

Public Benefits or Private? The Case of the Canadian Media Research Consortium

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ABSTRACT The broadcasting regulator Canadian Radio-Television and Telecommunications Commission established its Public Benefits program in the late 1970s. It eventually came to require a minimum 10 percent of the value of acquired broadcasting licences to be devoted to worthwhile initiatives. A portion of a CAD \$230-million Public Benefits package in 2000 was devoted to funding a Canadian Media Research Consortium (CMRC) established between several universities. Mandated to “focus on the development of Canadian data for use in media planning,” the CMRC issued its first report in 2003, which was criticized for flawed methodology and cited as an example of “administrative” marketing research performed to the benefit of media owners rather than to the benefit of the public. The CMRC issued a five-year retrospective study in 2008 that addressed some of the earlier methodological flaws and perhaps, as a result, reached different conclusions.

KEYWORDS Broadcasting policy; Canadian Media Research Consortium; Ethics; Ownership (concentration/competition); Regulation/CRTC

RÉSUMÉ Le Conseil de la radiodiffusion et des télécommunications canadiennes, un organisme de réglementation, a établi sa politique sur les avantages tangibles à la fin des années 70. Cette politique exige qu'au moment de l'achat d'un permis de radiodiffusion, 10% au minimum de la valeur du permis soit consacré à de bonnes causes. Des 230 millions de dollars de bénéfices tangibles disponibles en l'an 2000, une proportion a permis la création du Consortium canadien de recherche sur les médias (CCRM), le résultat d'une entente entre plusieurs universités. Le CCRM, dont le mandat était de « se concentrer sur le développement de données canadiennes pouvant servir aux plans médias », a émis son premier rapport en 2003. On a critiqué ce document pour sa méthodologie erronée et on l'a cité comme exemple de recherche en marketing « administratif » favorisant les propriétaires des médias aux dépens du public. En 2008, le CCRM a émis une étude rétrospective sur les cinq années précédentes traitant des erreurs méthodologiques antérieures et, peut-être en conséquence, en est arrivé à des conclusions différentes.

MOTS CLÉS Politique de radiodiffusion; Consortium canadien de recherche sur les médias; Éthique; Propriété (concentration/compétition); Réglementation/CRTC

One of the most consistent observations made by economists of government regulation has been the seemingly inevitable phenomenon of “regulatory capture”

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(Dal Bó, 2006; Kahn, 1971; Laffont & Tirole, 1991; Levine & Forrence, 1990; Mitnick, 1980; Stigler, 1971; Wu, 2010). According to Horwitz (1989), this occurs when a regulatory agency “*systematically favors the private interests of regulated parties and systematically ignores the public interest*” (emphasis in original, p. 29). The public interest thus becomes “perverted” as a regulator matures through several phases. “As the agency hits old age, it becomes a bureaucratic morass which, because of precedent, serves to protect its industry” (Horwitz, 1989, p. 30). Fraser (2000) used the same analogy of life stages to explain regulatory capture:

In their infancy, regulators show youthful activism. By middle age, they have succumbed to subtle co-option by industry interests. In their final stages of bureaucratic senility, they degenerate into passive interests of the corporate interest under their purview. (p. D11)

By that description, he added, the Canadian Radio-Television and Telecommunications Commission (CRTC) provided an excellent example of regulatory capture.

