



**Matt Hatfield, Campaigns Director, OpenMedia**

Senate Committee on Transport and Communications

Re: The impact of the Online News Act, Bill C-18, on Canadians

Wednesday, May 31, 2023

**Opening Remarks (Check against delivery):**

Good evening. I'm Matt Hatfield, and I'm the Campaigns Director at OpenMedia, a grassroots community of over 180,000 people in Canada that work together for an open, accessible and surveillance-free Internet. I am speaking to you from the unceded territory of the Tsawout Nation.

I'm here to talk about truth, and about trust. Bill C-18 is built on the idea that online services are collecting substantial revenue from the sharing of news stories on their platforms— revenue that would otherwise go to news outlets. That premise is simply not true.

Now, we can squint at it, and re-interpret it to something that is true. We could say that large online platforms gain a lot from being part of every Canadian's information diet. We need quality journalism in that mix, so why not ask platforms to pitch in to support it? I believe that.

We could make it even simpler. We could say these platforms earn a lot of revenue in Canada, and should pay more of it back to our government for any purpose the government chooses. I buy that too.

I wish Bill C-18 were built on either of these simple premises. Instead, it is built on the idea that platforms are literally diverting substantial revenue directly attached to people seeing or reading news stories. Based on that false idea, C-18 supposes with a few vague calculations and forced negotiations, we can refund journalism.

But a poor foundation doesn't take much weight. News content is extraordinarily important. It has also never been very profitable in itself, even before the Internet. The overwhelming majority of ad revenue has always been attached to all the other functions that online platforms now fulfil, like being bulletin boards, marketplaces, dating sites, and conversation spaces. That revenue simply isn't associated with the reading or sharing of journalism.

The false idea that simply permitting links to news demands 'fair' payment is not only a fundamental break with how the Internet has always worked, it goes against what's healthy for all of us: encouraging links to credible journalism to spread as far as they possibly can. And that's led to a very obvious response from platforms. If they're benefiting inappropriately from the sharing of links, as C-18 says they are, why not just stop sharing them? Would that be good

for Canada? No, it would be enormously destructive. But C-18 is so poorly thought through, that's a perfectly logical and legal response.

Maybe all this complexity and loose handling of the facts would be worth it, if the money from C-18 was slated to go where it should. It isn't. I'd like to ask you: what journalism do you think is most important to our democracy? I would say two things:

- 1) *Local journalism*, that connects us with the people around us and builds a strong social fabric;
- 2) *Public interest journalism* that demands a lot of time and money, but holds the powerful - in government and private life - to account.

It's overwhelmingly local and provincial journalism that has collapsed in the digital era; but not a single dollar of C-18 is earmarked to reopen local outlets that have already disappeared. Because C-18 negotiations are with existing publishers, and new revenue will likely be connected to their existing web traffic, we're overwhelmingly rewarding the few large national chains that are still making a go of it, not revitalising local journalism.

And are we funding public interest reporting? No. Deals based on social media will reward outlets for growth in their shares and clicks, which strongly encourages national stories and inflammatory clickbait, not slow accountability reporting. If we were looking at our actual journalism deficits as the core problem to be solved, the Bill would never be set up this way.

So much for truth; let's talk about trust. The mechanisms for determining who is included in Bill C-18 and on what terms are simply too flimsy and secretive to serve. If you only fix one part of C-18, fix this.

I testified to your colleagues in the House on Bill C-18 last October, and since then, the world has changed a lot. Generative AI has arrived, and it is clear that the cost of producing credible-seeming but completely false content of all types is falling to zero. I know many of you in this chamber are frustrated by hearing from Canadians you believe have been severely misinformed; and I'm sorry to tell you that problem is about to get much worse.

In the face of a likely unprecedented flood of online misinformation, we are going to need credible, trustworthy reporting more than ever. But that report will only be able to separate itself fully from AI misinformation if there is a crystal clear chain of custody of how it is produced; of who has influence, who is providing what funds, and how all of that impacts its credibility or independence. How the sausage is made and the terms of news production must be laid out for public scrutiny, so that for reasonable and fair-minded Canadians, there will be no doubt who to rely on for the truth.

Right now, Bill C-18 does the exact opposite. We cannot enter a new era of misinformation with our truth tellers enmeshed in a complex web of secret deals that are forced by government;



least of all when those deals are negotiated with many of the very same companies who are also making the large language models driving misinformation.

It is OpenMedia's principled position that Bill C-18's fundamental flaws are so deep, it should be rejected and replaced by a simpler, fairer media support bill. But if that's not an option, we beg you to at least make C-18's operation fully transparent to every Canadian, so that the relationships it creates can easily be understood, and misinformation does not further bloom. Over 12,000 members of our community have reached out to you to ask for fixes to C-18; we hope you'll hear them.

Thank you, and I look forward to your questions.