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Chair: The Honourable Hedy Fry

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• (1625)

[Translation]

The Chair (Hon. Hedy Fry (Vancouver Centre, Lib.)): Good afternoon everyone.

I call this meeting to order.

Welcome, everyone, to meeting number 25 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.

[English]

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

Pursuant to the House order of November 25, 2021, today's meeting is taking place in a hybrid format. Members are attending in person in the room and remotely using the Zoom application. As per the directive of the Board of Internal Economy on March 10, 2022, all those attending the meeting in person must wear a mask, except for members who are in their place during proceedings. You can speak through a mask and be fully heard. I just wanted you to know that, if you feel you need to wear a mask at all times.

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 to activate your mike, and mute yourself when you're not speaking. I may say that for those on the floor as well, because when the floor isn't muted, I hear my voice like a disembodied thing shouting in the room.

Regarding interpretation for those on Zoom, there is a round globe at the bottom of your screen, and that is your interpretation button. You can go to English, French or whatever you desire. For those in the room, you know you can use your earpiece to get translation. You're not allowed to take photographs of this meeting.

Secondly, the first round would be for witnesses. That's all of you in the little boxes here. You're going to have five minutes to speak. That five minutes could be divided. That's five minutes per organization, so if there are more than one of you for an organization, you can split it any way you like or just designate one person to speak. After that, there will be a question and answer period, and that will be followed according to the formula that we have. Please remember to direct all questions through the chair.

Thank you very much, everyone.

We're going to begin this meeting.

With us today, from the Alliance of Canadian Cinema, Television and Radio Artists, we have Eleanor Noble and Lisa Blanchette. From the Canadian Association of Community Television Users and Stations, we have Catherine Edwards, executive director. From Fédération des télévisions communautaires autonomes du Québec, we have Amélie Hinse. From Digital First Canada, we have Scott Benzie, executive director. From the Directors Guild of Canada, we have Warren Sonoda, president, and Dave Forget, national executive director. Finally, from Music Publishers Canada, we have Margaret McGuffin, chief executive officer.

We will begin for five minutes with the Alliance of Canadian Cinema, Television and Radio Artists, and either Ms. Noble or Ms. Blanchette.

You have five minutes. Let's begin.

• (1630)

Ms. Eleanor Noble (National President, Alliance of Canadian Cinema, Television and Radio Artists): Thank you, Madam Chair, Mr. Vice-Chairs, committee members and staff.

I'm Eleanor Noble. I'm a Canadian performer and national president of ACTRA, the Alliance of Canadian Cinema, Television and Radio Artists. Joining me today is Lisa Blanchette, ACTRA national's director of public affairs and communications.

On behalf of ACTRA's 28,000 members working in English-language screen productions across Canada, I am pleased to appear today to share the artist's perspective as part of the committee's study of Bill C-11, the online streaming act.

We've been closely following the progress of this bill and, like other industry stakeholders, we also want to ensure a strong and vibrant industry for Canadian content for years to come. That is why we were pleased to see that the proposed legislation will require online undertakings, including foreign services, to contribute to the production and discoverability of Canadian programs.

While we welcome the majority of the changes in Bill C-11 to amend the Broadcasting Act, we wish to voice our concern about some of the bill's amendments that would have a significant and detrimental impact on our industry, jobs and our culture. As a working Canadian performer, I can tell you that Canadian content production is at risk.

Before any changes are made to the current Broadcasting Act, we should acknowledge that the existing act has both served us well and has been remarkably technology neutral. Therefore, we believe that any changes being contemplated to the act should only be made if they will help better support and uphold the fundamental purpose of the Canadian broadcasting system, which is to ensure that Canadians have access to original Canadian programming and music, as well as entertainment, information and news programs.

With that said, we must take the opportunity today to sound the alarm about a proposal in the bill that could significantly reduce the requirement to use Canadian creative resources and other resources. It would put Canadian stories and creators at great risk.

While production activity in Canada is booming, even in the face of varying public health restrictions over the past two years, there is growing concern, because opportunities to tell Canadian stories are decreasing and Canadian content production in both English and French is lagging further behind. We're seeing a downward trend in the production of Canadian content, owned by Canadians and made by Canadian writers, producers, directors and performers.

"Profile 2021", released this past April by the Canadian Media Producers Association, captures the economic activity in the screen-based media sector between April 2020 and March 2021. The report highlights that Canadian content production declined by 12% in that period, while foreign service production saw a marginal increase of 1% over the same time period.

We welcome foreign production investment over the long term, but we're concerned that there will be fewer and fewer opportunities to tell Canadian stories. If we don't create an environment in which Canadian stories, storytellers and creators can continue to thrive, our culture and identity may be lost. We must maximize the use of Canadian talent.

To address the emergence of global online streaming services now providing programming to Canadians, Bill C-11 creates two classes of broadcaster: Canadian broadcasting undertakings, including domestic online undertakings; and foreign online undertakings. This approach becomes problematic when a lesser standard is introduced for foreign services. Specifically, proposed paragraph 3(1) (f.1), which we speak about a lot, establishes a lesser standard for foreign services, instead of adopting the stronger language found in proposed paragraph 3(1)(f), which governs Canadian broadcasting undertakings.

Creating this two-tier approach would significantly reduce the requirement for foreign online undertakings to use Canadian creative talent and would devastate our screen-based media production sector. This is an industry that contributes more than \$11 billion to our country's GDP and generates over 216,000 jobs for hard-working Canadians. For me and for my fellow ACTRA members, who are

already precarious workers, this could lead to a loss of work opportunities for Canadian performers.

The purpose of the online streaming act is to equalize obligations between broadcasting undertakings to "level the playing field", in the words of Canadian broadcasters. There is no rationale for establishing a lesser commitment for foreign online undertakings operating in Canada, given their financial strength and market clout. The goal must remain to create a level playing field between domestic and foreign undertakings.

(1635)

ACTRA, along with other industry peers like the Directors Guild here today, agree that Bill C-11 must be amended to remove any reference to a lesser standard for foreign services. We have included a proposal to amend paragraph 3(1)(f).

We also support the Coalition for the Diversity of Cultural Expressions and Racial Equity Media Collective. They've also put in proposals.

The Chair: Thank you, Ms. Noble.

Now I go to the Canadian Association of Community Television Users and Stations for five minutes, with either Ms. Edwards or Ms. Hinse.

Ms. Catherine Edwards (Executive Director, Canadian Association of Community Television Users and Stations): Thank you for inviting us.

As the director of the Canadian Association of Community TV Users and Stations, and with my colleague from the Fédération des télévisions communautaires autonomes du Québec, our comments chiefly concern community TV, but we have consulted closely with our community radio colleagues. Our requested amendments to Bill C-11 are in sync.

As described in our brief, the key challenges for the "community element" are the lack of a clear definition on the one hand and a description of its role on the other. The definition of the public and private elements are self-evident: They're based on ownership. In CRTC policy, community radio is defined as not-for-profit and community owned.

The number of community radio stations has stayed steady at about 200 licensed stations and an estimated 60 indigenous ones, but community TV was traditionally managed by the private sector and has suffered as the cable industry underwent massive ownership consolidation and technical interconnection of formerly separate cable systems over the last few decades. While there were once more than 200 distinct cable community channels, there are now no more than 10% of that number. The vast majority in smaller communities have been shuttered. Those that remain in more populous parts of the country have become regional specialty channels, such as the single, province-wide Rogers TV in New Brunswick.

Amélie.

[Translation]

Ms. Amélie Hinse (Fédération des télévisions communautaires autonomes du Québec, Canadian Association of Community Television Users and Stations): The cable companies made a business case to the CRTC to close their stations, but the communities were never consulted, and that's the problem. True community media, as it is internationally recognized, is owned and operated by non-profit organizations, rooted in their communities and present for the long term. Our goal is to fill this gap. The Canadian Association of Community Television Users and Stations, or CACTUS, currently has 25 non-profit community television stations outside of Quebec. The Fédération des télévisions communautaires autonomes du Québec has 41 in Quebec, and these television stations are supported by the Quebec ministère de la Culture et des Communications.

The CRTC asked us whether community television was still necessary in an age when you can watch videos on a phone and download them from YouTube. This thinking led the CRTC to divert the vast majority of Canada's community television budget, over \$150 million, to support private news networks. This happened in 2016.

The value of community programming is now being rediscovered through programs like the Local Journalism Initiative, as we realize that essential democratic and civic coverage is not happening on social media, as we become increasingly concerned about fake news, and as we grapple with the need to make our society more inclusive.

Community media meet broadcasting licence requirements and are accountable to their boards. They are safe spaces where minorities who fear being attacked on social media can go for production support and visibility. They are the antidote to fractured communities and the silos created by social media. They are a common platform for the whole community.

