Heritage Minister Rodriguez rejects key Senate change to Bill C-18, paving way for Facebook news block

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Marie Woolf

Ottawa - Heritage Minister Pablo Rodriguez has rejected a key Senate change to Bill C-18, the online news bill, dismissing a last-ditch attempt to prevent Facebook from restricting Canadians’ access to news on its platform.

Facebook has warned it would take away Canadians’ ability to access and share news on its platform if the bill passes without significant changes. Google has said it has yet to decide if it would do the same. Both have tested restricting access for more than a million Canadians while Parliament has been considering the bill.

The bill, designed to support Canada’s news industry, would make Google and Facebook compensate news organizations for posting links to their work or republishing their reports. To do so, the tech firms would have to enter negotiations with a variety of Canadian media, from the CBC and local newspapers to campus radio stations.

In one of the final hurdles before it becomes law, Mr. Rodriguez accepted most of the Senate's amendments to the bill, including one imposing financial penalties for leaking media organizations' confidential financial information.

"As promised, we are accepting amendments that ensure tech giants pay their fair share for the local, regional and national news content that they benefit from having on their platforms and we are declining the amendments that undermined the objectives of the bill," he told The Globe and Mail in a statement.

But the Heritage Minister rejected a Senate amendment that was considered a compromise to try to keep tech platforms on board. The amendment was designed to clarify that the "value" flowing both ways between news organizations and the tech giants should be a key factor in such negotiations.

"This was a pragmatic and reasonable amendment that added clarity to the bill," said Senator Julie Miville-Dechêne, who proposed the change. "It was not in any way an amendment proposed by the platforms but it was to try to clarify some of the vagueness that has been talked about by Google."

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One example would be incorporating in agreements the value of training and other services the tech giants may offer news organizations.

Facebook is currently testing restrictions of access to news on its platform for around 1.1 million Canadians. Google conducted similar tests affecting 1.2 million Canadians earlier this year.

In a Commons debate Monday, Mr. Rodriguez accused the tech giants of using "pure intimidation tactics." NDP heritage critic Peter Julian said the tech giants were "threatening our democracy."

But Conservative heritage critic Rachael Thomas said the bill "kills newspapers" by prompting platforms to no longer share links to news.

She said Bill C-18 "puts the government squarely in the middle of the newsroom," threatening the independence of the press and giving the regulator, the Canadian Radio-television and Telecommunications Commission, pow-
er to compel news organizations to hand over confidential information. She said it's big broadcasters such as the CBC, not smaller local papers with one reporter, that will benefit from the bill.

Professor Michael Geist, the University of Ottawa's Canada Research Chair in internet law, said "everyone loses" if the bill leads to tech companies blocking news sharing on their platforms, adding that the government could accelerate the news sector's decline.

"While it will blame the tech giants, its ill-considered policy of mandating payments for links sits at the foundation of this epic miscalculation," he said.

Google and Facebook oppose having to pay publishers for links to news. Senators did not accept an amendment to exclude links last week, after the government opposed it.

The two companies have already signed some partnership deals with news organizations in Canada, including The Globe and Mail.

Facebook has said the value its platform offers to publishers should be a factor in negotiations, saying it gives them free marketing worth more than $230-million a year.

Paul Deegan, president and chief executive officer of News Media Canada, which represents the news industry, said "we strongly believe that value should be determined during commercial negotiations."

After MPs finish debating the bill in the Commons, it will move back to the Senate, which is expected this week to approve the minister's decision to accept 10 out of 12 amendments. The bill is expected to gain royal assent before Parliament breaks for the summer.

In the Commons Monday, Mr. Rodriguez said as soon as the bill passes, Canadians will be consulted on it. "We want Canadians to be able to express themselves on the matter," he said, referring to consultations by the CRTC after the bill becomes law.

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