What is Bill C-18, and how could it affect how Canadians use the internet?

Facebook and Instagram's parent company Meta said it would block Canadians' ability to view or share news content on its platforms if the bill becomes law.

Samantha Edwards

The federal government has introduced legislation that would require tech companies like Google and Meta to compensate Canadian news organizations for the content that appears on their platforms. The Liberals argue that Bill C-18, which is being considered in the Senate, would help the Canadian news industry, which has seen massive drops in advertising revenue over the past decade.

The bill has been sharply criticized by the tech giants. In response to the bill, Google is limiting news content from Canadian sources for around 4 per cent of the population and Meta, which owns Facebook and Instagram, said it would block Canadians' ability to view or share news content on its platforms if the bill becomes law.

Here is what you need to know about Bill C-18, whom it will affect and how tech companies are reacting.

What is Bill C-18?

Bill C-18 is legislation that would force tech companies such as Google and Meta to negotiate compensation deals with news organizations for posting or linking to their work. The federal government has said the bill will help the Canadian news industry, which has seen large amounts of advertising revenue migrate to Google and Facebook. The legislation would allow news outlets to reach private deals with the tech companies. If an agreement cannot be reached, news outlets would go to Canadian Radio-television and Telecommunications Commission (CRTC) for mediation. Facebook, Google and Apple have already signed partnerships with some news organizations, including The Globe and Mail, to pay for the rights to use their news articles.

The Parliamentary Budget Officer, an independent body that provides economic and financial analysis to MPs and senators, reported that the bill would give the Canadian news industry a cash injection of around $329-million.

What is the bill's status?

The Liberal government introduced the legislation on April 5, 2022. Heritage Minister Pablo Rodriguez, who tabled the bill in the House of Commons, said it seeks to address the "market imbalance" that exists between news outlets and tech companies. In December, 2022, the House of Commons approved the bill, and it is currently being considered in the Senate. It is expected to complete its passage through Parliament by summer.

How have Google and Meta responded?

Both Google and Meta, Facebook and Instagram's parent company, have criticized the proposed legislation. Google has warned that the bill, as currently worded, could lead to a "link tax," which would force it to pay news organizations for links to articles and "fundamentally breaks the way search (and the internet) have always worked." Google Canada told the House of Commons heritage committee that the bill could benefit "bad actors" and lead to the regulatory system being "gamed and misused" by fringe news organizations.

In response to the proposed bill, Meta said it plans to remove Canadians' access to both written and broadcast news if Bill C-18 becomes law and changes to...
the legislation are not made. "A legislative framework that compels us to pay for links or content that we do not post, and which are not the reason the vast majority of people use our platform, is neither sustainable nor workable," said Lisa Laventure, a Meta spokesperson.

Meta has not blocked any content for Canadians yet, but there is precedent for the escalation. In Australia, where similar legislation was passed last year, Facebook blocked news feeds from international and domestic publications, and wiped out pages for Australian state governments and charities.

In February, Google began testing ways of blocking some Canadians' access to news websites. Google spokesman Shay Purdy said around 4 per cent of Canadians who use the search engine would be affected for five weeks. Prime Minister Justin Trudeau condemned Google, saying the move is troubling and a "terrible mistake."

The CEO of Google and other top executives are being summoned to appear before the House of Commons heritage committee on March 6. The committee is also requesting documents related to Google's news ban. In December, the company removed snippets, thumbnails and video previews in Google Search and Google News in Czech Republic, in response to a copyright law the country had introduced.

Campbell Clark: Google threatens Canada, because it can

What have critics of the bill said?

Critics of the bill have said the government's intended goal would not be achieved. Michael Geist, the University of Ottawa's Canada Research Chair in Internet Law, has said that by "mandating payments for links, the bill creates a real threat to the free flow of information online." He's also said that it would harm the competitiveness of independent media and could lead to trade retaliation with the United States.

A report from the PBO said of the around $329-million the bill would generate for news outlets, around $247-million would go to broadcasters such as the CBC, Bell, Shaw and Rogers. Newspapers and online media would get around $81,550,000 a year. "The fact that three-quarters of the money will be going to broadcasters, some of which are the richest companies in Canada, plus the public broadcasters which are heavily subsidized already, undermines the government's whole premise of the bill," Mr. Geist has said. "Papers will be left fighting over the scraps."

What has happened in other countries when similar legislation took effect?

Canada's Bill C-18 was inspired by similar legislation in Australia, which became law in March, 2021. The News Media Bargaining Code gave the Australian government power to make Meta and Google negotiate content supply deals with news outlets. According to a report from the treasury department, the tech firms have inked deals with 30 companies. These deals have amounted to more than 200-million Australian dollars for Australian news outlets, according to Rod Sims, the competition czar who helped initiate the bill.

What other federal bills related to the internet are on the docket?

The Senate recently passed, with amendments, Bill C-11, an online streaming law that would update Canada's broadcast laws, giving the CRTC the power to regulate streaming platforms such as Netflix, YouTube, Amazon Prime and Spotify. The streaming platforms would have to promote Canadian content - including films, TV shows, music and music videos - and fund its creation. The bill will return to the House of Commons so it can review the amendments.

Introduced last June, Bill C-27 is a privacy law that would give Canadians more control over their personal data, impose fines for non-compliant digital platforms and introduce new rules for the use of artificial intelligence. It is currently being considered in the House of Commons.

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