

March 28, 2023

SENT VIA EMAIL matthew.boswell@canada.ca

Matthew Boswell
Commissioner of Competition
Competition Bureau of Canada
Place du Portage I
50 Victoria Street, Room C-114
Gatineau, QC K1A 0C9

Dear Mr. Boswell,

Re: Update on the Competition Bureau's investigation of Google

I am writing to request an update on the Competition Bureau's investigation into Google, regarding online display advertising, specifically "whether Google has engaged in certain practices that harm competition in the online display advertising industry in Canada."

Unifor is Canada's largest union in the private sector, representing 315,000 workers. With 12,000 journalists and media workers in television, newspapers, magazines, news websites and film production, Unifor is also Canada's largest media union. Our focus is on news journalism and, more broadly, the state of Canadian content, including sports and entertainment programming.

Unifor is a staunch advocate for a diverse, independent, and democratic Canadian media. Unifor continues to champion a vibrant and well-resourced local news industry in Canada – an important tool to facilitate engagement in community and democratic life.

The scope of the Competition Bureau's investigation is to determine if Google is:

- impeding the success of competitors; and
- resulting in higher prices, reducing choice, and hindering innovation for advertising technology (ad tech) services, and harming advertisers, publishers and consumers.

Based on the negative impacts discussed below, and on the precedents set through legal proceedings in other jurisdictions, Unifor believes that Google is guilty of wrongdoing and the Competition Bureau should respond appropriately.

The Competition Bureau's current investigation into Google began in October 2021, and in the year and a half since then, the crisis in Canada's news media sector – especially the newspaper segment – has continued to worsen. As noted in an October 2022 report from the The Local News Map:

- “between 2008 and October 1, 2022, a total of 468 local news operations have closed in 333 communities across Canada
- community newspapers, which publish fewer than five times per week, account for most of the closings (359)”ⁱ

The Public Policy Forum has done some great work documenting this decline in their updated Shattered Mirror report, advertising revenue for community newspapers dropped 66% from 2011 to 2020.ⁱⁱ During that time, almost 300 papers either disappeared or merged with other publications. The list of dead newspapers reads like a roll call of regional and small-town Canada. In broadcasting, it's a similar story. News outlets are closing, consolidating and downsizing.

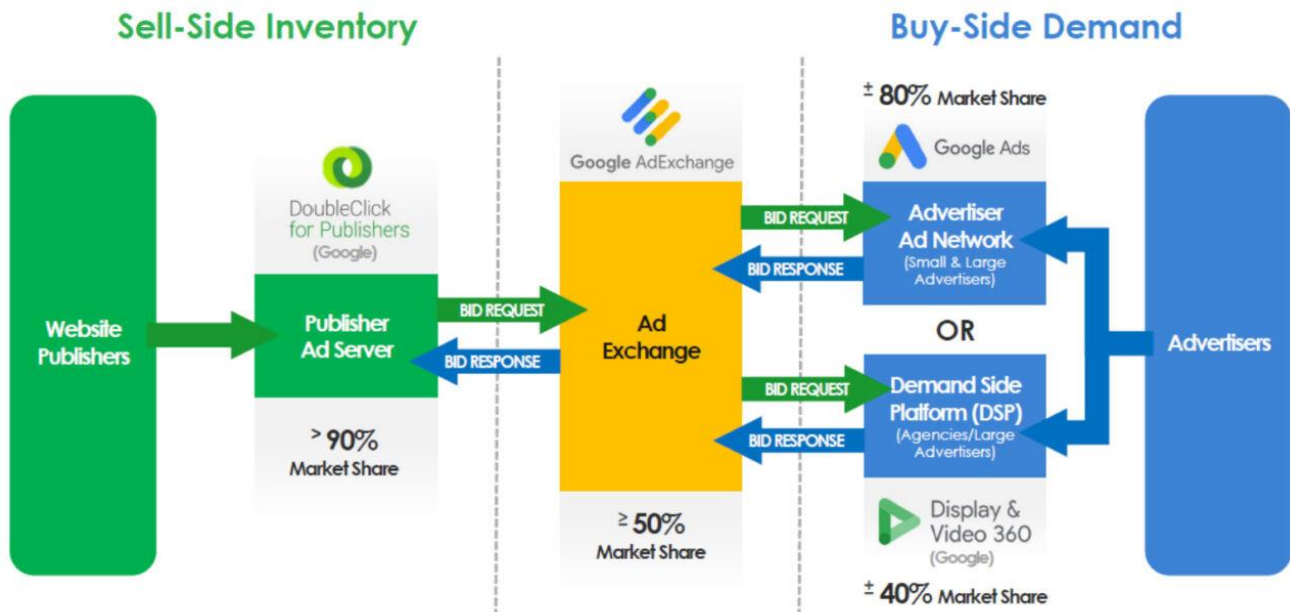
Unifor's own membership numbers confirm this trend. Between 2009 and 2022, the Toronto Star's membership declined from 610 to 178, a decrease of 70%. In broadcasting between 2017 and 2021, employment decreased by 16%.