• (1640)

[English]

Ms. Catherine Edwards: For Bill C-10, we asked that the "community element" be defined firstly by not-for-profit ownership and secondly by participation by the community in the production process. The second part was adopted, but "not-for-profit" was not. We were told that an exclusively not-for-profit definition put into question the status of the few remaining cable community channels.

We propose a compromise, which is a definition of the "community element" that includes but is not limited to not-for-profit community media organizations. What's important is that community-owned TV and radio stations be recognized in the act as a viable, democratic and sustainable model of broadcasting.

Second, the community element is often overlooked in policy-making. We believe this is because there's a lack of specificity in the Broadcasting Act regarding its role. Therefore, in C-10, we proposed a slight rewording to paragraph 3(1)(r) of the 1991 act, which describes the role of alternative programming services. The section closely described what the community element does, yet had never been used in CRTC policy-making, to our knowledge. We were told this amendment did not pass for three reasons.

First, we repeated the term "not-for-profit". We have now taken that out, since it will already have been mentioned in the definition of "community element" if our first amendment is adopted. Second, we used the term "platform", which we were told isn't defined elsewhere in the act. We have taken it out. We mentioned the importance of archiving community-generated content. We were told that it was outside the scope of the Broadcasting Act, so we have taken it out

We hope you can support this revised description of the role of the "community element", which will guide the CRTC in its work.

In closing, we rely on your understanding as parliamentarians of the importance of a local accountable media for smaller communities and minorities, whose voices sometimes do not fare well when lobbying at the CRTC. For this reason, we seek these amendments in law. Community media must be recognized as an essential part of the democratic infrastructure of Canada to ensure vibrant, inclusive, democratic and civic coverage throughout our country.

Thanks so much for your time.

The Chair: Scott Benzie from Digital First Canada, you have five minutes, please.

Mr. Scott Benzie (Executive Director, Digital First Canada): Thank you, Chair.

Thank you to the committee for having me back. My name is Scott Benzie. I'm the executive director of Digital First Canada, an organization that advocates on behalf of creators in Canada that choose free user-generated content platforms as their main distribution method.

I'd like to spend a minute to directly address the structure of Digital First Canada. Digital First Canada is a new organization that has been bootstrapped from the team at Buffer Festival. Yes, we have received some funding from our industry partners, including platforms and private industry involved in the success of digital creators. No, we do not have a formal membership structure where we receive fees from creators, nor do we receive any funding from the government, unlike some of our colleagues who will appear and who have appeared before you.

Now to the task at hand, which is Bill C-11. It is a shame that we and a handful of people like us had to spend the last year or so arguing a now true and confirmed fact—namely, that user-generated content is in this bill. In fact, over the last year, I was publicly attacked and accused of being a purveyor of misinformation from officials for stating it. Even today, about two hours ago, the minister stated that people who say it's in are conspiracy theorists. UGC is in this bill. Saying otherwise is misleading or you are being misled.

Now that it is on the table and in the open, let's have some constructive observations. I've had many conversations with our peers in legacy media about our support for the bulk of the bill that includes curated platforms in the broadcast act. In addition, we have been having the fight about UGC platforms contributing more to Canadian creators for far longer than most of you have been on this file.

With that being said, let's get a little technical. The exemption to the exclusion in proposed section 4.2 is not a sandbox; it is the Sahara Desert. As crafted, it includes almost the entire Internet. I welcome being challenged on that, but it is a fact. Mr. Scott confirmed that while creators themselves are not written into the bill, their content can be treated as "programs". With that clause, all audiovisual content online is in the bill. With UGC platforms, you cannot separate the platform from the content or that content from its creator. If the mandate of the regulator is only restricted by a policy directive, it is your duty to see this power wrestled away because we might not like the next government so much.

Now, I don't believe the UGC platform should be exempt from all regulations. I believe they should have to contribute to the cultural sector. I believe they should be contributing to the creators that use those platforms primarily. If we just roll the cash into the system, we will literally be subsidizing lobby groups on the backs of independent digital creators. We will not be addressing the needs and supports that digital creators could use to grow faster. We believe in a higher level of transparency in the industry across the board. There are a lot of questions about where the money that the platforms already contribute is going today.

What's the problem? It's discovery. The minister has repeatedly assured digital creators that their videos would be exempt from the bill. The discovery clause does not reflect that promise. While there is no call for the CRTC to impose specific algorithms, there is a very problematic word, that being "outcomes". Most platforms are binary, and the promotion of one piece of content results in the demotion of others.

You might ask, "Who cares? If it's Canadian, everybody should be happy." That's just it. Digital creators do not qualify as Canadian, and even if they did, the process to have every piece of content certified is not just problematic; it's impossible. The bill has the intent of promoting Canadian content to creators. While that's admirable, most Canadian creators do not care solely about the Canadian market. The platforms are built for global discovery and niche content globally, and are participatory, not passive. Forcing something unnatural on them, such as local discovery, is a recipe for failure and jeopardizes successes like the indigenous creator renaissance on TikTok, Canadian musicians seeing global recognition and the world-class gaming industry.

There seems to be an impression that regulating the Internet and forcing certain content into the algorithm is a panacea for all that ails. Spoiler alert—it's not. Success online is hard work. It takes consistency, technical knowledge and knowing how to engage and grow your community. It is hustle, not handouts.

Imagine with me, if you will, legislation that actually helps not just digital creators but those groups we have heard from that are struggling on the platforms—a convergence of Canadian talent as opposed to ripping one out in favour of another. This bill favours a failed legislative solution instead of education, co-operation and acceleration. Imagine legislation where resources are put in place to join the Canadian cultural sectors and amplify our strengths.

We are not asking for anything in this bill except for the protection that the minister has promised. Please fix this bill so that we do not need to have the same conversations in the Senate, or even in the courts, for years to come.

Finally, the world is watching our activities here. No country has ever taken the step to regulate content this way. I would conclude with a very real warning. Canada cannot take this action and expect fair and equal treatment abroad. If the U.S., France or other jurisdictions take the same approach, you will effectively kill a group of creators that have global success and global contracts with brands, and that spread Canadian voices and values to a world that I believe benefits from them.

(1645)

Thank you.

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

Now I go to the Directors Guild of Canada, Mr. Sonoda or Mr. Forget.

Go ahead, whichever one of you wants to begin, for five minutes.

Mr. Warren Sonoda (President, Directors Guild of Canada): Thank you, Madam Chair, vice-chairs and members of the committee.

My name is Warren Sonoda. I'm the national president of the Directors Guild of Canada. With me today is Dave Forget, the DGC's national executive director. We appreciate the committee's invitation to present DGC's comments on Bill C-11, the online streaming act

The DGC is a national labour organization representing key creative and logistical professionals in the film, television and digital media industries. Today we have over 6,000 members covering all areas of direction, design, production, logistics and editing. Bill C-11 represents the realization of a very historic opportunity to modernize Canada's broadcasting system, ultimately serving the interests of all Canadians by supporting the creative community and Canadian audiences alike.

Growing from 132,000 jobs in 2011 to 216,000 jobs in 2021, Canada's film, television and digital media sector is thriving, but it is primarily driven by the foreign service production side of our industry. As audiences and revenues migrate to online broadcasting platforms, funding contributions to Canadian programming have steadily diminished. The new act will level the playing field for all broadcasters, whether the program delivery is mostly to Canadian homes via online, cable or over the air.

Historically, Canadian broadcasting public policy shared both economic and cultural goals, building a robust domestic production industry while ensuring the future of our artists and creators. This is the fine equilibrium that Bill C-11 proposes to restore.

The economic growth of an industry can be defined by various metrics, but too often the intangible, long-term impact of cultural policy is not fully valued. It contributes to the development of a national identity, shared consciousness and successful careers. More precisely, we know that there is no better tool than scripted content and documentary filmmaking to illustrate what cultural policy does.

Shows like *Schitt's Creek* and *Transplant*, films like *Scarborough* and *Beans* and documentaries like *Our People Will Be Healed* and *Anthropocene* share the uniquely personal point of view of their Canadian creators.

The decision to safeguard the future and livelihood of Canadian creatives and storytellers rests in your hands, committee. Getting this right ensures diverse, original, high-quality Canadian programming for Canadian and international audiences for decades to come. In the absence of a rapid intervention to create an environment where Canadian artists and creators can flourish, the current ecosystem will remain unsustainable, leading over time to fewer opportunities and eventually the loss of our culture and identity.

The DGC is aligned with Canadian broadcasters as well as the production and creative communities to urge the adoption of this legislation without delay, with one caveat. Please amend the bill to strengthen requirements for the use of Canadian talent.

Going back to first principles, Canadian content is not just about who commissions it, who owns it or on what platform the program is exhibited. It's about who makes it. We mean, of course, the director, writers, performers, artists, technicians and professionals who create the programming, the entire creative team and the many colleagues I work with every day who contribute to the creative process.

It's over to you, Dave.

• (1650)

Mr. Dave Forget (National Executive Director, Directors Guild of Canada): Thank you, Warren.

