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Meta 'not talking' to Ottawa amid Online News Act dispute, says Heritage Minister Rodriguez

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The federal government and the CEO of News Media Canada say they are open to pursuing talks with tech giants regarding a dispute over the Online News Act and a looming plan to pull Canadian news content from their platforms, but they have raised concerns about Meta's lack of engagement in discussions compared to Google.

"Meta's been playing hardball, and the government's playing hardball back with them now," said Paul Deegan, president and CEO of News Media Canada. "I think there's a different stance between the two companies. We would say that the Google stance is more constructive."

The Online News Act became law on June 22, requiring companies such as Google and Meta to compensate Canadian media outlets for the news content that appears on their online platforms. In response, Meta confirmed on June 22 that the company would end news availability on Facebook and Instagram for all users in Canada prior to the act coming into force, which is expected to oc-

cur before the end of the year. In a similar move, Google announced in a June 29 blog post an intention to remove links to Canadian news from its Search, News and Discover products in Canada.

In response to Meta, Heritage Minister Pablo Rodriguez (Honoré-Mercier, Que), along with NDP MP Peter Julian (New Westminster—Burnaby, B.C.) and Bloc Québécois MP Martin Champoux (Drummond, Que.), both heritage critics for their respective parties, announced during a press conference in Ottawa on July 5 that the federal government has suspended all of its advertising on Facebook and Instagram. Rodriguez described Facebook as "unreasonable" and "irresponsible," but said that "Google, on the other hand, has been open to finding a solution."

During the press conference, Rodriguez agreed that he has more optimism in striking a deal with Google than he does with Meta, because Google "wants to keep talking, discussing, [and] finding a path forward."

"The discussions are not easy, to be honest. We may disagree on a few things

Heritage Minister Pablo Rodriguez, pictured, hosted a press conference in Ottawa on July 5 with two opposition MPs announcing the federal government would suspended all of its advertising on Facebook and Instagram. The Hill Times photograph by Andrew Meade

and agree on others, but what is clear on our side is that solutions can only come around the table. And it's also clear that Google's concerns can be met by what we plan to do in the regulations. Meta, on the other side, is not talking to us," said Rodriguez. "They took a different approach. I don't think it's good for anyone. Not for them, not for the government, not for Canadians, for anyone, because the only way we can find something that is positive for all of us ... is if we find solutions around the table."

A review by The Hill Times of communication reports filed on the federal lobbyists' registry shows a large gap between Meta and Google in terms of engagement with government officials.

Facebook Canada, a subsidiary of its parent company Meta Platforms Inc., has filed eight reports between July 6, 2022, and July 6, 2023, for communica-

tions with designated public office holders, according to a search of the federal lobbyists' registry on July 6. In comparison, Google Canada Corporation has filed 71 communication reports during the same period.

The Hill Times reached out to Meta to ask about the firm's engagement with the federal government, if any other communications took place that have not been reported, and about the company's willingness to negotiate. An emailed response from a Meta spokesperson on July 5 did not address those questions. The emailed statement referred to the Online News Act as "flawed legislation that ignores the realities of how our platforms work, the preferences of the people who use them and the value we provide news publishers."

"Meta does not proactively collect links to news content to display on our platforms; instead, publishers actively choose to post on Facebook and Instagram because it benefits them to do so. Unfortunately, the regulatory process is not equipped to make changes to the fundamental features of the legislation that have always been problematic, and so we plan to comply by ending news availability in Canada in the coming weeks," reads the emailed statement.

Facebook Canada's most recent communication was on May 19, 2023, with ISG Senators Donna Dasko (Ontario) and Paula Simons (Alberta), who are both members of the Senate's Transport and Communications Committee. That committee began a study of Bill C-18, the bill for the Online News Act, on April 25, 2023. The bill passed third reading in the Senate on June 15, 2023.

Facebook Canada's lobbying representation includes Rachel Curran, the company's public policy manager for Canada. Kevin Chan, Facebook's global policy campaigns strategy director, is also listed in the file as an employee whose lobbying activity represents less than 20 per cent of their duties.

Deegan told The Hill Times that he applauds Ottawa's decision to suspend advertising related to Meta, without doing the same for Google where "productive conversations" are taking place.

"Meta's got \$4-billion at stake here, and we would hope that they would come to the table with the federal government, [and] try to have their concerns addressed through the regulatory process," said Deegan. "We're prepared to work with them and the government and Google. We believe we can get to a point where there's a satisfactory outcome for all parties here."

The Hill Times reached out to Google for a response to the advertising suspension announcement. Google spokesperson Shay Purdy directed The Hill Times to the June 29 blog post by Kent Walker, president of global affairs for Google and Alphabet. In the blog post, Walker described the Online News Act as "unworkable."

"The unprecedented decision to put a price on links ... creates uncertainty for our products and exposes us to uncapped financial liability simply for facilitating Canadians' access to news from Canadian publishers," said Walker in the blog post. "We plan to participate in the regulatory process and will continue to be transparent with Canadians and publishers as we move forward. We hope that the government will be able to

outline a viable path forward."

Michael Geist, the Canada Research Chair in Internet and E-commerce Law at the University of Ottawa's Faculty of Law, told The Hill Times that Meta's plans to end news availability in Canada is almost certainly not a bluff, because "the world is watching."

Facebook imposed a ban for viewing and sharing news on its platform in Australia for eight days in 2021 after the country's government passed its News Media and Digital Platforms Mandatory Bargaining Code (NMBC). The Facebook ban was lifted after a deal between Australia's government and Meta was announced on Feb. 23, 2021. Since the NMBC was passed, other countries, including the United Kingdom, the United States, and Brazil, have considered imposing similar laws.

"Given that there are other countries thinking about different legislative models, if [Meta] were to flip in Canada as well, they really would have no credibility anywhere on this," said Geist. "It seems to me that, if part of their concern is this spreading globally, then they almost have no choice but to stick to their guns in Canada."

American Senator Amy Klobuchar, a Democrat, who introduced the Journalism Competition and Preservation Act in the United States, urged Canada to resist pressure from Meta and Google, and stated that "we must stand up for small businesses and competition while ensuring people have access to their local news," as reported on July 3 by the Globe and Mail.

Geist argued that Rodriguez "waited until the 11th hour" to have conversations with Meta and Google, and he put a tick-

ing clock on the Online News Act for coming into force.

“The companies have basically said ‘We will do this before [the Online News Act] takes effect.’ So, it could take effect any time. At a minimum, it seems pretty clear that they will begin the exit from some of their existing deals when that opportunity arises. We know that Facebook’s already started to do that,” said Geist. “The way the government structured the legislation leaves the minister with very little wiggle room.”

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Figure:

Paul Deegan, president and CEO of News Media Canada, says his organization is ‘prepared to work with [Meta] and the government and Google,’ to reach a satisfactory outcome regarding the Online News Act. Photograph courtesy of Twitter

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Michael Geist, the Canada Research Chair in Internet and E-commerce Law at the University of Ottawa, says that if part of Meta’s concern is legislation similar to the Online News Act ‘spreading globally, then they almost have no choice but to stick to their guns in Canada.’ Photograph courtesy of Twitter

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