

# Open Letter to MPs

We are writing in response to a November 30<sup>th</sup>, 2020 email from Jason J. Kee of Google, entitled “Google & Canadian News Publishers – Setting the Record Straight.”

It is well known that Google has a serious problem when it comes to abetting the spread of disinformation. Nonetheless, it is still disappointing to see that they would undertake to knowingly spread disinformation themselves in a communication to elected Members of Parliament.

We will not dwell on the most egregious misrepresentations in the letter; for example, we have never accused Google of “stealing” content, as they claim. They also state “not all publishers agree with News Media Canada”; in fact, we represent the publishers of the daily, regional, community, and ethno cultural news publications that account for more than 90% of news media readership in Canada

Instead, we will focus on the substantive claims made by Google. They are as important for what they omit, as what they purport.

Google claims that they did not cause “the disruption of the newspaper business model,” implying that what they dismissively refer to as “legacy media” has not kept up with changing technology. In fact, Canadian newspaper publishers, large and small, have been in the forefront of adapting to the digital world since the introduction of the Internet in the 1990s.

For example, La Presse transformed its news business with the development of mobile and desktop digital products as well as a free tablet edition (LaPresse+) which ultimately replaced all printed products. In smaller, non-urban markets, independent publishers like the Neepawa Banner & Press (MB) and Island Press Inc. (PE), have developed podcasts and digital video series to complement print editions in addition to pdf replicas, website e-editions and mobile apps.

Google also claims that “it does not earn meaningful revenues from news.” We will leave it to you to decide what quantum constitutes “meaningful revenues” for a company that earned more than **CD\$200 billion** in revenues last year, and is setting new revenues this year: raking in almost **CD\$60 billion** in revenues in Q3 alone this year.

Google also neglects to acknowledge in its letter that it and its fellow Internet monopoly, Facebook, combined collect **80% of all online advertising revenues** in Canada.

Google’s omissions of facts and context are deliberate – and deliberately misleading. So are claims such as “Google does not set ad prices... (they) are driven by real time auctions”. Google uses its immense size and wealth and its uncontested market domination to lay claim to the lion’s share of all advertising. By any measure, this is an abuse of power

Google has a monopoly over every step of buying and selling digital advertising. Since 2001 Google has aggressively acquired digital display advertising technology companies that posed any threat. Former competitors have been integrated into their global ecosystem. Google now controls and derives revenue from every aspect of the digital advertising supply chain for publishers and advertisers.

Google technology powers the ad systems used to display ads on publisher websites; is used to offer those placements to the market for purchase (bidding); is the base for the systems used in bidding on the placement of those ads; is used for targeting consumers, and tracking how those ads perform; and is used to verify the deliverability of those ads.

There is no aspect of digital advertising that Google does not touch. This, coupled with their dominance as a search engine, where people routinely go to find news stories, makes them a clear monopoly. Google is the auction, the auctioneer, the product, the buyer and the seller.

The letter you received from Google is part of a stepped-up effort on their part to fight back against what is a growing rejection of their abuse of power in democracies around the world. The alarm we raised in our report, [\*Levelling the Digital Playing Field\*](#), has been subsequently echoed in even more recent reports in the United States Senate ([\*Local Journalism: America's Most Trusted News Sources Threatened\*](#)) and the British House of Lords ([\*Breaking News? The Future of UK Journalism\*](#)).

Google would have you believe that not only is News Media Canada wrong, but so too are our country's closest allies – the United States and the United Kingdom.

Another close ally, Australia, is taking decisive action to ensure a fair online market for media in their country. We believe – given our similar legal and federal political systems, and our similar cultures and economies - that same approach would work here in Canada. That is the key recommendation of our report. We also believe this solution would work well in Canada because it requires no government funding or new or increased taxes or user fees.

All it requires is you, as Members of Parliament, to exercise your responsibility to protect Canadians and Canadian businesses of all sizes from the predatory and destructive practices of a powerful monopoly, and to ensure fair competition.

We cannot expect interests as powerful as Google and Facebook to allow this to happen without a fight. The letter they sent you is just the beginning. Based on their behaviour in other jurisdictions, we can expect bare-knuckled lobbying and outright threats will follow. That has certainly been the case in Australia, and Europe, for example.