It would take formidable powers of self-delusion to deny that the CRTC’s evolution has followed the capture theory with alarming fidelity. Created in 1968, the commission was already slipping into complicity with industry interests by the late 1970s. A decade later, it was totally captured. (Fraser, 2000, p. D11)

Until its landmark 2012 ruling that denied BCE’s proposed \$3.4-billion purchase of Astral Media, the CRTC had long been criticized for failing to prevent increased concentration of media ownership in Canada, which had risen to among the world’s highest (Canada, 2006a; Hardin, 1985; Raboy, 1990, 2006; Skinner, 2008; Taras, 2001; Vipond, 2000; Winseck, 2002). According to a 1986 ruling by the regulator, however, preventing ownership concentration was not its primary focus. “Concentration of ownership within the broadcasting system is not itself necessarily of concern to the Commission,” it explained in the landmark 1986 ruling, “provided that there continues to be an effective degree of diversity of ownership and of programming sources” (CRTC, 1986). On the contrary, in denying the application that year of Montréal-based Power Corporation to take over Télé-Métropole, owner of the largest private French-language television station in Québec and the TVA network, the CRTC explicitly stated that Canadian broadcasting could benefit from “larger entities with larger pools of resources.” In fact, since the late 1970s, the regulator had accepted payments from acquiring corporations designed to offset the negative effects of increased ownership concentration that the purchases often brought. These “public benefits” payments were devoted to CRTC-endorsed projects, usually programming initiatives, which often helped tip the balance in favour of approving a licence transfer, as outlined in its 1986 ruling. “The Commission will ... have to be satisfied that the purchaser demonstrates that the advantages of any such concentration clearly outweigh the disadvantages, and that the transaction is in the public interest” (CRTC, 1986).

The CRTC noted public concern in the Télé-Métropole case over the fact that Power Corporation and its majority shareholder, Paul Desmarais, controlled numerous other media outlets in Québec, including radio stations and newspapers such as Montréal’s *La Presse*. In seeking approval for its \$97.8-million acquisition, however,

Power Corporation proposed a package of benefits totaling only about 4 percent of the purchase price. Given the concerns over concentration and the insubstantial benefits payments proposed, the CRTC denied the application for a change in licence holder. The following year, in an attempt to give its members some guidance on the arcane benefits requirement, the Canadian Association of Broadcasters (CAB) commissioned a lengthy study that analyzed CRTC licence transfer decisions and reviewed the rationale for its benefits test (Dunbar & Leblanc, 2007). For years, however, the CRTC resisted quantifying the magnitude of payments required to gain approval of a licence transfer, leaving media owners to estimate how large a package to propose. A 2007 study noted that in the early years of the benefits program, the result was a wide range of proposed payments.

Often if an applicant had a significant policy obstacle to overcome, such as concentration or cross-media ownership that would result from the proposed transfer, the applicant would propose a very large benefits package, hoping that the benefits package would be too attractive for the Commission to deny the application. (Dunbar & Leblanc, 2007, Sec. 11(b))

The CRTC's program of public benefits, which are also referred to as "tangible" or "significant" benefits, was estimated in the 2007 study to have provided more than \$1 billion in payments to Canadian artists and other beneficiaries (Dunbar & Leblanc, 2007). Despite this, the program was considered for cancellation the following year due to criticism from media owners and others. The CRTC decided in 2008 to continue the program, however, and since then, two of the largest acquisitions in Canadian broadcasting history have resulted in the payment of more than \$400 million in additional public benefits. For critics such as *National Post* business editor Terence Corcoran, however, the benefits program is a means for media companies to simply pay off the CRTC to allow increased levels of ownership concentration and is an obvious symptom of regulatory capture. Corcoran (2001) made perhaps the strongest-ever criticism of the benefits requirement in 2001, concluding that "major corruption/extortion behavior patterns ... are now part and parcel of Canada's media regulatory process" (p. C15). This case study reviews the history of the CRTC's public benefits program and examines one of its progeny, the Canadian Media Research Consortium (CMRC), for evidence of regulatory capture.