Bill C-11, as currently drafted, establishes two standards for the requirement to use Canadian talent with different rules for Canadian and foreign online broadcasters. Specifically, proposed paragraph 3(1)(f) maintains the historic requirement that a "broadcasting undertaking shall employ and make maximum use, and in no case less than predominant use, of Canadian creative and other human resources" but only for Canadian broadcasters, while proposed paragraph 3(1)(f.1) creates a significantly weaker obligation to "make the greatest practicable use of Canadian creative and other human resources" for foreign online undertakings.

This objective can be achieved by using a common definition of "Canadian program" and applying similar requirements for both domestic and foreign online broadcasters. Proposed paragraph 3(1) (f) remains the lifeblood of the broadcasting policy. While we understand that the current definition of a Canadian program may need to be revised, we think it is imperative not to lower the standard for requirements to use Canadian talent and creative resources. Without making this amendment a priority, we are concerned that the positive impact of the new act on the domestic production sector would be limited.

The opportunities to tell Canadian stories would continue to decrease by the alarming rate of on average 10% per year to the point where both the English- and French-language markets would be unable to compete globally.

Members of the committee, we thank you for your time and will be pleased to respond to any of your questions.

The Chair: You must have timed yourselves; you're right on. Thank you very much.

I will then go to Music Publishers Canada and Margaret McGuffin, chief executive officer.

Ms. McGuffin, you have five minutes, please.

Ms. Margaret McGuffin (Chief Executive Officer, Music Publishers Canada): Good afternoon, Madam Chair and members of the committee.

It is my pleasure to appear this afternoon to discuss the importance of the online streaming act.

My name is Margaret McGuffin. I am CEO of Music Publishers Canada, which is a membership-based organization largely made up of Canadian small and medium-sized enterprises representing all regions of the country, as well as large international companies with offices in Canada.

Music publishers invest in thousands of Canadian songwriters and make significant investments into the songs and scores that are heard every day on the radio, on television, on streaming services, in video games, in film and television productions and on new emerging platforms around the world. Seventy-nine per cent of the revenues of my members flow to Canada from foreign sources. We know the importance of the global market.

Bill C-11 is a long-awaited and much-needed update to the Broadcasting Act. We welcome the legislation's goal of bringing online broadcasting under the act, particularly for ensuring that streaming services help Canadians find Canadian songs and stories on platforms operating in Canada.

As technology has evolved, so has the way Canadians consume content. Our members and the songwriters they work with have embraced these changes and are actively engaged on these new platforms, both in licensing the content and in creating new digital content. Music publishers and songwriters are digital creators.

However, digital streaming services have been in Canada for almost a decade without fully supporting Canadian music. These platforms are keen to capitalize on Canadian talent without fully supporting the environment that helps the industry grow. It is critical that this uneven playing field changes now.

Over the last few years, we have challenged the digital platforms to work with us to find ways to harness their technology to help Canadians promote Canadian songs and stories and we will continue to do so. Most of the time these days, though, I hear about what the tech platforms can't do, not what they can do.

Clearly, the CRTC needs the ability to regulate when necessary to further Canada's broadcasting policy. Bill C-11 does just that. It provides an important balance by giving the commission the tools it needs to regulate when market forces fail. Modernizing the Broadcasting Act will ensure that, as technology evolves and online platforms continue to grow, Canadian creative industries, including music publishers, songwriters and composers, will also continue to thrive.

Without this modernization of the Broadcasting Act, Canada will see parts of our creative industry suffer. We risk an entire generation of new young storytellers and emerging businesses losing opportunities to develop, grow and benefit from their talents. Their songs may never be discovered or promoted in their own country.

As you've heard earlier in these meetings, this is especially dangerous for songwriters, composers and music publishers whose work represents and gives voice to our indigenous and French-lan-

guage cultures. The online streaming act will undoubtedly support Canadian creators and the businesses that invest in them by creating jobs and ensuring that our stories can be found and heard in English, French and indigenous languages.

Let me close by saying that, contrary to what you've heard earlier, the proposed amendments will not disadvantage digital creators from exploring new opportunities on new digital platforms or limit freedom of expression, nor will Bill C-11 break the Internet or ruin the user experience. Those working in the creative industry ecosystem are some of the biggest proponents of freedom of thought, belief, opinion and expression. Bill C-11 addresses a distribution issue. It does not create a freedom of expression issue.

Why are we seeing these scare tactics from globally dominated tech companies? The bottom line is that they have made a healthy fortune by benefiting from the Canadian system and not contributing to it. It is time for that to end.

I would encourage you all to think critically about the arguments made by the tech companies that extract revenue without the corresponding investment. It is our opinion that Bill C-11 will be a much-needed modernization of the Broadcasting Act to address the very real inequalities that have resulted from an increasingly digitized world.

Thank you. I am happy to answer any questions.

• (1655)

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

Now we're going to go to the question and answer part of this. We're starting with a round of questions. The first round is six minutes for each political party. That means questions and answers, so everyone try to be as succinct as you possibly can.

To begin, for the Conservative Party of Canada, we have John Nater

John, you have six minutes.

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

I'm pleased to take this first round of questions on behalf of my colleagues today.

I want to start with Mr. Benzie from Digital First Canada with a few questions.

Before I do my questions, I want to give you 30 seconds just to highlight a few of the successes we have seen with digital first creators, some of those creators who made their start here in Canada using different platforms and are now seeing great success internationally. I want you to highlight a couple of those examples.

Mr. Scott Benzie: Thank you for the opportunity.

There literally are so many, we can't even count them. A lot of these people have gone on to international success, and success within a more traditional model. Everybody quotes Bieber, The Weeknd, Alessia Cara and Shawn Mendes, musically. Obviously there is Lilly Singh. Peter McKinnon might be Canada's most popular photographer right now. There is Elle Mills, who is creating short films. It's really endless.

When we see indigenous creators like Notorious Cree, thatwarriorprincess, Shina Novalinga emerge and find careers without gatekeepers, I don't think that's something we should play lightly with. I think we should take very careful consideration of the environment that has allowed that.

Mr. John Nater: To that end, that leads into the question.... You talked about the sandbox versus the Sahara Desert when it comes to proposed subsection 4.2(2). I want to pull up on that and how it can impact the concept of discoverability. We hear the term "discoverability". We know it's included. It's going to be part of the mandate of how CRTC implements discoverability.

How would discoverability and applying that to content that's produced by a digital first creator impact them in their success outside of Canada?

● (1700)

Mr. Scott Benzie: There are a couple of different ways. First off, I would like to state that we really have to have a conversation about what qualifies as Canadian content before having a meaningful discussion around that.

As I said, the platforms are mostly binary. They are built to push content or for users to pull content that's relevant to them. Then, most of the algorithms score that content based on how it's engaged with, whether it's shared, if it's watched the whole time. Any kind of artificial manipulation of that algorithm and putting content in front of people that they might not want or might not want to see, regardless of what that content is, will actually hurt that content. It puts us in a position where we're not just hurting the content that has been deprioritized—we have obviously hurt that one—but we're hurting the content that we're trying to prioritize as well.

There's a way to help everybody on these platforms, but discovery is not it, and there is no good reason that I have heard for it to be in this bill.

Mr. John Nater: To that end, you have an open letter on your website to the Minister of Canadian Heritage. I'll summarize it very briefly. You made the comment that the Broadcasting Act, as a piece of law in Canada, was never designed for digital first creators, for the new medium of online creative exports, for lack of a better phrase.

Can you elaborate a little bit on this? What is it about the online presence that doesn't fit well into the traditional broadcasting understanding that we have?

Mr. Scott Benzie: Again, the traditional Broadcasting Act was built to highlight and prioritize Canadian content to Canadians, for fear of having Big Brother from the south overriding our airways. That's not what these digital platforms are for. They are for global discovery.

Canadian discovery for Canadian content creators online is almost an afterthought. While it's nice, and I'm not lumping everybody into the same boat—everybody is a little bit different—it's the global discovery that matters. If, when we put content into the algorithm, it's pushed locally and not engaged with, that's going to affect all global discovery as well. It's going to punish it in the algorithm.

More importantly, as I said at the end of my statement, if other jurisdictions decide to follow Canada's lead and do this, that is a death knell for the Canadian digital content creator industry. The U.S. is our biggest market. Canadians are signing global contracts. It has kind of flipped it on its head. We're now invading other markets with our great content. There's no reason to be protectionist about digital content. There's no limited shelf space.

Mr. John Nater: This might be going outside of your specific area of expertise, but are there any risks through the Canada-U.S. trade agreement, through CUSMA, with legislation such as this?

Mr. Scott Benzie: You're correct. I don't mind stating when things are above my head and out of my bailiwick, and that is one of them.

Mr. John Nater: I appreciate that. I'm sure we'll find someone who can comment on that.

I have one last question on this matter, and hopefully I still have time, Madam Chair.

