GOVERNMENT RESPONSE TO CHPC REPORT #1: *TECH GIANTS' INTIMIDATION AND SUBVERSION TACTICS TO EVADE REGULATION IN CANADA AND GLOBALLY*

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Chair
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House of Commons
Ottawa, Ontario
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Dear Ms. Hepfner,

Pursuant to Standing Order 109 of the House of Commons, I am pleased to submit on behalf of the Government of Canada (the Government) the response to the first report by the Standing Committee on Canadian Heritage (the Committee) entitled *Tech Giants' Intimidation and Subversion Tactics to Evade Regulation in Canada and Globally* (the Report), which was presented to the House of Commons on September 24, 2025.

The Government thanks the Committee for sharing a commitment to the safety of Canadians online, and the integrity of the online information ecosystem, by preparing a thought-provoking report that draws on the insights of the many expert witnesses who provided testimony and written briefs.

As the Minister of Canadian Identity and Culture, and Minister responsible for Official Languages, I have deep concerns about how disinformation and foreign interference can undermine trust in our democratic institutions, the challenges facing the journalism sector, and what these mean to Canadian society – all at a time when so much of the content we see online is being moderated by foreign tech giants and the digital platforms they operate.

The Government has proposed legislative reforms designed to help address problematic imbalances in the digital marketplace, which have not come without pushback.

With the *Online Streaming Act*, the Government reformed the *Broadcasting Act* to subject digital platforms in the streaming market to Canadian content requirements. The CRTC continues to work on implementing the new regime through a series of public consultations, a process that is expected to conclude in 2026.

Introduced in 2023, the *Online News Act* requires digital platforms like the largest search engines, and social media platforms, to compensate Canadian media organizations for the news content they host on their platforms. In October 2024, the CRTC granted Google an exemption from the bargaining regime under the *Online News Act* following its agreement with the Canadian Journalism Collective to contribute $100 million annually, indexed to inflation. The exemption will remain in effect for up to five years. This outcome represents a significant achievement for Canadian news organizations and serves as an important international example of compensation for news content.

As the Committee knows, some of the tech giants who are regulated under the *Online News Act* and the *Online Streaming Act*, respectively, have pushed back hard against them. This has made the introduction of these already nuanced and complicated policy frameworks even more of a challenge. Still, they remain important steps, even in the face of actions like Meta's decision

to prevent the access to news on its platforms by users in Canada. The important changes embodied in these policies cannot happen overnight and will take time to implement. Once fully realized, these changes will reshape Canada's online information ecosystem for the better for years and decades to come by introducing responsibility and accountability.

The Government will continue to monitor international approaches and regulatory models for online safety in the United Kingdom, the European Union, Brazil and Australia. Canada's policy approach will draw on global best practices, while remaining grounded in Canadian constitutional principles and values. The Government will determine the best path forward and extends its appreciation to those who engaged in consultations and advocacy.

It is also important to note two additional legislative initiatives currently before Parliament that seek to better protect children online: the Senate Public Bill S-209, and the Private Member's Bill C-216. Bill S-209 aims to protect young people from exposure to online pornographic material, while Bill C-216 proposes to establish a statutory duty of care for digital platforms, including provisions to safeguard minors' personal data, implement effective safety settings, and provide parental controls.

The Committee's study and recommendations align with the Government's policy direction and highlight the impact of some tech giants' business models in Canada's information ecosystem. Tech giants and the digital platforms they operate have played a key role in helping Canadians connect with each other and people around the world, and access information online. Many have also become unavoidable information intermediaries, with a considerable and concerning amount of power over what Canadians can access, and what they are exposed to online.

The digital age has brought with it unprecedented potential to expand and deepen our knowledge of the world around us, to share our perspectives with friends and strangers, and to engage democratically as Canadians. The Government is firmly committed to ensuring all Canadians can engage freely and safely online, and that there is a sustainable marketplace for quality information, including digital news content.