Public benefits

The public benefits program was controversial from its outset in the late 1970s. Ironically, given subsequent events, its first major application was in decreasing rather than increasing the level of media ownership concentration in Canada. The 1988 takeover of Selkirk Communications, a media conglomerate with cable systems, radio stations, and television stations, was the largest broadcasting acquisition in Canadian history at the time and cost magazine publisher Maclean Hunter \$600 million. Maclean Hunter, however, proposed to immediately sell about half of Selkirk's assets to three other companies for \$310 million, resulting in it being accused by the *Globe and Mail* of "licence trafficking" (Partridge, 1989). Together with Rogers Communication, Western International Communications (WIC), and the

Blackburn Group, Maclean Hunter proposed a package of \$74 million in public benefits, or 12.3 percent of the purchase price, in hopes of gaining CRTC approval for dismantling Selkirk. The CRTC disallowed some of the proposed benefits payments as part of the companies' regular costs of doing business, but it allowed the transaction to proceed (CRTC, 1989a). It also issued a policy statement outlining some of the things it was prepared to accept as benefits payments, and some it was not. Included in the latter category were such things as "marketing surveys and similar studies" (CRTC, 1989b).

In 1992, after commissioning an outside report, the CRTC issued a review of its benefits program. It calculated that \$317 million in payments had been made since 1985, which it deemed a "reasonable" 14.8 percent of transactions worth \$2.135 billion. Benefits payments in radio totalled \$58.3 million, averaging 14 percent and ranging from 0-23.3 percent of purchase price, and had lowered the industry's operating profit margins in 1991 from 6.45 percent to 5.88 percent. In television, the payments had totalled \$162 million, ranging from 7.3-49.9 percent and averaging 18.4 percent, and had lowered operating margins from 12.5 percent to 11 percent in 1991. In cable television, they were \$97 million, averaging 11.6 percent and ranging from 2.4-37.1 percent, and had reduced 1991 profits from 39 percent to 38.6 percent. In television, more than 70 percent of benefits were programming related, mainly in news and drama, while about two-thirds of benefits in cable involved capital expenditures to upgrade or consolidate systems. In radio, benefits were more evenly distributed between improved technical facilities, enhanced programming, and talent development (CRTC, 1992).

The following year, the CRTC responded to concerns about falling profits in the radio industry by deciding to forego benefits payments for unprofitable stations. At the same time, the commission announced it would "generally consider research and development initiatives as acceptable tangible benefits," but reiterated that it would not accept marketing research and audience surveys (CRTC, 1993). In 1994, under the 1985 Access to Information Act, the *Globe and Mail* obtained the confidential multi-volume report done for the CRTC in its review of the benefits system two years earlier. While heavily edited, the newspaper reported that the study contained some interesting findings:

The largest payouts have generally come from the big players in the industry and "this is true even when the properties they were acquiring were small," the document said. "Evidently, ability to pay is a key consideration." (McKenna, 1994, p. B1)

Increased concentration

The Selkirk purchase was soon dwarfed by the consolidation of Canadian media that followed. In 1994, Rogers took over Maclean Hunter at a cost of \$3.1 billion, more than five times the price of Selkirk. Most of Maclean Hunter's operations were in publishing and thus were not subject to CTRC regulation, but it also owned \$933 million in broadcasting and cable assets. These included thirty-five Ontario cable companies serving 9 percent of the national market, 21 radio stations in Ontario and the Maritimes, two television stations in Alberta, and 14.3 percent of CTV shares. Adding Maclean Hunter's

national market share in cable to the 24 percent Rogers already controlled would give it one in every three Canadian cable subscribers, noted Ian Morrison of the advocacy group Friends of Canadian Broadcasting:

In effect, Rogers would be in a position to privatize public policy and to play the role the public expects the CRTC to play of determining which channels get on the airwaves. (Morrison cited in Enchin, 1994, p. B1)

Rogers proposed a benefits package of \$94 million, or just over 10 percent of the purchase price, but journalists pointed out that \$54 million of that was earmarked for upgrading its cable infrastructure, which would likely have been spent anyway (Austen, 1994; Enchin, 1994). Critics also pointed to the degree of cross-media ownership the deal would give Rogers, including Maclean's magazine, the Sun Media newspaper chain, and the Financial Post newspaper, on top of radio, television, and cable holdings. Morrison described the benefits process as nothing less than bribery:

It's a very bad way to conduct public policy—to set up a system where applicants are encouraged to bribe the CRTC so they can make more money, especially when they are using cable subscribers' money to make the bribe. (Morrison cited in Enchin, 1994, p. B1)

The CRTC required Rogers to sell the two Alberta television stations and the CTV shares, which together were valued at \$72 million, or 7.7 percent of the regulated assets. It also required a strict separation of management and newsgathering between the newspapers that Rogers acquired and its broadcast outlets. It explicitly banned Rogers executives from sitting on the editorial boards of the newspapers. It ruled, however, that the benefits pledged “outweigh the concerns of interveners regarding the increased concentration of ownership and media cross-ownership” (CRTC, 1994). Also included in the benefits package submitted by Rogers was \$3 million directed toward educational institutions, payments that the CRTC pointed out had generally been rejected under the guidelines in its public notice earlier that year. Nonetheless, the commission directed Rogers to make the payments (CRTC, 1994). A 2001 study of journalism education in the U.S. and Canada noted that corporate takeover money had increasingly found its way into Canadian universities under the public benefits program.

A number of endowed professorships have resulted. Examples of this so-called “greenmail” are chairs at Ryerson, King's College, and Regina that were funded by Maclean Hunter in 1988; one at Western [Ontario] established by Rogers Communications in 1995; and chairs endowed in 2000 by the largest private television network, CTV, at Laval and Carleton. (Johansen, Weaver, & Dorman, 2001, p. 476)

Two major changes in the benefits system were instituted by the CRTC in the late 1990s. In 1996, it exempted cable companies from making benefits payments because of the competition they were beginning to face from direct-to-home (DTH) satellite television distributors (CRTC, 1996). And while it had long balked at placing a percentage on benefits payments, insisting that it considered each case individually, the CRTC finally did so in 1998. In deciding how much to lower required payments in the radio industry because of its reduced profits and the expected cost of digital upgrades, the

CRTC calculated the value of all previous benefits payments. It noted that they had generally represented about 10 percent of the value of a transaction, which established that as a benchmark in television. The CRTC set the required level of benefits payments in radio at 6 percent (CRTC, 1998).

Media research in Canada

A common complaint of Canadian media scholars has been what Wagman (2010) has identified as “the problem of data.” Researchers seeking hard facts must turn to Statistics Canada, he noted, but find there only undifferentiated figures lacking specifics. The dearth of data has led to what Wagman described as “a state of malaise Canadian academics and their students feel working in a research terrain with so many potholes” (2010, p. 628). The relative lack of media research in Canada was noted in 1989 by Desbarats, who was then head of the University of Western Ontario’s journalism school:

The academic tradition in the United States ... produces a relatively abundant flow of writing about news media. By contrast, public debate about journalism in Canada suffers from a constant shortage of historical perspective and reliable data. (p. C16)

Auer (2007) similarly lamented the lack of published facts and found fault with the CRTC for not making more of its data available:

The CRTC’s failure to publish complete information about its ownership policies and their effects leaves the general public at a clear disadvantage relative to ... Canada’s privately owned broadcast media, whose long-established lobbyist, the Canadian Association of Broadcasters (CAB), likely has ample empirical information through its members. (p. 79)

Concentration of media ownership in Canada accelerated in 2000 under the paradigm of convergence, according to which cross-ownership of media was the way of the future. Its takeover of the CTV network that year cost Bell Canada Enterprises (BCE) \$2.3 billion, and thus, under the CRTC’s new 10-percent benchmark, required a public benefits payments package of \$230 million. Of that, \$2.5 million went to fund an endowed chair in convergence at Ryerson University, contingent on CRTC approval of the takeover (Sekeres, 2000). BCE provided another \$3.5 million to fund a Canadian Media Research Consortium (CMRC) planned by several universities, including Ryerson, the University of British Columbia, York University, and Université de Laval. The University of King’s College in Halifax was originally included on CMRC stationery, but never officially joined the group and soon backed away from it (Cobden, 2011). The CMRC’s stated mandate was to “focus on the development of Canadian data for use in media planning” (BCE Inc., 2000).