In the lead-up and following Bill C-10, one of your major criticisms was that digital first creators hadn't been part of the process, hadn't been involved and hadn't been consulted. I want to know what types of efforts have been made thus far to engage with digital first creators. You also mentioned that you want the legislation to say what the minister promised—that user-generated content won't be included.

Would simply removing proposed section 4.2 achieve that, or would there be other types of amendments you'd like to see to ensure the legislation reflects what the minister says on it?

Mr. Scott Benzie: I think proposed section 4.2 is the big one that could obviously go. The bigger issue for us is the discovery clauses, more so than the inclusion of the platforms.

I will say this, on a positive note, I've had more conversations with the department, with Canadian Heritage and with the minister's team as well since that time, so things are going better. We are being heard. I'm here, so I thank everyone for that.

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

I'll go to the Liberals and Mr. Tim Louis for six minutes.

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

Thank you to all of our witnesses, both here and online.

I will begin by talking to Ms. McGuffin from Music Publishers Canada. We've heard, as recently as today, from witnesses that Can-Con definitions are outdated, and they do need to be reviewed.

Can you talk about how our online streaming act, Bill C-11, is already starting to redefine CanCon, and what the new criteria of that bill must be to consider this redefinition? What criteria would be important to our culture, our cultural sovereignty and our creators?

(1705)

Ms. Margaret McGuffin: That's a very interesting question, and thank you for asking it.

We're very interested in modernizing what CanCon could look like for the music industry. I'm not an expert on television, so I'll only talk about music. What we want to achieve and our priority is to ensure that emerging songwriters and emerging businesses are found, have an audience in Canada and have an infrastructure around them, before they make the decision to go out on a global scale.

Many of my companies prioritize the global market before they prioritize Canada. We've had very successful Canadian songwriters and composers, many won't know their names, but CanCon for radio and television helped us create that success. We're now looking at the next stage, where we need to carefully look at what can be done to make sure the next businesses are being formed and the emerging creators are being found.

Many of them will need to have a regional support network in a very small part of Canada before they decide to tour and to participate in all of these platforms, so we need to make sure we find a way to support those businesses so the opportunities aren't lost.

Mr. Tim Louis: In what ways specifically would Bill C-11 be starting to move that conversation forward to make sure we're moving into the 21st century here?

Ms. Margaret McGuffin: Definitely, we need to look at modernizing how we find Canadian songs and stories, and we want to give the CRTC the tools, as a modernized place, to have that discussion. I've challenged all of the tech companies we work with, and we work with all of the ones you're hearing about today. We license them, and we work with them to find out what tools they're offering creators and businesses to use their platforms more efficiently. I want them to tell me what they can do.

We may customize at the CRTC what is good for TikTok versus what is good for YouTube, and what is good for the next service. However, we need an incentive for companies to engage in Canada and invest, because many have chosen, often, to initially not put people on the ground or be involved with Canadian creators. There needs to be an incentive for that to happen. For those who want to

make the investment, let's customize it so it is good for their platform.

Mr. Tim Louis: I appreciate that.

You said artists are actively engaged themselves as digital creators. I would like to ensure this is not an "us versus them" debate between traditional artists and digital creators. People are saying these traditional legacy players don't have a presence online and that the traditional industry is living in the past and that digital creators are the future.

We heard from the professional music publishers' association last week that the music sector, itself, is digital. You mentioned it too, that we need our stories to be found and heard, and you're using digital media to do that. Your industry is digital first.

Can you speak to the presence of traditional artists online as digital creators themselves?

Ms. Margaret McGuffin: Absolutely. My companies are using these platforms on a daily basis with content that they are creating, as well as assisting their songwriters and their composers to create for these platforms and fit it into a marketing plan and a professional development plan that moves them beyond just one platform to other parts of the world. This could include live touring for some. It may include co-writing in Nashville or Denmark for others.

This is not "us versus them". My members are going out daily on these platforms to look for the next songwriter they're going to sign. They're signing them, they're supporting them and they're investing in them.

Mr. Tim Louis: You talk about looking for the next songwriter. We've heard stories of the few who have had tremendous success online, but we know that, overall, for the majority of artists, it's almost impossible to make a living through social media and online streaming. The majority of Canadian creators on YouTube, for example, make less than the median of the average artist. A million streams on something like Spotify sounds like a lot, but it's only a few thousand dollars.

How can we ensure that the system maximizes the potential for artists and creators to have full careers and supports them, regardless of the platform?

Ms. Margaret McGuffin: We definitely need to invest in them. We need to educate them on these platforms. We need to engage with the platforms to make sure that Canadians are using them in a way that will maximize the number of plays.

We see on these platforms that the top 10% of views are controlled by 100 or 200 creators and companies. The bottom per cent of the views are filled with 10,000. You cannot develop a company or have a creative career in that bottom 10%.

We need to be working with creators and companies as they emerge regionally and in the francophone community to allow them to grow at a pace that allows them to then move into those upper tiers. If they get played, they will get paid.

• (1710)

Mr. Tim Louis: Thank you for that.

The Chair: Thank you very much, Tim. That's it.

Now I'm going to the Bloc Québécois and Martin Champoux, for five...six minutes. I'm sorry. I was going to cut off a minute, Martin. Don't yell at me, please.

[Translation]

Mr. Martin Champoux (Drummond, BQ): That is not my style, Madam Chair. Thank you very much.

I would like to thank the witnesses once again for participating today in another important meeting of this committee and for contributing to the study of Bill C-11.

I would like to ask a question of Ms. Hinse, from the Fédération des télévisions communautaires autonomes du Québec.

Ms. Hinse, there is a lot of talk about the erosion of regional journalistic coverage, of regional media and, in fact, of major media fleeing the regions. We are seeing this phenomenon in Quebec.

Ms. Hinse, can you tell us a little bit about the role that community media could play, particularly in terms of journalistic coverage, if Bill C-11 recognized their value and if the amendments you are proposing to the definition were adopted?

Ms. Amélie Hinse: We've seen this trend for several years. There is a crisis affecting the media and their funding, and that means that the regions are receiving less and less news coverage.

The major media cannot have representatives in all regions of Quebec or Canada. They don't have the means. It's an extremely vast territory, and covering it all is a real challenge.

The community media, on the other hand, are established in the communities. They have been there for years. And they are reliable, because they have been created by and for the communities to meet a real need. I humbly think that community media are underutilized by the system at the moment. Since we are already there, it wouldn't cost much to promote local news in all regions of Quebec and Canada. We do the work for a fraction of the cost of the big networks. A major network can't send a correspondent from Montreal to cover what's happening all over Quebec. You need people on the ground. We are already there.

If the role of community media were recognized in the act and the community element and the role we can play were better defined, that would help us do our job better.

Mr. Martin Champoux: You just have to go to the regions to understand the situation.

Thank you very much, Ms. Hinse.

In your opening remarks, Ms. McGuffin, you said that you are in regular contact with the representatives of the major platforms.

How are the discussions and negotiations going?

How do they react to your arguments when you talk to them?

[English]

Ms. Margaret McGuffin: We have several layers of communication with these platforms as they enter the Canadian market. The first one obviously is.... This is not a copyright hearing, but just for your information, we talk to them about whether they are going to be licensed and how they're going to be licensed. Our members participate in the rate-setting process with SOCAN and CMRRA as they are licensed.

We also know that many of our Canadian-based companies then want to use the platforms, so we have a tech summit once a year. Google, TikTok and Amazon all come and meet with our members and talk about the tools that are available to businesses and creators—all the data that's being supplied. In fact, when I go to New York for New York song week on June 13, we're going to be meeting with these platforms there, to meet with the people who really understand publishing and songwriting to see how we can have producers who are not artists discovered on these platforms.

Those are the kinds of discussions we have, and I know my colleague at APEM has done the same type of work.

(1715)

[Translation]

Mr. Martin Champoux: I hope that you will not lose your optimism and that you will continue to represent the francophone and Canadian cultural industry well.

Thank you, Ms. McGuffin.

Mr. Benzie, we had these discussions during your previous appearances before the committee. In fact, I am pleased to have had the opportunity to meet with you, and I see that you have continued to meet with the department, in particular, as well as with officials and people from the Cabinet. I congratulate you on your openness.

I'm concerned that you mention, again, that you can't tell us exactly how many members your association has or how many people you represent.

After our discussion, Mr. Benzie, I had the opportunity to speak with some young youtubers. They want to break into the web through YouTube. They create different types of content, such as music or interesting small audiovisual productions. However, they find that they are not able to break through.

I asked them if there was a way to include provisions in the legislation that would benefit them, or if they were interested. First of all, they don't even know that they can be represented by an organization. Secondly, they say that, yes, a little help would go a long way.

[English]

The Chair: You have 33 seconds.

[Translation]

Mr. Martin Champoux: Thank you, Madam Chair.

Mr. Benzie, so there are those who say that this would be benefi-

I know I only have 30 seconds left, but I will give you the opportunity to come back to this topic a little later.