We will continue to champion the interests of local news and the communities that we serve across Canada. We agree with one sentence in the Google letter: "No, the news business is not the same as it was two decades ago. Innovative Canadians are making it better." These are the women and men in newsrooms across Canada. Real journalists, reporting real news and using new, innovative ways of reaching Canadians. We will continue to fight for them and their communities, even in the face of powerful multinationals who produce no journalism and seek to strip the profits from the work of others.

We hope that, by taking the legislative action we outline in our report, you will stand with us.



[www.newsmediacanada.ca](http://www.newsmediacanada.ca)  
[www.levellingthedigitalplayingfield.ca](http://www.levellingthedigitalplayingfield.ca)

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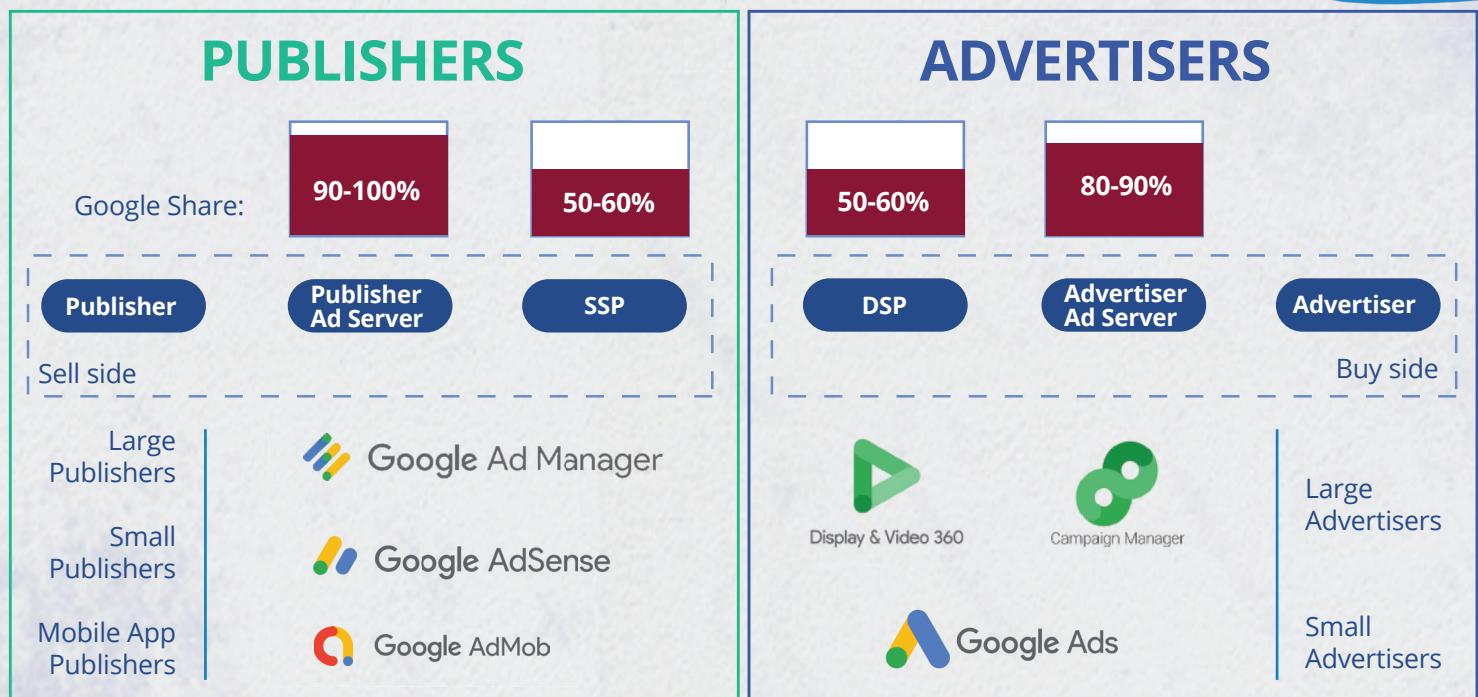


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Learn more about the challenges our industry faces at  
[www.levelingthedigitalplayingfield.ca](http://www.levelingthedigitalplayingfield.ca)