Most recently, company-wide “restructuring” at Postmedia has led to permanent layoffs and closures, and many communities across the country have seen their local news coverage further diminished.

As online advertising growth continues to outpace all other segments, “traditional media sectors (i.e. broadcast TV, radio, newspapers, and magazines) have been fighting over a shrinking pool of advertising revenue.”ⁱⁱⁱ In fact, Google, Facebook and Amazon now account for 90% of Internet advertising spending in Canada. This is clearly not the only dynamic driving the rapid transformation and restructuring of Canada's media landscape, but our members know very well that advertising revenue has always been a fundamental building block in the news business.

As you know, governments around the world have sued the company for a variety of alleged anti-trust and anti-competitive practices. The company's control of the online advertising business is one obvious area of concern, but so is its increasing dominance in internet search, online business services and hardware. Google has an outsized presence in every aspect of digital technology and communications, wielding a concerning level of control over the very infrastructure of the internet.

Most recently, in January 2023, the US federal government and eight states sued Google, claiming the company has an illegal monopoly over online advertising. In September 2022, an EU court confirmed an earlier decision to impose a fine on Google and its parent company, Alphabet, for anti-competitive business practices, arising from the company's use of its market dominance and smartphone technology to unfairly advantage its search engine services.^{iv}

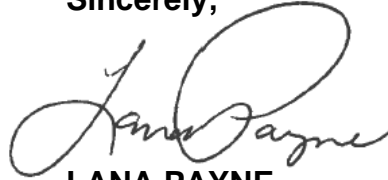


I am certain that this information is not new to staff at the Competition Bureau as you move forward with your investigation. But on behalf of Unifor's 12,000 members working in the Media Sector, I feel compelled to share with you the urgency and importance with which we anticipate the results of your work. Google's monopolistic presence in Canada's media landscape is having an outsize negative influence on the ability of Canadians to access independent, diverse and local news, and on the media workers who deliver that news.

As Matt Stoller, Research Director of the Washington, DC-based American Economic Liberties Project, wrote, "The question for Canadian policy-makers and your Competition Bureau is: when are you going to act to protect your news publishers and advertisers?"

It is for these reasons that I respectfully request an update on the Competition Bureau's investigation into Google and urge you to move to a determination as soon as is reasonably possible.

Sincerely,



LANA PAYNE
National President

LP/MH/bmkcope343

cc D. Valente, Unifor Assistant to the National Officers; Julie Kotsis, Unifor Media Council Chair; Randy Kitt, Unifor Media Sector Director

ⁱ Lindgren, April & Corbett, Jon. (2022). Local News Map Data: October 1, 2022. Local News Research Project. <http://localnewsresearchproject.ca/category/local-news-map-data>

ⁱⁱ <https://shatteredmirror.ca/>

ⁱⁱⁱ Winseck, Dwayne, 2022, "Growth and Upheaval in the Network Media Economy, 1984-2021", <https://doi.org/10.22215/gmicp/2022.03>. Global Media and Internet Concentration Project, Carleton University.

^{iv} <https://curia.europa.eu/jcms/upload/docs/application/pdf/2022-09/cp220147en.pdf>
<https://nationalpost.com/opinion/google-is-stealing-from-canadian-newspapers-and-advertisers>