Wouldn't a broader consultation on your part with the people who are present on these types of platforms be beneficial, given your speech?

[English]

Mr. Scott Benzie: I'm always open to more consultation.

Thank you, Mr. Champoux, but you also said that you spoke to a bunch of creators who have broken through and are also having trouble breaking through, so I'm a little bit confused. Our francophone constituency does have unique needs, and I look forward to exploring them further.

The Chair: Thank you.

Now I go to Mr. Julian of the New Democratic Party for six min-

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

Thank you to all our witnesses for being here today.

This is important testimony we are getting. We deeply appreciate your availability in speaking to the committee about Bill C-11 but also about the possible amendments that can actually improve it.

I'm going to start with Ms. Noble and Ms. Blanchette from ACTRA. Thank you for your work nationally. I'm certainly hearing from ACTRA members across the country who are very favourable toward C-11, but you have pointed out something that's extremely important—that you effectively can't have a level playing field if you have two standards around Canadian production. Currently, the way the bill is structured for foreign online platforms, they don't have the same responsibilities in terms of Canadian production and Canadian employment.

Could you talk about the importance of making sure that the bill does set a level playing field and that foreign online platform companies actually have the same responsibilities as Canadian broadcasters do?

Ms. Lisa Blanchette (Director, Public Affairs and Communications, Alliance of Canadian Cinema, Television and Radio Artists): I'll go, Eleanor, as long as you're okay.

Thank you for the question. I think you heard a similar pitch from the DGC, from Dave Forget in his presentation.

We have been working together with industry stakeholders, with the Writers Guild, the Canadian Media Producers Association and the CDCE.

We are in agreement that having one standard definition, as Dave outlined, is the way to go. To make it as strong as possible, making maximum use is a strong and appropriate standard. It has served us well for decades, and we think it should continue to be the standard applicable to broadcasting undertakings operating in Canada.

Mr. Peter Julian: Thank you for-

Ms. Lisa Blanchette: I think the traditional baseline should endure and I hope that answers your question.

Mr. Peter Julian: It does, but I did want to extend the same opportunity to Mr. Sonoda and Mr. Forget, as well, for the Directors Guild. It's the same question about Canadian employment.

Mr. Dave Forget: To echo Lisa's comments, I would just add one thing. Having two standards, as has been pointed out, is potentially harmful and is unnecessary, quite frankly. In our comments up front, we talked about the fact that it's not just who owns it and it's not just what platform the content is exhibited on, but who makes it. Who makes it are the Canadians, both in the key creative positions—directors, designers, writers and so on—and the crews, and the crews that Warren referenced and he works with on a day-to-day basis.

There's no need to have two sets of standards. Also, if I can demystify something, there is plenty of flexibility already built into the system, so there have been calls for revisiting or perhaps recalibrating the requirements around Canadian content. We're not calling for that, but it's a sensible process that will take place. There's no need to double.... There's a rule of thumb that says you don't need two rules to do the job of one. If that revision and that analysis is called for, that will take place. It doesn't have to take place in the scope of the act. When it does take place, stakeholders like the DGC, ACTRA and others will be there. Any changes or modifications will then be applicable equally to the Canadian broadcasters in the current system and the online players, including the foreign ones who are doing business.

Let's have one standard. Clarity equals predictability and sustainability, so I think that's what we're looking for. Having multiple standards just confuses things.

● (1720)

Mr. Peter Julian: Thank you very much.

I'd like to move on to Ms. Edwards from CACTUS.

You've been a strong proponent of community broadcasting. We've certainly seen an erosion in my community, an elimination of community television, except we have volunteers stepping up with New Westminster Community Television, and I'd like to shout out to their valuable work.

You mentioned I believe, if I understood it correctly, a 90% erosion of community television supports, and that effectively we've lost a wide variety of the community televison supports that existed before. How important is it to mend Bill C-11 so that we actually have a very clear obligation around community television that involves members of the community?

Ms. Catherine Edwards: In Bill C-11 our hope is that.... To give you an example, in 2016, the last time the CRTC reviewed its local and community TV policy, there were public notices of consultation that went out, and then stakeholders could weigh in. The not-for-profit community TV groups that are stepping in to fill service holes left in the wake of cable TV closures weren't even mentioned. There were questions of, well, we all know that cable community channels have been regionalized and this and that, but there was no mention that there's actually this viable other sector growing in its place.

What we are looking for in the act is recognition so that, when we talk about who's doing the work at the community level, not-for-profits are at the table. When the online streaming act goes into law and is referred to the CRTC to put in practice and there's more money in the Canadian broadcasting system, at that point we're hoping that there would be funding for a community access media fund that could fund community radio, community TV and new online digital types of media—virtual reality, video game production—where community groups are also involved. The funding comes at the next stage when there are clear definitions of what our role is supposed to be in the act.

Mr. Peter Julian: And then that's [*Inaudible—Editor*]. Ms. Catherine Edwards: That's right. Absolutely.

The Chair: Thank you very much. Can we mute the floor, please?

Mr. Peter Julian: I have a point of order, Madam Chair.

I finished, so you don't need to mute me.

The Chair: Yes, you have.

Some hon. members: Oh, oh!

The Chair: I just don't like hearing my voice echoing across the room, that's all, so if people mute their mikes, that won't happen.

Thank you very much.

We go to the second round now. We're going to go to Ms. Thomas for the Conservatives for five minutes, please.

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

My first question is for Mr. Benzie.

When we look at this bill, it could be divided up into a couple of different sections. One would be the monetary repercussions that it is going to have, in particular for large streaming companies, such

as the Netflixes and Disneys of the world. However, we are also made aware that user-generated content, such as YouTube creators and creators on Facebook and TikTok, etc., are also captured, so there is a good chance that they, too, will be asked to contribute financially to the artists who function in a more traditional sense. That's the monetary side.

Then there's this other side, which has to do with discoverability, in other words having content forced in front of the eyeballs of Canadians because the government, through the CRTC, the commissioner, feels that it needs to be made apparent to them. This will have a huge impact on digital first creators, no doubt. You've already talked a little bit about the impact this discoverability clause will have in bumping some content up in the queue and some down, making some successful and some not, choosing some to win and some to lose.

Mr. Benzie, my question for you is this. In your estimation then, when you listen to the minister say, no, that user-generated content is not captured, and you listen to Mr. Scott, the chair of the CRTC, say, yes, in fact user-generated content is captured, what impact does that have on you, and what position do you take on behalf of the creators you represent?

● (1725)

Mr. Scott Benzie: It's a really interesting position to be in, to be honest, where there are two diametrically opposed positions of exactly what's in the bill and what's not in the bill. It's kind of difficult. By the letter of the legislation, UGC is in the bill. We haven't seen the policy directive. We don't know what the policy directive's going to say, and policy directives can change with another government and another heritage minister, whenever. It really leaves us in an uncomfortable position of uncertainty around our work and our line of business, and I don't think that's fair. All we've been asking for is to be written into the legislation to reflect what the minister is saying, and I don't think that should be a difficult lift. Honestly, I cannot tell why those clauses are still in there. They benefit nobody.

I would like to say, in my time, in the spirit of co-operation, that I agree with everything Margaret McGuffin is saying. I think the platform should support all of these education programs and we should be putting in accelerators. We should be lighting a fire, pouring gasoline on the fire, as opposed to dampening it, but you don't need discovery for any of that. That doesn't make any sense to

That's a long way of answering your question.

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

I'm just going to go in a slightly different direction. You made a comment before with regard to digital first creators. You said one of the things that contributes to their great success is the fact that they don't have to deal with gatekeepers. Tell me a little bit more about that. What does that mean?

Mr. Scott Benzie: The platforms are free and open to use, so they're restricted by nobody. Everybody has an opportunity to upload their content and to find their audience. It's niche content distributed globally. That niche normally exists around the world. It's a wonderful opportunity for anybody to get their content made. We've heard from creators that have been rejected by gatekeepers. There are four broadcasters here in this country—that's four people sitting at desks in Toronto—and if you can't get through them, you can't get your content made.

The removal of gatekeepers has been the greatest piece of Canadian cultural renaissance in history. Tesher is a Punjabi singer from Saskatoon. In what universe does that happen without the platforms? It just speaks to their power, and we should be embracing that and supporting and raising other creators up to those levels. We can do it with the right programs.

Mrs. Rachael Thomas: Mr. Benzie, how does this bill distort that then? Would they still have access to these platforms without the traditional gatekeepers, or would that be distorted?

Mr. Scott Benzie: No. They would still have access, but now the government would be mandating which content is being put to the top of the system. It's simple math. If you have 10 total spots that you can get as a creator, and now three or four of them are being set aside for approved CanCon, you now, as a creator, only have six or seven spots left. It becomes math at that point. That's not to say.... Officially promoting content into algorithms is a disastrous idea anyway. It's not going to help any content get discovered globally; it's going to hurt it.

