a little.

Mr. Randy Kitt: Thank you.

When we talk about the fund that we're asking to be enshrined in this act, it's a dedicated revenue stream. Between between 2009 and 2014, the LPIF was a fund that took cable company revenue and directed it into local news.

From 2015 to 2021, the impact of Netflix, Amazon and the rest was about \$400 million. That is more than the entire expenditures of all of the local TV news budgets in this country. That is not an insubstantial amount of money that has been taken away from the Canadian news ecosystem because of Netflix, Amazon and the rest. We need a portion of that money put back into the system, so we can adequately fund local news across the country and reach all of our communities. Then every community can have local television news and we'll know what our politicians and our city councils are up to. We can build back our communities.

Ms. Lisa Hefner: Thank you very much.

[Translation]

I will use my remaining minute to ask—

[English]

The Chair: You have 45 seconds.

[Translation]

Ms. Lisa Hefner: Okay.

[English]

Madame Paré, you said something to the effect that we have such a strong cultural sector in Quebec and in Canada right now because we have had a Broadcasting Act up until now. What do you see for the future? Should we not have a revived and renewed Broadcasting Act if Bill C-11 is passed in the House? What do you see for our future?

[Translation]

Ms. Marie-Julie Desrochers: In that sad future, we see francophone Canadian music—

[English]

The Chair: Finish very quickly please, Madame Desrochers.

[Translation]

Ms. Marie-Julie Desrochers: —that is completely marginalized and is struggling to reach its public, while the public is telling us that they want to continue to discover that music.

[English]

The Chair: Thank you very much, Madame Desrochers.

I will now go to Martin Champoux for the Bloc for two and a half minutes.

[Translation]

Mr. Martin Champoux: Thank you very much, Madam Chair.

I will continue in the same vein with Mrs. Paré and Mrs. Desrochers.

Since the beginning of this meeting, we have been talking about the benefits of the development of music by Quebec radios, among others, and about how much that has contributed to the development of artists in Quebec, to their financial health, as well as to their flight toward careers they could not even imagine in the beginning.

We are clearly slowly moving toward the digital world, and we can agree on that. We can continue to operate with a hybrid model for a number of years—which is what I want—but, eventually, a larger portion of the cultural content we consume will be online. That portion will continue to grow.

Are you certain that these regulations will continue to contribute to the development of new digital artists, as was the case for recording artists, for instance?

● (1615)

Ms. Marie-Julie Desrochers: There is never a magic solution to resolve all the issues we can have in the music industry. However, we are certain that this would be a key element to empower our music.

According to the results of the survey we conducted, those who are the least supportive of a piece of legislation like the one currently being implemented in Canada are young people—even though they are still important and account for more than 50%. Young people are the most likely to use those services, and we are already seeing the immediate impact of that. When people have their music suggested to them less, they understand less how much they may like it. They may not know how much that music can speak to them and they are less supportive of regulations. We are already seeing the broken impacts of the vicious cycle. So it is really—

Mr. Martin Champoux: In contrast, as the traditional radio model is giving way—as slowly as possible, I hope—to online broadcasting platforms, can it be presumed that, without regulations imposing discoverability objectives, we may see interest in Quebec, francophone and Canadian content drop?

I assume that the answer is plain and simple.

Ms. Marie-Julie Desrochers: The answer is plain and simple, and it is yes. We have seen this during the pandemic: the less we are exposed to our music, the less we consume it. We have noted that especially when it comes to streaming music during the pandemic. As there were no shows being performed, our streaming music was significantly reduced, while more people were listening to streaming music. As our music was less present on the territory, people thought less about listening to it.

That is all part of cycles, which are not vicious, but virtuous, that feed this system. That is why each measure is important.

Mr. Martin Champoux: Thank you very much.

[English]

The Chair: Thank you, Ms. Desrochers.

We now have Peter Julian for two and a half minutes.

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

I would like to thank all of the witnesses for coming forward today. They have given us compelling testimony that is going to be useful as we look at the bill, particularly at the amendment stage of Bill C-11.

I haven't asked a question yet of Mr. Hatfield and would like to go to him.

First off, my question would be this. Are you concerned about the testimony we've heard today from OUTv about how they were excluded from a number of streaming platforms and fear that, should there not be measures in place to counter it, other streaming platforms coming to Canada may do the same thing? That's my first question.

Secondly, I thank OpenMedia for its campaign against discrimination in algorithms. We know that there are problems beyond that and that Senator Ed Markey, among others in the United States, has tabled a bill for algorithm transparency because that is, of course, a concern in some sectors. The campaign in the United States “Stop Hate for Profit” also takes aim on algorithms, as you're aware.

I wanted to ask you those two questions. The first is on your concern about exclusion by the streaming platforms. The second is on the issue of algorithm transparency.

Mr. Matthew Hatfield: Those are two interesting questions. I'm not familiar with the specifics of OUTv's case, so I should review that more in the future.