The Report makes five recommendations to guide policy on strengthening the integrity of the online information ecosystem and creating a secure space for Canadians to engage online. The Government Response addresses each of these five recommendations under three different themes: 1) Platforms' responsibilities towards their users with respect to the content they engage with; 2) The Government's responsibility to empower Canadians to protect themselves from potentially harmful content; and 3) Incentivizing private investment in high-quality Canadian content. The response supports in principle recommendations 2, 3 and 4 and acknowledges recommendations 1 and 5.

1. Platforms' responsibilities towards their users with respect to the content they engage with

Recommendations 1, 3 and 4 each call for tech giants to be made responsible for addressing potentially harmful content on their platforms.

The Government acknowledges Recommendation 1, which calls on the digital content platforms to put mechanisms in place to detect undesirable or questionable content that may be the product of disinformation or foreign interference, and that these platforms be required to promptly identify such content and report it to users. Recommendation 1 also calls for penalties should platforms fail to do so.

Prior to Canada's 2025 federal election, the Government of Canada issued a Statement of Canadian Democratic Principles, which calls on all Canadian society – citizens and people living in Canada, civil society, and digital media platforms and tech companies – to take action to protect the democratic principles of integrity, transparency, authenticity, and accountability to uphold information integrity and protect Canada's democracy. This includes calling on digital media platforms and tech companies to do their part by establishing and communicating clear policies regarding content moderation, data privacy, and user behaviour; enabling user-friendly reporting of disinformation and other harmful content; and collaborating with independent fact-checking organizations to verify the accuracy of information and having mechanisms in place to address inauthentic content. As part of this Statement, the Government of Canada committed to continue to engage digital media platforms and tech companies to identify and mitigate the spread of false information, including by sharing information and best practices, particularly during election periods.

The Government is aware that some disinformation and foreign information manipulation and interference may involve the distribution of content that incites violent extremism or terrorism and content that incites violence. Foreign information manipulation and interference and disinformation represent broad threats to Canadian society, and one of the ways in which the Government seeks to counter disinformation and protect Canadians from harm is by building resilience to and understanding of disinformation. It is not the Government's role to decide what people read online, but to equip Canadians with the tools and skills to think critically about information, identify credible sources, and to defend themselves against the negative impacts of misleading information.

Through the launch of the Digital Citizen Initiative in 2019, the Department of Canadian Heritage supports democracy in Canada by building citizens' resilience against online disinformation and fostering partnerships that support a healthy information ecosystem. On January 28, 2025, following the publication of the Final Report from the Commissioner for the Public Inquiry into Foreign Interference in Federal Electoral Processes and Democratic Institutions, the Government announced a new investment of $27.5 million over two years, starting in 2025-26, for the Digital Citizen Initiative to continue funding projects that build citizen resilience against online disinformation.

The Digital Citizen Initiative also includes the Digital Citizen Contribution Program, which has disbursed over $31 million in 146 projects since 2020 for research and citizen-focused activities to better understand and build citizen resilience to disinformation and other forms of harmful content online.

The Government of Canada continues to consider new and innovative policy approaches to protect Canada's information ecosystem and counter disinformation.

Starting in 2023, the Digital Citizen Contribution Program provided $5.5 million in funding over three years to support the work of the Canadian Digital Media Research Network, and in March 2025, an additional $4 million over two years that includes $2 million in 2025-2026 and $2 million in 2026-2027 for the Network. The Canadian Digital Media Research Network is a cross-country network of researchers that monitors Canada's information ecosystem and produces timely reports to raise awareness about current and future threats. The Network makes its reports available to the public through its website and through regular presentations to policymakers and other stakeholders.

In addition to further equipping academia and civil society with resources to increase awareness on how social media platforms operate, the Canadian Digital Media Research Network produces and supports the production of research into the dynamics of Canada's information ecosystem and how this information affects Canadians' attitudes and behaviours; informs Canadians about the quality of information in the information ecosystem, including disinformation narratives; and develops and supports the implementation of broader strategies to build Canadians' information resilience and digital literacy. The Government is also supporting initiatives that address specific forms of harm tied to the online environment. The Department of Public Safety's Canada Centre for Community Engagement and Prevention of Violence (Canada Centre) leads the Government of Canada's efforts to counter radicalization to violence, including to better understand and address ways in which the online information ecosystem can contribute to violent extremism.