Mrs. Rachael Thomas: I want to tap into that just a little bit more here, because what you're saying, basically, is that, if we put walls around Canadian producers, content creators, in order to "protect" them, we will also harm them. What do you mean?

Mr. Scott Benzie: You will only harm them. You won't protect them. There is no positive scenario for artificially manipulating the algorithms. The algorithm will punish that content if it is not engaged with, if it is not watched, if it is not liked, etc.

We can't create a culture of gated content on free-to-use platforms. It's meant for global discovery. Targeting that content locally is.... I can't express how bad an idea that is.

Mrs. Rachael Thomas: Essentially, what you're saying is that it's going to harness them. It's going to prevent them from being able to go the distance that they could on their own.

Mr. Scott Benzie: One hundred per cent—we will see fewer success stories globally from Canada if this legislation's passed and discoverability is messed with, for sure.

• (1730)

Mrs. Rachael Thomas: Great.

Mr. Benzie, in the time that I have remaining, I'm wondering if you could leave us with an explanation of the ways that this legislation could be fixed so that it adequately—

The Chair: I'm sorry, Ms. Thomas. You have no time remaining.

Mrs. Rachael Thomas: With all due respect, Chair....

The Chair: Yes. With due respect, on my stopwatch, you have no time remaining. I'm sorry. You have five minutes, not six. Thank you very much.

We now have Mr. Coteau for the Liberals. You have five minutes.

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

I have a couple of questions for Mr. Benzie.

Before I start, I want you to know that, when we talk about the algorithms, I agree that we shouldn't regulate them, but I have some questions about.... You bring up the topic of algorithms a lot. I wanted to find out from you if you know the algorithms for many of these platforms. Have they been revealed to you?

Mr. Scott Benzie: We are not very good friends with the.... I'm sorry. I heard an echo.

Algorithms are a funny thing. I don't know the algorithm. There are best practices—

Mr. Michael Coteau: Do you know any algorithm for any platform?

Mr. Scott Benzie: Nobody knows the algorithm. There's no magical, mystical Oz behind a curtain. It's machine learning and AI

Mr. Michael Coteau: You keep talking about wanting to keep things fair, the removal of the gatekeeper and artificial manipulation. If you don't know the algorithm, how do you know that it's so fair?

Mr. Scott Benzie: Because it's equal across the globe.

Mr. Michael Coteau: You don't know the algorithm.

Mr. Scott Benzie: Nobody really knows the algorithm. There's no magical Oz—

Mr. Michael Coteau: Can I ask you a hypothetical question?

Mr. Scott Benzie: I'd like to answer the question first.

Mr. Michael Coteau: If I were a platform owner and I owned the property for a certain algorithm, could I manipulate it to favour one artist over the other?

Mr. Scott Benzie: I actually have no idea.

Mr. Michael Coteau: Of course you can. That's why people pay money to be put on the top of a certain.... There's advertising. If I pay into Google, I can go to the top of the list in some cases. Is that correct?

Can you do the same in platforms?

Mr. Scott Benzie: Could you buy advertising on the platform? Yes, you can do it on television too.

Mr. Michael Coteau: You can manipulate the algorithm and come up before someone else. Is that correct?

Mr. Scott Benzie: Sure. In theory, you can.

Mr. Michael Coteau: Here's what I'm thinking. Overall, I think we all.... It doesn't matter who you are. If you're Canadian, you want fairness in the system and you want a system that treats artists fairly. You're saying that by even laying down some basic principles like, "Let's get some Canadian content. Let's create an element of guaranteed fairness", that's manipulating the algorithm, but you don't even know what the algorithm is that you're defending.

My point is this: As a Canadian, don't you think it's a good thing for us to support Canadian artists? Don't you think it's a good thing for us to look for ways to level the playing field and put in place some high-level guarantees, so that, at the end of the day, we know there is no manipulation that you keep saying we should try to prevent?

Mr. Scott Benzie: Can you define Canadian artists?

Mr. Michael Coteau: I think you understand exactly what I mean when I say—

Mr. Scott Benzie: I actually don't.

Mr. Michael Coteau: You turn on Canadian radio. What is it, 35% of Canadian radio content? You turn on Canadian radio and put it on Boom 97.3, which I listen to sometimes. I get to listen to some Platinum Blonde once in a while. I get to hear some good Corey Hart or some Bryan Adams. That's a guarantee when I turn on the radio.

Don't you think it would be nice in this country—your country, my country—to go onto the Internet, which is the number one distributor of content now, and get some good Canadian content? Don't you think it's a good thing to guarantee that?

Mr. Scott Benzie: Can I answer the question, please?

Mr. Michael Coteau: Of course.

Mr. Scott Benzie: I have two points if I may—

The Chair: I'm sorry. Hold on, please.

There's a very bad echo. Someone has a mike open on the floor. As soon as you've finished speaking, mute the mike, please.

Mr. Scott Benzie: I'll make two points. The first one is an important one. When you talk about those artists you're hearing on the radio, they're certified Canadian. What do we tell all the Canadian creators who aren't certified and are just flying their craft independently? Is it that they're not to be included in that discussion?

The second point to that is this: What do we do when it's actually counterproductive and it hurts those creators to focus on promoting them locally, when that's not what anybody wants?

Mr. Michael Coteau: Is anything wrong for lawmakers and for Canadians to expect that, at the end of the day, when they go onto the Internet and onto a platform, they're going to be able to find some good Canadian content? It's a good thing for this country.

It's not about creating an artificial, manipulated gatekeeping system. It's about promoting good Canadian talent. I'm going to continue to support Canadian talent in any way possible.

Thank you so much.

• (1735)

Mr. Scott Benzie: In theory, I agree with you.

The Chair: You have 33 seconds.

Mr. Michael Coteau: Okay, good. We agree.

Thank you very much. I'm done.

The Chair: Thank you.

We're going to move to Mr. Champoux for two and a half minutes, please.

[Translation]

Mr. Martin Champoux: Thank you Madam Chair.

I'm going to leave Mr. Benzie alone for a few minutes, although I am really tempted to follow up on a few points.

I wanted to talk to Ms. Noble or Ms. Blanchette about paragraph 3(1)(f) of the Broadcasting Act, which ACTRA is proposing to amend in an extremely significant way.

Ms. Noble, you had to stop before you'd finished your presentation, and I'd like to give you the opportunity to say a little bit more about that.

[English]

Ms. Eleanor Noble: Yes, thank you.

We've included a proposal to amend proposed paragraph 3(1)(f) of the bill, which acknowledges the essential role for Canadian creators and retains the concept of the nature of the undertaking to recognize that all online services will be contributing to the creation of Canadian content.

Lisa, do you want to add any more to that?

Ms. Lisa Blanchette: Sure.

We think that the online streaming act could actually be gamechanging for the future of Canadian content creation. It's a major opportunity for performers, in terms of jobs and exposure.

Amending proposed paragraph 3(1)(f) is crucial for us. Our goal is to equalize the regulatory obligations across all broadcasting undertakings delivering similar programming to avoid a cascade effect of traditional broadcasters seeking to lower their obligations to match those of online undertakings.

[Translation]

Mr. Martin Champoux: So we have to be very straightforward and remain vigilant in this regard. Thank you, Ms. Noble and Ms. Blanchette.

Mr. Benzie, everything suggests that Bill C-11 will be adopted and that you will eventually have to make representations to the CRTC. Among the proposals that the Bloc Québécois will be presenting again this year, there will be the proposal to reintroduce the concept of referral to the Governor in Council.

Is the fact that you will have an additional tool likely to reassure you, if ever the regulations put in place by the CRTC hurt digital creators?

[English]

Mr. Scott Benzie: I'm sorry, Mr. Champoux. I want to give that all due respect.

I don't know. I'm kind of new to all this. I don't know what "Governor in council" means, to be honest.

[Translation]

Mr. Martin Champoux: It's simply a way to appeal a CRTC decision or regulation if it goes against the interests of a particular group.

In your opinion, once the regulations are adopted by the CRTC, will this tool reassure you?

[English]

The Chair: Perhaps Mr. Benzie can answer that in another round.

I'm sorry, Martin. That's it.

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

Mr. Peter Julian: Thank you very much.

Madam Chair, I wanted to go to Ms. McGuffin to ask two questions

First off, you've mentioned that the web giants don't contribute as much to community as they should. You're very clearly advocating that C-11 help to level that playing field. I want to ask you about that

Second is a question I'll direct to you and also to Mr. Benzie. We've heard testimony that OUTtv was excluded from a number of the online streaming platforms. We're having this conversation about gatekeepers, but it seems to me that this is an example of gatekeeping, where a whole community is simply excluded from being present on online streaming platforms.

Does that not indicate that we need to start to step up to provide for that level playing field, so those kinds of exclusions can't occur?

I'll go to you first, Ms. McGuffin.

Ms. Margaret McGuffin: Thanks for that question.