Platforms don't have a must-carry obligation for anyone's content, and we don't think they should. That said, it's important that it be easy for people to participate in a variety of different platforms, and different platforms may choose to carry or not carry different things. We do get concerned any time people seem to be locked in to a given system, whether that's a top-down CanCon system, or if people thought Netflix was the only game in town.

We certainly think that it's worthwhile for the government to look at anti-competitive practices and consider applying those to some of these companies.

In terms of your second question around algorithmic transparency, we very strongly support measures to make algorithms transparent to their users, researchers and journalists. One of the biggest problems we have with many online platforms is that it's so poorly understood what's actually happening on them. We've supported legislation around that in the States and would certainly support it here in Canada.

• (1620)

The Chair: Peter, that's it. Thank you very much.

I now go to Mr. Nater again, for the Conservatives.

You have five minutes please, John.

Mr. John Nater: Actually, Madam Chair, I believe it's going to be Mr. Uppal for this round.

The Chair: Okay.

Mr. Uppal, you have five minutes please.

Hon. Tim Uppal: Thank you, Madam Chair. Thank you, John.

I'm going to continue with Mr. Hatfield.

Last week at this committee the CRTC commissioner basically admitted that UGC is in the scope of Bill C-11. He added that there should be a higher degree of trust in the CRTC as a regulator. What do you think about this, especially since the minister has assured Canadians that UGC is not covered under Bill C-11?

Mr. Matthew Hatfield: Yes, I think perhaps the minister needs to discuss this with the CRTC and get his facts straight. As people know, it's been a long and frustrating conversation we've all had around Bill C-10 and C-11. I wish we could have clarified the fact that user content was in earlier. I think we all could have had a higher-quality discussion if we'd all been on the same page on that, as we now are.

In terms of telling us that we should just be trusting the history of the CRTC I think no, several times over. No, in the sense that our recent organizational experience with the CRTC has not been that we can trust them to always have the public's interest at heart. People who follow our access campaigns will know that we have a lot of concerns about who the CRTC is listening to when it comes to getting affordable Internet to Canadians and whether it's really their top priority to do that.

Certainly just as a matter of legislation, how do we go about justifying legislation as just "trust the regulator" and just trust that it will work out? That's a very poor standpoint for us to be setting out here. We think that it is incumbent on you as MPs to do better than that and to give more specific restrictions and clarifications to the CRTC as they move forward with anything here.

Hon. Tim Uppal: Thank you.

Also, can you elaborate further on how Bill C-11 will have a detrimental effect on Canadian consumers' ability to view content that they want to view online?

Mr. Matthew Hatfield: Sure. The devil's really in the details here. The more actively the CRTC pursues forcing officially designated Canadian content into our feeds, I think the more detrimental an impact that could have on people.

The vast majority of the things that many people search for online or have in their feeds there is not a lot of Canadian content for, nor necessarily should there be. We are participating in a culture now where a lot of our experience on the Internet is transnational. Unless you really deeply balkanize Canadians and shut them off from those opportunities and really take issue, frankly, with their choices, we can't stop that.

What you might see is that, if I'm searching for a particular genre of music or a very practical thing on a search engine and then get a bunch of the closest things that the search engine could find in good faith based off of the CRTC's regulations, it would be trying to find something appropriate amongst that quite narrow window, currently, of officially recognized Canadian content and be finding quite irrelevant results or unwanted results to provide to Canadians.

Hon. Tim Uppal: What about smaller digital first creators or non-traditional artists? How does it affect them?

Mr. Matthew Hatfield: Yes, like I said earlier, the immediate concern is their being regulated while not having any of the financial benefits. It's been said that, yes, technically they can apply for some of this funding, but their business models were not considered when the previous structure for defining CanCon was designed. Hopefully it will be, as that's updated, but we have seen no sign of how that's going to be updated yet.

The single biggest concern that could affect them is if other countries do similar things to us. Many of them could lose the majority of their audience, actually, by being down-ranked in the feeds of other countries in the same way that Canada is seeking to down-rank the content of creators that are not officially recognized in Canada.

Hon. Tim Uppal: You mentioned smaller producers being able to apply for potential funding. Do you have any experience in what a YouTube process would be like for a small producer to be able to

get funding, versus government applications? I talk to organizations all the time in my office that are having a very difficult time getting through any type of government application. They compare it to a private sector application and say it doesn't compare at all. It's so much harder. There's so much more paperwork to do.

• (1625)

Mr. Matthew Hatfield: I would let digital creators speak first on that one, but the short answer is, yes, that's exactly right. The current system.... I think many small creators would look at the point system and realize immediately that they would never be able to qualify and not even bother trying to work with that system.

We'd like to see it radically revised, but we have no indication in this bill from the government of how deeply they will do that revision and whether it will actually be accessible to all digital first creators in the future.

The Chair: Thank you, Mr. Hatfield.

Now I'll go to Tim Louis for the Liberals for five minutes.

Mr. Tim Louis: Thank you, Madam Chair.