The Canadian Journalism Foundation (CJF), an industry group that hosted an annual awards banquet, also initially planned to be part of the CMRC. In May 2001, however, the *National Post* revealed that CJF executives had written to the CRTC the previous year in support of the CTV takeover by BCE. One letter from CJF executive director Bill Wilton (2001) endorsing the takeover and its benefits pointed to the “lamentable” lack of media research in Canada:

This benefits package is providing a long-overdue opportunity to conduct ground-breaking research into media issues in a Canadian context. The CJF is convinced that findings disseminated from this collaboration will provide not only invaluable information and material for use by the media elites and decision makers to provide improved news and public affairs programming, but will also foster an unprecedented constructive debate among the general public as to the media's role, now and in the future. (p. C15)

That letter, dated August 24, 2000, and another letter of the same date, written by Desbarats in his dual capacities as the CJF's research director and the Maclean Hunter Chair of Communication Ethics at Ryerson, were both reprinted in the *National Post*. "It was partly at my insistence that the Canadian Journalism Foundation included media research in its mandate when it was formed 10 years ago," wrote Desbarats. "The Canadian Media Research Consortium would add significantly to the resources available in Canada for media research" (Desbarats, 2001a, p. C15). The *National Post* described the CMRC as "a hitherto unknown group founded for the sole purpose of skimming a graft off the CTV takeover" (Corcoran, 2001, p. C15). The CMRC's funding, it pointed out, essentially recycled public benefits payments back to the benefit of private corporate interests. "If the major corporations . . . want research into the media, then surely they can spend their own money up front rather than cash extorted . . . via a regulator" (Corcoran, 2001, p. C15). It urged the CJF to "leave the academics to wallow in their own petty corruptions" (p. C15) and drop out of the CMRC.

That leaves the foundation, set up by major corporations to raise ethical standards in the media, in the position of having participated in the extortion of money from BCE in return for providing a fawning defense of its takeover of CTV. Lining up for part of the payoff are some of Canada's leading journalism academics. All of this should make good fodder for the next foundation educational session to help raise the standards of journalistic ethics and reporting. (p. C15)

The CJF quickly announced it was quitting the CMRC "to make sure that everything is on the up and up and to make sure that there is not even a possibility of a perception of conflict of interest" (Whyte, 2001, p. A2). One letter sent to the CRTC regarding the BCE takeover of CTV that was not reprinted by the *National Post* was written on behalf of the fledgling CMRC by Fred Fletcher, a professor of political science at York and chair of that university's joint graduate program with Ryerson in communication and culture (see Appendix A). Fletcher wrote on August 23, 2000 to support CTV's proposal to fund media research as part of its benefits package. The CMRC, he promised, would "put Canada on the global map in the leading-edge field of media research," would "focus on important economic, social and cultural issues," and would "produce stimulating and socially important research for public debate" (Fletcher, 2000).

Academic intervention

In April 2001, a month before the *National Post* revelations, the advisability of convergence had been the subject of CRTC hearings into the licence renewal applications of CTV and Global Television. CTV had partnered with the *Globe and Mail* national news-