Through policy development, research, work with international partners, and support for prevention programming through the Community Resilience Fund, the Canada Centre informs and invests in early prevention, such as the development of critical thinking skills and digital media literacy designed to protect against manipulation and influence of terrorist and violent extremist messaging. The Canada Centre also leads on prevention at higher levels of risk, from addressing terrorist or violent extremist content and activity online, to supporting programs that engage with individuals showing signs of vulnerability or risk, to build protective factors and divert them away from pathways towards violent extremism.

Since 2017, the Community Resilience Fund has invested over $79 million to support 79 research and frontline support projects to improve understanding and responses to violent extremism of all forms. Many of these projects not only assess how the online environment shapes pathways of radicalization to violence, including on social media as well as gaming platforms, but connect with and provide support to local, frontline violence prevention programs working to protect Canadian communities.

Given the transnational nature of online harms, the Canada Centre works closely with international partners to build the evidence base about how the ways the information ecosystem is used to contribute to violent extremism, and what works to prevent and counter such harms.

The Government of Canada is one of the core partners in the Christchurch Call to Action, which was launched in 2019 following a terrorist attack at two mosques in New Zealand that killed 51 people – including one that was livestreamed. Canada was an early supporter of the Christchurch Call's work on eliminating terrorist and violent extremist content online. The Canada Centre also works with the Christchurch Call Initiative on Algorithmic Outcomes, which is building privacy-enhancing technologies that facilitate independent research on the impacts of algorithms to better understand and mitigate the spread of terrorist and violent extremist content online.

The Government supports in principle Recommendation 3, which calls for a requirement that digital platforms collaborate with independent academic research. The Government recognizes the concerns regarding data access for researchers studying online harms. Testimony provided in the report underscores the urgency of addressing these issues to improve transparency and enhance the ability to understand the impact of digital platforms' operations. Current voluntary measures by platforms often fall short. Digital platforms have been accused of withholding data critical for understanding their societal impact, including exposure

to harmful content. The report further notes that platforms selectively fund research, leading to potential biases in findings or suppression of unfavorable outcomes.

Online Harms legislation proposed in the 44th Parliament would have required digital platforms to file and publish digital safety plans, including indicators to assess effectiveness and analysis of new risks and trends. Digital platforms would have also had to provide qualified researchers access to their data to conduct studies pertaining to harms online and risks to Canadian users. While the proposed Bill C-63 (Online Harms Act) died on the Order Paper, the Government's commitment to addressing online harms remains, and consideration is being given to how the objectives in this bill could be accomplished.

The Government supports in principle Recommendation 4, which calls on digital platform providers to take measures to ensure that the procedures, practices, rules and systems, including algorithms, put in place for the purpose of moderating content that is accessible to individuals in Canada does not result in adverse differential treatment of any individual or group of individuals based on one or more prohibited ground of discrimination.

The Government recognizes that systems used by digital platforms to moderate content can cause harm and can discriminate against individuals and groups. The Government is committed to promoting responsible artificial intelligence governance in Canada, with policies like the Voluntary Code of Conduct for the Development and Management of Advanced Generative Artificial Intelligence Systems. Additionally, the Canadian Artificial Intelligence Safety Institute, established in 2024, funds and undertakes research into artificial intelligence safety risks and mitigation measures, enabling policymakers to better understand the risks and impacts of artificial intelligence and how to mitigate them. As we move forward, the Government is working toward implementing a renewed artificial intelligence strategy for Canada, with safe and trustworthy artificial intelligence as a core pillar of that strategy. To inform that work, the Government held public consultations and engaged with a wide cross-section of Canadians, including a dedicated task force of 28 Canadians from civil society, academia, and industry who provided expert policy advice.

