FIRST READING: Internet porn could soon be slapped with Canadian content quotas

Tristin Hopper • Postmedia News ; Posted: a day ago ; Updated: a day ago ; 9 Min Read

First Reading is a daily newsletter keeping you posted on the travails of Canadian politicos, all curated by the National Post’s own Tristin Hopper. To get an early version sent directly to your inbox every Monday to Thursday at 6:30 p.m. ET (and 9:30 a.m. on Saturdays), sign up here.

TOP STORY

Now that the Trudeau government’s Online Streaming Act is law, one little-mentioned side-effect is that it could soon lead to mandatory government minimums on Canadian-made internet pornography.

Bill C-11, which received royal assent on April 27, extends unprecedented regulatory control over the Canadian internet in a bid to subject online streaming platforms to the same Canadian content mandates as traditional broadcasters.

Although the bill was primarily pitched as a way to impose CRTC oversight on streaming giants such as Netflix and YouTube, the legislation could equally apply to adult content streamers such as Pornhub or Redtube. University of Ottawa professor Michael Geist, a longtime critic of C-11, confirmed to the National Post that there is nothing in the legislation that would prevent it applying to adult content.

The pornographic implications of Bill C-11 were also recently covered by XBIZ, a U.S. trade publication serving the adult entertainment sector.

Within hours of the bill's passage, XBIZ was warning adult studios and paysites that -- even if based outside of Canada -- they could soon be required to screen minimum quantities of Canadian content to their Canadian audiences.

"Penalties for failing to comply include heavy fines or restricting Canadian access to sites in violation," it wrote.

Although the CRTC is still hashing out the details of how they will enforce Bill C-11, the regulator confirmed last year that it would use the law to force web companies to artificially manipulate their algorithms.

As CRTC chair Ian Scott told a Senate committee last June, he might tell streaming platforms "I want you to manipulate (the algorithm) to produce particular outcomes."

For the likes of YouTube, this would mean that videos approved as Canadian by Ottawa would be given outsized weight in user recommendations, while videos that weren't would be buried.

"Put into practice, this means that when viewers come to the YouTube homepage, they're served content that a Canadian Government regulator has prioritized, rather than content they are interested in," was how YouTube described the effects of the legislation in a campaign launched last year to block the core provisions of Bill C-11.

Most adult videos sites function about the same as their mainstream equivalents: Content is algorithmically recommended based on popularity and the specific proclivities of the user.

Were the CRTC to put their thumb on the scale of adult site algorithms, these recommendations would change to ensure that Canadian porn was being put in front of Canadian users, with other factors being secondary.

The world of online pornography is already far more Canadian than most
Canadians realize. MindGeek, a conglomerate that quietly owns much of the X-rated internet, was founded in Montreal in 2004 and still maintains its main offices in the city (although it is now nominally headquartered in Luxembourg.) In March 2023, MindGeek was purchased by Ethical Capital Partners, a private equity company based in Ottawa, Ont.

The company’s core property is Pornhub, a site founded by three Concordia students that is now the world’s purveyor of adult content. MindGeek also owns a number of adult production studios, some of which -- like Brazzers and Mofos -- are similarly based in Montreal.

Nevertheless, mere Canadian ownership of media content has never been enough to qualify as "Canadian" by CRTC standards. The CRTC maintains a complex series of quotas under which it designates official Canadian content. As such, even a production that takes place in Canada and has a cast entirely composed of Canadians may not be "Canadian content" if it doesn't also meet thresholds for funding and production.

For a conventional X-rated scene, to meet current CRTC guidelines on Canadian content the producer and a majority of the production crew would need to be Canadian citizens, and 75 per cent of production expenses must come from Canadian sources. In addition, at least one member of the couple having sex would need to provide proof of Canadian citizenship.

If both members of the couple having sex were Canadian -- but the camera operator was not -- the video would likely fail to meet the current CRTC threshold for Canadian content.