We really want to make sure that emerging creators and companies that are emerging and growing get the support of FACTOR and Musicaction, which have invested in emerging creators. They may not be the ones you're seeing on TikTok right now, but they may be the ones in five years, so we need to make sure we're building and not just outsourcing our creatives to the international companies.

• (1740)

Mr. Peter Julian: On the issue of the exclusion of OUTtv...?

Ms. Margaret McGuffin: I don't have a comment on that.

Mr. Peter Julian: Okay.

Mr. Benzie, can I go to you because you have spoken about gatekeepers a number of times. Here's an example of gatekeeping that is taking place with the web giants excluding from online streaming platforms. Does that not worry you when you hear that sworn testimony before committee?

Mr. Scott Benzie: I agree with Brad. I think on curated platforms, where there is an editorial decision being made like on Roku or Amazon, etc., they are acting as broadcasters and I believe they should be subject to the Broadcasting Act. Brad can upload all the

content he wants to YouTube or TikTok or Snapchat or Facebook, because there's nothing stopping him from doing that. There's no gatekeeper.

The Chair: Thank you very much.

You have 11 seconds, Peter. Even you cannot make use of that. Thank you very much.

Mr. Peter Julian: That's an important point, Madam Chair. I will use the 11 seconds just to stress the importance of the fact we are seeing gatekeeping taking place now, which I think underscores the importance of the discussion we're having on Bill C-11.

The Chair: Thank you.

I'm now going to go to the Conservative Party and Mr. Uppal for five minutes, please.

Hon. Tim Uppal (Edmonton Mill Woods, CPC): [Technical difficulty—Editor]

The Chair: Mr. Uppal, we cannot hear you.

The Clerk of the Committee (Ms. Aimée Belmore): Mr. Uppal, we're seeing that your headset is selected and connected, but we're still not getting any sound from you, I'm afraid. Is there a mike connection or something, a button to push somewhere, that might be muting your microphone?

Mr. Uppal, I'm afraid that someone is going to be calling you shortly.

The Chair: Tim, do you mind going after the Liberal member? We have time.

Thanks.

Lisa Hepfner, you have five minutes.

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

Thank you to the witnesses for your testimony today.

I think I would just like to stick to the same idea that we've been talking about, namely, gatekeepers. I'd like to go back to Ms. McGuffin, because you did speak very eloquently in your opening statement about the scare tactics that we're seeing from some of the platforms right now. I'm wondering if you could just expand a little bit on the type of power that we're seeing from platforms, and the gatekeeping that you've seen.

Ms. Margaret McGuffin: It's been very interesting watching legislation being passed around the world in reference to the tech companies. What we saw in the last two years out of Europe around their copyright act and the misinformation and the misleading statements that were made around that act is something we can learn from here in Canada. We also saw this in Australia with their newspaper legislation, where Google made misleading statements and threatened that the legislation was going to break the Internet.

It is a script that we are seeing over and over again, and you as parliamentarians are going to see it as we move to other kinds of legislation. We need to make sure that the misinformation ends and that there is a way of going through the information that's being presented and making sure that we're not misleading the public or scaring people into thinking that the Internet is going to break. The Internet is not going to be broken by Bill C-11.

Ms. Lisa Hepfner: Thank you.

Maybe Catherine Edwards would like to weigh in. I saw you nodding your head a lot with some of the testimony earlier. What do you think about the power of platforms to perform gatekeeping roles?

Ms. Catherine Edwards: Just a couple of things pop to mind. I sort of agree with Mr. Coteau. I took a master's in civic media in Boston a couple of years ago, and one of the things we talked a lot about is that algorithms are never neutral. They're always informed by the biases of the people that write them. For example, for a Black person to get a mortgage in the United States is much more difficult than for a white person. It's kind of like young men getting car insurance in Canada. It's assumed that they're more likely to have an accident, so it's harder for them to get it and the rates go up.

Those are a result of algorithms. You type in information to get an estimate online. All of these factors are already in there. They're not gender neutral. They're not race neutral. They're not nation neutral. I think the biases of every algorithm are going to be different, but I totally think that it's legitimate for the Canadian government to study those biases and to make sure that Canadians have equal access to those platforms.

• (1745)

Ms. Lisa Hepfner: Thank you very much.

Mr. Sonoda, thank you for joining us today as well. You guys spoke very eloquently about the state of Canadian arts and culture and how you've seen a decline over the past few years. Can you just give us a little bit of context about the 1991 Broadcasting Act that's already in place supporting Canadian content, and what that's done to our arts and culture in this country to date?

Mr. Warren Sonoda: Thank you so much.

Thank you, Madam Chair and committee members.

I remember reading the 1991 Broadcasting Act—this was prior to film school—and I thought it was poetry. The act that you are putting together will last not just a generation, but for generations. It's been 31 years. It has not just protected the Canadian voice; it nurtured it. With the migration from Canadian storytelling from the linear broadcast role that we know to what is now the online streaming role, we need the same sort of act and legislation to continue what we're doing. The work we're doing is not finished. It won't be finished. Even though *Schitt's Creek* won every Emmy last year, we still have more stories to tell. Our creators need to do that. Yes, the act is consequential that way.

Was there a follow-up?

Ms. Lisa Hepfner: My follow-up question would just be, how urgent is a modernization of the Broadcasting Act in your opinion?

Mr. Warren Sonoda: We need to do this now. We need to do this immediately, and I'm glad that this is going through committee. Again it's going to take time after this has passed to do the "ways and means", which we like to call it, but again we need to make sure that this is solid and it will last, hopefully, another 30 years. That's why it's platform agnostic and it centres Canadian talent and storytelling.

The Chair: Thank you very much. That's it, Lisa.

John, I don't think we're going to hear from Mr. Uppal. Do you want to go for it?

Mr. John Nater: That's fine, Madam Chair. I'm happy to take another turn. I just feel excited that the committee wants to hear me ask questions so often.

I want to follow up on a couple of points that we've talked a bit about earlier. First, I want to go back to Mr. Benzie and just a little bit about algorithms. I think a lot of times we can see algorithms for what they are, and we can see algorithms for what we might want them to be, or what we might want to imagine them to be. In your opinion, with the assumption that algorithms may not always be completely neutral, do you think that the government should have a role in adjudicating the algorithms of these entities?

Mr. Scott Benzie: What I was trying to say is that algorithms are theoretically content agnostic. They react to how people are engaging with content. They have profiles of who people are, and they try to serve that content up to other people. I will say that I am all for algorithmic transparency. I think we should be having conversations about what goes into an algorithm and how it works. I just know that artificially manipulating them is not going to work. That's a terrible idea for a number of reasons, but there also is no....

If we take YouTube as an example, this is machine learning and AI. While to my colleague's point, there might have been biases to put into it, but we're not going to be able to call "Mr. Algorithm" before the CRTC and ask him how this all works. There are too many things that go into it. I wish it were different, quite frankly. I guess we'll see. I do support algorithmic transparency, though.

● (1750)

Mr. John Nater: To that end—and I'm not going to really get into it because it will take over this discussion—but I think there is a conversation to be had on the power of tech giants globally and how they operate in monopolistic and duopolistic ways as organizations. I think there is that conversation to be had, but it's for another day.

I want to come back to the question at hand and to that conversation that was happening earlier about the algorithms and spending money to promote content. Maybe you could just talk to us a minute about buying advertising versus manipulating the algorithm itself and how we can differentiate those two on these platforms.

Could you just explain to the committee, and to anyone tuning in at home, how what we're talking about are two different things there? Mr. Scott Benzie: Sure. When you're buying advertising as an advertiser, you're setting the demographic or cohort that you want your content to be identified by. You're targeting that audience. When something's happening naturally in the algorithm, the algorithm is deciding who that cohort is based on likes, wants and the other same personalities they've built. For maximum sharing and watching, these platforms want revenue. They want people on the platforms for the most time possible, so they want to give you the most engaging content.

Mr. John Nater: I appreciate that.

Again, going back to the question I had from the first round about proposed section 4.2 and the concept of direct versus indirect revenue that someone might benefit from, I'm sure the organizations you've worked with and stakeholders who I've had conversations with are really perplexed by the idea of direct versus indirect revenue, implying that, in one way or another, almost anything could be seen to have an indirect revenue function.

Do you just want to give us a few thoughts or your opinion on that aspect of it?

Mr. Scott Benzie: Indirect revenue can mean anything from merch sales to concert tickets to selling your online course, whatever it is. Indirect revenue can literally be anything.

More importantly, just because a creator is not monetizing a piece of content does not mean that the content is not being monetized. On a lot of platforms, ads are run on content regardless of the creator monetizing them. That content is, by its nature, getting direct or indirect revenue. Literally everything on YouTube has direct or indirect revenue.

Mr. John Nater: I appreciate that.

I want to step away just a minute from you, Mr. Benzie, and go to some of our other witnesses.

