

April 7, 2025

News Media Canada (NMC) represents about 550 news publications across Canada. Our members range from independent two-person newsrooms to large corporate owners.

I joined NMC in June 2021 with a mandate to have the Government of Canada to introduce and pass legislation that would see big tech platforms provide fair compensation to news businesses through a regulatory framework that would allow for mandatory bargaining and collective negotiation – backed up by the hammer of final offer, baseball-style arbitration.

At that time, to thwart the need for legislation, Google and Meta entered into content licensing agreements with a dozen or so Canadian news publishers – many of which were NMC members. While these agreements were subject to non-disclosure agreements, my understanding is that the duration of the agreements was relatively brief (e.g., three years). In effect, the platforms were, at their sole discretion, picking the winners and losers in the Canadian news media ecosystem. The massive bargaining imbalance left all independent weekly community newspapers and even some very large publishers out in the cold to wither and die on the vine.

As you work through this process, you are going to hear many stakeholders. My advice: put a reporter's hat on and scrutinize and challenge everything you hear. You will surely hear lines like “it will break the internet”; “it's a link tax”; and “it will only benefit large publishers”.

The yarn about only benefitting large publishers has been said of both Australia and Canada. However, as Rod Sims, the former Chair of the Australian Competition and Consumer Commission, will tell you, small publishers did better than some large ones under Australia's News Media Bargaining Code. I can assure you that two-person newsrooms like the Gabriola Sounder, run by a wife and husband team, are receiving the exact same amount of money – on a per capita basis – as the largest newspapers in Canada under our Online News Act.

Bargaining codes are not a silver bullet and they will not solve all the industry's problems when most of the advertising dollars flow to a handful of companies, but the C\$100 million annually will make a material difference to many newsrooms across Canada, allowing them to reinvest in journalistic content. And that money is now flowing to news publishers.

While the vast majority of Canadian news publishers are pleased with it, Canada's Online News Act had some shortcomings, which you may want to consider as you refine your draft legislation:

- To avoid providing fair compensation, Meta blocked news.
- Rather than mandatory bargaining and collective negotiation backed up by the teeth of final offer, baseball-style arbitration – and in lieu of individual content licensing agreements – Google and the Government of Canada negotiated the total amount of compensation (C\$100 million annually indexed to the Consumer Price Index).
- Under the Regulations, Google was allowed to select the entity that manages the C\$500 payment million over five years.
- The legislation could have captured more big tech platforms that benefit from copyrighted news content.

When a community newspaper thrives, a community thrives, but when a community newspaper dies, part of that community dies with it. You can help ensure the long-term viability of newsrooms in Oregon, so public interest journalists can continue to do their important work: covering the cops, courts, and city hall; holding the powerful to account; and keeping communities informed, connected, and engaged – all of which are in the public interest in any healthy and vibrant democracy. Fact-based, fact-checked journalism matters.

Thank you very much for your consideration.

Sincerely,

Original Signed by Paul Deegan

Paul Deegan

President and Chief Executive Officer

News Media Canada