The sheer quantity of red tape required to obtain official approval as "Canadian content" is part of why even Canadian YouTubers have opposed Bill C-11, since it means they could lose their Canadian status by simply collaborating with a non-Canadian channel or by counting too many non-Canadians among their paid subscribers.

The CRTC may ultimately decide to exempt the X-rated corners of the streaming internet, but the regulator has not previously shied away from requiring Canadians to consume Canadian pornography.

In 2014, the CRTC reprimanded a trio of Toronto-based porn channels for failing to meet a minimum threshold of 35 per cent Canadian content. In the case of one of those channels -- the gay-oriented Maleflixx -- producers told the National Post at the time that they were legitimately struggling to find enough gay Canadian porn to fill eight hours of their daily broadcast schedule.

The three channels were also threatened with the suspension of their license for failing to provide sufficient closed-captioning for hearing-impaired audiences.

Ever since the early 1960s, TV and radio broadcasters have been required by law to broadcast a minimum quantity of between 40 and 60 per cent Canadian content. Bill C-11 amends the Broadcasting Act to extend Canadian content requirements to "online undertakings," which it defines as "undertakings for the transmission or retransmission of programs over the Internet."

"Online undertakings shall clearly promote and recommend Canadian pro-
gramming, in both official languages as well as in Indigenous languages, and ensure that any means of control of the programming generates results allowing its discovery," it reads.

The bill says it exempts streamers that provide a "social media service" -- a provision that purportedly exempts Facebook and Instagram posts from being subjected to CRTC regulation. However, it also doesn't define what a "social media service" is.

IN OTHER NEWS

Speaking of government overreach on broadcast media, the CRTC signalled this week that it might entertain the possibility of banning Fox News from Canadian cable packages. The LGBT rights group Egale Canada recently filed a complaint with the CRTC saying that Fox News carried "coverage aimed to provoke hatred and violence against 2SLGBTQI communities." The regulator has opened up the complaint to public comment, starting a process that could ultimately result in sanction and other penalties for the U.S. broadcaster.

While Prime Minister Justin Trudeau has always nurtured a weirdly fond relationship with Communist China, the tendency is absolutely supercharged in his younger brother. He wrote a whole book about how the People's Republic of China is the standard-bearer for an enlightened future, and in 2016 he went on CBC to say that Canada should re-capture its former glory by forging an "independently sophisticated relationship" with Beijing. So it's not all that surprising that Alexandre said he found nothing wrong with the fact that Chinese billionaires just happened to want to shower the Trudeau Foundation with...
cash right after his brother became prime minister.

Speaking at the House of Commons ethics committee on Wednesday, Alexandre Trudeau said the Chinese billionaire who gave $200,000 to the Trudeau Foundation was an "honourable" man who wouldn't dream of trying to peddle influence with a Canadian government. He also aired his beliefs that this whole "Chinese interference" thing is a myth. "We're wasting our time on the notion of interference. I have seen no trace of it," he told Committee members. As for press accounts saying the opposite, Trudeau said they were all "poor journalism."

Morris Rosenberg, the former CEO of the Trudeau Foundation (and the man recently pegged by Ottawa to investigate foreign electoral interference) also thinks everything is fine. He told the ethics committee that 2016 was a different time where "universities, corporations and governments were all attempting to strengthen ties with China," so a sudden influx of $200,000 from a Chinese billionaire didn't seem all that weird (even though the group had minimal history with outside donations).

Alberta Premier Danielle Smith has scored her first gaffe of the province's ongoing election. During an appearance on Edmonton talk radio, Smith called the 2021 Coutts, Alta, border blockade a "win" because it helped "rid" the province of mandates. The 18-day Coutts blockade - which caused millions of dollars damage in lost cross-border trade - was different than other Freedom Convoy blockades in that it came uncomfortably close to erupting in violence. Multiple firearms were seized at the scene, and three blockaders would face charges for stockpiling rifles in an apparent attempt to employ them in a standoff with police.

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