2. The Government's responsibility to empower Canadians to protect themselves from potentially harmful content

The Government supports in principle Recommendation 2, which calls on the Government to develop an information and awareness campaign on the dangers of disinformation, as well as on how to detect and protect against it. The Government recognizes the importance of building Canadians' awareness of and resilience to disinformation and has undertaken several initiatives to address the issue.

The Privy Council Office's Democratic Institutions Secretariat coordinates the whole-of-government response to threats to Canada's democratic institutions through the Plan to Protect Democracy ("the Plan"), initially implemented to safeguard the 2019 General Election. The Plan is based on four pillars: enhancing citizen preparedness, improving organizational readiness, combatting foreign interference, and building a healthy information ecosystem.

As part of the Plan to Protect Democracy, the Digital Citizen Initiative was established within the Department of Canadian Heritage in 2019. The Digital Citizen Initiative is a multi-component strategy that aims to support democracy and social inclusion in Canada by bolstering citizen

resilience against online disinformation and building partnerships to support a healthy information ecosystem.

In addition to directly supporting research and citizen-focused activities through the Digital Citizen Contribution Program, the Digital Citizen Initiative has provided $2.25 million in funding for over 80 research projects through a joint research initiative with the Social Sciences and Humanities Research Council (SSHRC). Citizen-focused initiatives funded directly via the Digital Citizen Contribution Program include national public awareness campaigns on disinformation, such as *Media Literacy Week*, and classroom-ready digital literacy modules for teachers. Beyond school-aged audiences, the Digital Citizen Contribution Program has also supported initiatives to enhance digital literacy among diverse groups across Canada, including diasporic communities and working-age adults.

The Digital Citizen Contribution Program also funds domestic and international research on the impacts of disinformation. In 2023, the Digital Citizen Contribution Program funded the OECD's DIS/MIS Resource Hub to share best practices on combating mis and disinformation. As noted earlier, starting in 2023, the Digital Citizen Contribution Program also provided $5.5 million in funding over three years and an additional $4 million over two years in 2025 to support the work of the Canadian Digital Media Research Network (CDMRN).

Public Safety Canada's Canada Centre is simultaneously supporting various prevention programs, resources, and research efforts. These initiatives aim to assist frontline community-based practitioners, guide industry and policymakers, and explore how the information ecosystem can both contribute to violent extremism and foster protective measures against such harms. Through the Community Resilience Fund grants and contributions program, multiple initiatives provide support to local practitioners like teachers, youth workers, social workers, police and clinical health practitioners to better recognize warning signs related to grievance-fueled violence, and the roles of the online environment, and how to respond.

Further, in collaboration with a range of international counterparts, the Canada Centre has been investing in systematic evidence reviews on topics such as the impact of exposure to hateful and violent extremism content in traditional and social media, as well as the efficacy of countermeasures.

In addition to providing funding for third-party research and educational initiatives, the Government has also engaged in direct campaigns to communicate with Canadians about the dangers of disinformation. Since 2023, the Communications Security Establishment Canada (CSE) carried several phases of an extensive awareness campaign about online disinformation and created an Online Disinformation website with resources and tips for Canadians about how to detect and respond to online disinformation. Global Affairs Canada (GAC) has produced a "Disinformation and Democracy" series on YouTube, interviews with experts that aim to teach Canadians about what disinformation is and how it impacts democracies.
Global Affairs Canada also houses Rapid Response Mechanism Canada (RRM Canada), which monitors the information environment for Foreign Information Manipulation and Interference leading up to Canada's federal elections, by-elections, and major political party leadership contests. It conducts this work as part of the Security and Intelligence Threats to Elections Task Force, which is a whole-of-government working group that also includes experts from the Canadian Security Intelligence Service, the Communications Security Establishment Canada and the Royal Canadian Mounted Police. Through this task force, Rapid Response Mechanism

Canada provides guidance to Canadians about potential information threats to the integrity of Canadian elections and electoral processes.