Thank you to all of our panellists. This has been highly informative and it has met all of our expectations. I appreciate it.

I'll start my questioning with Madame Paré and Madame Desrochers.

Conversations are happening. We just referred to CanCon. Conversations are happening with regard to redefining the definition of CanCon in this bill. Can you speak to some of the criteria that's included in this bill to be considered? What would the new definition be and how can we work toward that?

[*Translation*]

Ms. Marie-Julie Desrochers: I will speak for the music industry.

Canadian content is defined by the Canadian Radio-television and Telecommunications Commission and, in our opinion, that is how it should remain. If there was a public process to review Canadian content, we would be happy to participate.

At the ADISQ, for instance, we have been working in partnership with the Observatoire de la culture et des communications du Québec for years to identify Quebec content based on joint criteria. That work is entirely possible to do. We set criteria and we identify what meets them. We can communicate that information very easily. So that issue shouldn't really stop us at this stage.

We could define Canadian content if the definition was revised through a CRTC public process.

[*English*]

Mr. Tim Louis: Thank you very much.

To follow up, the picture that you paint is quite prophetic. The fact that Quebec has done a commendable job of supporting artists over the years honestly shows that we support the strength of how we get more of what we support. When we support our artists, they thrive and we all benefit.

I believe that in your opening statement, you mentioned that 70% of Quebecers—indeed, most people throughout Canada—think foreign streamers should pay into a system, just as our traditional broadcasters already do.

Can you explain the difference that this support can make for our Canadian artists, having web giants contribute to our cultural sovereignty in the face of Internet giants controlling our media and our choices?

[*Translation*]

Ms. Marie-Julie Desrochers: Funding needs are huge.

The business model for streaming is designed for huge markets.

In Quebec, we have always been able to allow artists to have careers in Quebec and to earn a living from what they do.

Artists have the desire and the ability to have international careers. That's really good, and they must be encouraged, but we have always had artists who were able to make a living from their music on our territory. We are always proud to say that 84% of the Quebec music industry's revenue is independent. That's really special in the cultural sector. We have been able to support artists in our local market.

In the case of streaming, that simply does not work right now. We need new funding to be injected to support the production and marketing of our music, as independent revenues are decreasing and traditional radio broadcasters' revenues are also slowly decreasing. Our radio market is very consolidated, and commercial radio revenues are slowly dropping. They are not increasing. All the revenues in the music industry are decreasing right now, not taking into account the two years of the pandemic.

New funding to support French-speaking businesses and independent artists in Quebec will help our ecosystem persevere, so that the wheel can keep turning.

[*English*]

Mr. Tim Louis: Thank you.

Maybe I could turn to Mr. Cox and Mr. Hirsch. We haven't heard from the Quebec English-language Production Council for a bit.

What will the challenges be as a cultural sector to make sure that overlooked minority voices can be heard, so that we can ensure a true picture of our culture and identity here in Canada and keep our sense of belonging?

• (1630)

Mr. Kenneth Hirsch: I'm happy to speak to that. With respect to some of Matthew's concerns, I think there's an openness and a will-

ingness in the industry to see an evolution and adaptation of the definitions of Canadian content. With all the stakeholders working together, those will evolve over time.

International audiences are a huge part of what all content producers everywhere want. None of us wants to make shows just for the home audience, but we also want to make home shows for the home audience. We need more money in the system to be internationally competitive. We know that when we have the funding, we can compete internationally and our shows can be seen internationally.

Mr. Tim Louis: Would you be okay if that funding came from the online broadcasters?

Mr. Kenneth Hirsch: Yes, absolutely. We absolutely believe that they should and must give back to the system that they take billions of dollars out of every year. We believe strongly in the intent of Bill C-11.

Mr. Tim Louis: Thank you. I believe that is my time, Madam Chair.

The Chair: It is. Thank you very much. This brings us to the end of the meeting today.

I want to thank the witnesses for their patience. I know that the technical glitches created dead air for long spaces of time and we all know that dead air is not permissible. Thank you for coming and thank you for all of the very complex answers you gave us.

I want to say one thing, which echoes what Mr. Hirsch said. When Canadians are allowed to show our content to the world, we actually rule. I remember that at one time, four of the five great divas were Canadian. Do you remember Céline Dion and Avril Lavigne? We put on shows, and the world loves our films and stories. Canadian content is important because, as far as I'm concerned—and I would love us to pursue this in another meeting—Canadian content defines who we are. It says who we are culturally, and we're a very unique country culturally.

I also want to thank my colleagues, all of the parliamentarians who sat here for five hours. It's been a long day for most of us. I think you will agree with me that this was a most interesting and exhilarating discussion we had today.

Thank you again, and I will entertain a motion to adjourn.

[*Translation*]

Mr. Martin Champoux: I would like to thank the interpreters, the technicians and the witnesses.

Thank you, everyone.

[*English*]

The Chair: Thank you very much, everyone.

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