We heard some conversations earlier in this committee and others about the definition of Canadian content and some of the challenges that certain entities have had with the definition and assumption of ownership of intellectual property.

I want to turn to Mr. Sonoda and Ms. Noble from ACTRA to get your opinions on the definition of Canadian content and what we may hope or expect to see in a ministerial directive to the CRTC on revising what Canadian content may or may not be post-Bill C-11.

The Chair: That's a nice question, but I think we have 10 seconds. If the answer can be done in 10 seconds, John, that would be great.

Mr. Warren Sonoda: We have a working CanCon definition, and it's flexible. It's 10 to 10 for Canadian content and six out of 10 for service production. It's working. If it wants to be revisited, we'll do that as well.

The Chair: Thank you, Mr. Sonoda.

Mr. John Nater: See, Madam Chair, that was an answer in 10 seconds. It is possible.

Some hon. members: Oh, oh!

Mr. Warren Sonoda: I'm a director.

The Chair: I know that. I get that.

We're going to go to one more round, and it's going to be Mr. Waugh for the Conservatives.

You have five minutes, Kevin.

Mr. John Nater: Madam Chair, could we just skip Mr. Waugh for now? He's apparently on his way to the room. He was online and now he's coming here physically.

The Chair: All right. Can you go again, Mr. Nater?

Mr. John Nater: No, I'll save my spot. Mr. Bittle is eager to go.

The Chair: We'll go with the Liberals.

Mr. Peter Julian: I have a point of order, Madam Chair.

I know that we have terrific witnesses. We've done a couple of rounds, but we're extending into the evening now, and there are a number of us that have other obligations. I'm suggesting—

The Chair: We have the room until 6:30, so we could go one round.

Could I get a sense from the other members of the committee if you wish to go one more round? Are there any opposing one more round?

• (1755)

Mr. Peter Julian: I would oppose, simply because I've another obligation that starts in two minutes.

The Chair: Yes, Mr. Julian, but is there anybody else?

I'm not hearing anything, so obviously we're going to go another round

Clerk, is there anyone opposing other than Mr. Julian?

The Clerk: Madam Chair, I believe the table is conferring.

The Chair: Let's suspend while the table confers. We're just eating up time.

Mr. Peter Julian: I think we do have a consensus, Madam Chair. We thank the witnesses. They've done very compelling testimony.

The Chair: There is consensus that there will not be another round.

Thank you.

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

I think there may be consensus on the other side; I don't think there is consensus.

We would like to go into another round. Perhaps the consensus may be that we go on autopilot for the next round so that no motions or any trickery of any kind is engaged with. We did have two hours, and we do have more questions for the witnesses.

The Chair: Do you want to do a show of hands?

[Translation]

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

I just want to express my opinion.

Even if I were in favour of carrying on with the meeting to take advantage of the presence of the witnesses, I feel that, since our colleague is from a party with only one representative around this table, as is the case for the Bloc Québécois, continuing the discussions would create a malaise.

I would expect the same courtesy if I had to leave, Madam Chair. [English]

The Chair: Thank you, Mr. Champoux.

I guess that would remove quorum. There would be one political party not here. I'm not hearing from the Conservatives.

The Clerk: We're still suspended, Madam Chair. Do you want to resume the meeting or do you—

The Chair: Yes, I'll resume the meeting. I don't think it was suspended at all. Everyone was talking to me.

Can we go around the table, please?

Let's get a sense. We're running out of time.

Mr. Chris Bittle: On a point of order, I think there's consensus that I go for five minutes and then we'll end the meeting.

The Chair: Is everyone in agreement? Do I hear opposition to that?

[Translation]

Mr. Martin Champoux: Everyone is in agreement, Madam Chair.

Mr. Peter Julian: We all agree on the proposal, Madam Chair. [*English*]

The Chair: Mr. Bittle, go ahead for five minutes.

Mr. Chris Bittle: Thank you very much.

Mr. Benzie, when you appeared before our committee a little while ago, a couple months ago, you were asked if you had received any money from tech companies. You denied that allegation. Today when you appeared you said, "we have received some funding from our industry partners, including platforms and private industry involved in the success of digital creators."

Was that statement untrue when you testified before us the first time, Mr. Benzie?

Mr. Scott Benzie: I would have to go back and look at the Status of the Artist Act statement, but I don't believe I said that.

Mr. Chris Bittle: I'm looking at the transcript of your testimony before.

Mr. Scott Benzie: What did I say?

Mr. Chris Bittle: I asked you the following: "You're not receiving any funding from tech companies in regard to this organization...?"

You pushed back at me and said the following: "Is it called "volunteer" if you're actually sinking your own money into the organization?"

That's verbatim.

Mr. Scott Benzie: That's correct.

• (1800)

Mr. Chris Bittle: Today you came and testified, "we have received some funding from our industry partners, including platforms and private industry involved in the success of digital creators." Which one is it?

Mr. Scott Benzie: I'm just waiting for you to pause so I can answer the question.

There is a really bad echo.

The Chair: Please turn off your microphones on the floor. Thank you.

Mr. Benzie.

Mr. Scott Benzie: I have had conversations with your department, with the minister's department, with Canadian Heritage, and I have been very open about the fact that we received some funding from our platform partners. I don't think I said we didn't in my question. I did say that it's mostly volunteer. Eighty per cent of the revenue in Digital First Canada comes from Buffer Festival, which is our money.

Mr. Chris Bittle: Which tech companies are you receiving money from?

Mr. Scott Benzie: They are YouTube and TikTok.

Mr. Chris Bittle: This is really shocking to me. This is almost like starting a union but taking money from management. This is an extreme conflict of interest. You are, on one hand, saying that you represent the best interests of individuals, but you're taking money from the organizations. We've heard from witnesses that three-quarters of Canadians who are eligible to receive money from these platforms receive zero dollars, yet you're taking money for a status quo.

How is this not an extreme conflict of interest?

Back to my original point, were you lying to this committee when you first appeared?

Mr. Scott Benzie: I don't see how it's any different. We take no government funding, and everybody here in support of the bill is deeply invested in government funding and supporting the government's bill. I don't see how it's any different—

Mr. Chris Bittle: Mr. Benzie, you are now a registered lobbyist. Have you informed the lobbying commissioner that you're taking money from TikTok and YouTube when, on one hand, you're claiming to represent digital first creators?

Mr. Scott Benzie: I filled out all my lobbying stuff as well as I could.

Mr. Chris Bittle: When you filled it out, did you inform the lobbying commissioner that you are taking money from American and Chinese tech companies?

Mr. Scott Benzie: I actually don't remember, to be honest. I'm being very honest. I don't remember.

Mr. Chris Bittle: Based on that, and we talked about it last time you were here, in all of your social media, in all of your advocacy, you are pretty much just anti-C-10 and anti-C-11. You don't advocate for better working conditions and you're taking money from tech giants. Why should we listen to anything that you have to say, especially in light of the fact that the vast majority of Canadians on these platforms are making zero dollars, and 60% of those who are eligible are making less than \$10,000, which is far less than traditional artists? You're representing a system that—

Mr. Scott Benzie: I want to make sure I have an answer, just time to speak.

Mr. Chris Bittle: Okay, go ahead.

Mr. Scott Benzie: I appreciate your checking out our social media, and I look forward to the government's support of Digital First Canada's road to freedom, where we're going into indigenous communities to help indigenous youth. To that point, creative output is not an issue. There are tons of people creating online for many different reasons. Some of it is monetary and some of it is not. I look forward to the government's position on what kinds of programs we can put in place to help digital first creators, and I look forward to you actually addressing the issues that I've brought up with the bill. You seem to have a lot of issues with me—

Mr. Chris Bittle: Mr. Benzie, it's hard to address the issues when you're coming here to represent—

The Chair: You have 36 seconds, Mr. Bittle.

Mr. Chris Bittle: —digital first creators, yet you're taking money from TikTok and YouTube, where TikTok doesn't even pay its

artists anything. Everyone here around this table acknowledges that digital first creators are artists, and part of this—

The Chair: You have 19 seconds left.

Mr. Chris Bittle: I'll just finish my point then.

Mr. Benzie, you're taking money from a company that is paying its artists zero dollars. It is a foreign-owned company that is paying Canadians zero dollars—

Mr. Scott Benzie: I think they should pay their artists.

Mr. Chris Bittle: This is my time, Mr. Benzie.

You think they should pay their artists. Then why are you representing them and taking money from these companies at the same time?

The Chair: Order, this is not—

Mr. Scott Benzie: I'm not taking money from creators at all.

The Chair: I'm sorry, Mr. Benzie. This is not a debate.

Mr. Bittle, if you've finished your sentence, I think we would have ended this meeting and I would entertain a motion to adjourn.

Have you finished your statement, Mr. Bittle?

Mr. Chris Bittle: I will move a motion that we adjourn.

The Chair: Thank you, Mr. Bittle. The meeting is adjourned.

Thank you, witnesses, for coming in and giving us your time.

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