In November 2024, the Government launched the Canadian Artificial Intelligence Safety Institute (CAISI) to advance scientific understanding of risks from advanced artificial intelligence systems. Canadian Artificial Intelligence Safety Institute's work in collaboration with the National Research Council of Canada and through the Canadian Institute for Advanced Research (CIFAR), can support work on disinformation elsewhere in Government through its research into digital content transparency techniques and mechanisms for detection of deepfakes and other artificial intelligence-generated synthetic content.

Further, there are measures designed to safeguard the electoral process and educate Canadians about disinformation during election periods. The *Elections Modernization Act* (2018) expanded the civic education mandate of Canada's Chief Electoral Officer. Elections Canada provides educational resources to schoolteachers on the electoral process and maintains a section on its public-facing website dedicated to directly countering misleading narratives about federal elections.

Throughout the 2025 federal election period, the Government of Canada held weekly technical briefings with Canadian media representatives to increase Canadians' awareness of the threat landscape, including specific incidents observed and the range of tactics used by foreign actors, and to inform Canadians of potential mitigation measures.

Finally, the Government has also implemented several measures to promote Canadians' access to trustworthy news content to empower Canadians to navigate this information ecosystem. The Local Journalism Initiative (LJI) supports the creation of original civic journalism that covers the diverse needs of underserved communities across Canada, and the Government has extended $58.8 million in funding to extend the Local Journalism Initiative from 2024 to 2027. The Canada Periodical Fund provides financial assistance to Canadian print magazines, print community newspapers (non-daily) and digital periodicals.

The *Online News Act,* which introduced a bargaining framework to ensure that news businesses are compensated fairly by platforms who use their news content, has helped promote the sustainability of Canadian news, with Google contributing $100 million per year to the Canadian news ecosystem under the framework. To date, more than $58 million have been disbursed to more than 450 news businesses representing a broad cross-section of Canadian news outlets and a wide range of editorial perspectives.

3. In addition, CBC/Radio-Canada plays an essential role in providing local and regional news programming. Budget 2025 proposes to provide $150 million in 2025-26 for CBC/Radio-Canada to strengthen its mandate to serve the public and to better reflect the information needs of Canadians.**Incentivizing private investment in high-quality Canadian content**

The Government acknowledges Recommendation 5, which calls on the Government of Canada to make changes to the *Income Tax Act*, specifically to rules that allow advertising purchased by businesses on foreign websites to be counted as a fully deductible expense.

Under the *Income Tax Act*, businesses can generally deduct reasonable expenses incurred to earn business income, including advertising expenses with Canadian media, to reduce their overall taxable income. However, limits exist on the deductibility of advertising expenses

incurred for advertisements placed with foreign newspapers, periodicals and broadcast media.

These restrictions do not apply to advertising expenses incurred on digital platforms. As such, businesses can deduct such costs in computing income for tax purposes. The Government acknowledges that there are a range of stakeholder views with respect to the existing tax treatment of advertising expenses. In this regard, the Department of Finance is continually reviewing means by which to improve the tax system while taking government priorities into account.

The Government has prioritized ensuring that there is support for Canadian news media in Canada including through the Canadian journalism labour tax credit, the *Online News Act* framework, the modernization of the *Broadcasting Act (Online Streaming Act*), the Local Journalism Initiative and the Canada Periodical Fund.

Conclusion

The quality and integrity of the online ecosystem is fundamental to Canadians' ability to participate in community life and engage democratically in the digital age, with deep implications for our society today and into the future. The demands of this ever-evolving space require Government to ensure that tech giants are more accountable for the risk of harm to users of their services; that Canadians are empowered and equipped to deal with the information risks that come with being online; and that Canadian media can generate the revenue they need to continue to publish quality news, including local news. The Committee's Report provides a valuable perspective on the diverse ways to advance these important commitments.

Sincerely,

The Honourable Marc Miller, P.C., M.P.
Minister of Canadian Identity and Culture, and Minister responsible for Official Languages