paper to form CTVglobemedia after its takeover by BCE, while Global's owner, Canwest Global Communications, had bought the largest newspaper chain in Canada, Southam Inc., from Conrad Black for \$3.2 billion. In Québec, newspaper and printing giant Québecor then paid \$5.4 billion for media conglomerate Groupe Videotron, which owned the province's largest television network, TVA. Some consumer advocates suggested that the CRTC renew the networks' licences for shorter than the normal seven-year period in order to monitor the effects of this unprecedented convergence of news media. To protect what diversity remained in Canadian journalism, the CRTC demanded that the networks erect an editorial "firewall" of separation between their television and newspaper newsrooms. Such a restriction had already been agreed to by Rogers upon acquiring Maclean Hunter in 1995 and by Québecor upon acquiring TVA. Several academics, however, argued against any mandated separation between news operations and testified that convergence would be in the public interest. Fletcher, who had been named the first chair of the CMRC, told the hearings that convergence provided "the potential for greater journalistic competition in the Canadian media system as a whole through collaboration in investigative reporting and foreign coverage" (CRTC, 2001a, line 10440). The type of editorial separation code the CRTC was seeking to impose on CTVglobemedia and Canwest Global, he added, was "unnecessary, and possibly undesirable" (CRTC, 2001a, line 10443). CMRC director Donna Logan, who headed the School of Journalism at UBC, testified that if the CRTC imposed a code of separation on the networks "the consequences for those companies and for journalism in this country will be dire" (CRTC, 2001a, line 10295). According to Logan, if the CRTC blocked convergence, it would "leave Canadian media companies at a competitive disadvantage in the international race for audiences" (CRTC, 2001a, line 10296). She told the hearings that it would also prevent Canadian journalists from "using new storytelling techniques" (CRTC, 2001a, line 10297). It would also, she added, prevent "genuine new voices from developing as a result of a convergence" (CRTC, 2001a, line 10298). Allowing convergence, on the other hand, could cure what ailed Canadian journalism, Logan testified:

One of the things that has always disturbed me about journalism in Canada is that there were so many reporters chasing so few stories Converged journalism offers an opportunity to break out of that mould by freeing up reporters to do stories that are not being done and are vital to democratic discourse. (CRTC, 2001a, line 10313 & line 10315)

Neither Fletcher nor Logan disclosed on the record at the CRTC hearings their positions with the CMRC, or that it was funded by the parent corporation of a network at whose licence renewal hearings they testified (CRTC, 2001a). Desbarats appeared as part of a Canwest Global delegation that similarly opposed the mandated separation of newspaper and television news-gathering operations. He summarized his arguments in a *Globe and Mail* column that described as "an exercise in futility" any attempt to impose a separation between print and TV newsrooms. "There is no way," Desbarats wrote, "short of placing secret agents in newsrooms, that any system can effectively monitor all forms of communication between journalists working for the same organization" (Desbarats, 2001b, p. A15). The CTV and Global Television licenses were subsequently extended by the CRTC for the usual seven-year term without the

“firewall” of newsroom separation that the regulator originally sought. The networks agreed only to a separation of the management structures, but not the newsgathering operations, of their newspaper and television media.

Two months after the hearings concluded, Canwest announced that it was making a \$500,000 endowment to fund a visiting professorship at the Sing Tao School of Journalism at UBC (Luba, 2001). The graduate school had caused a controversy on campus a few years earlier when it was named after a Hong Kong newspaper publishing company that had donated the money to found it (Compton, 1998). The benefactor’s name was subsequently stripped from the school’s title after it encountered legal and financial problems and failed to provide promised funds for continuing operations (Edge, 2004). Canwest CEO Leonard Asper announced that his company would be making more than thirty similar gifts to post-secondary institutions over the next five years “to assist media studies in Canada” (Luba, 2001, p. A2). The endowment was part of an \$84.3-million public benefits package Canwest had tabled the previous year following its purchase of WIC’s television stations, including the provincial superstation BCTV. Because of the market power it gained, Canwest promised a benefits package amounting to 12 percent of the purchase price. Its acquisition, including controversial “twin stick” television combinations in the Vancouver and Toronto markets caused by ownership of stations in nearby Victoria and Hamilton respectively, was approved by the CRTC. The regulator did, however, require Canwest to divest one of its two Vancouver stations (Edge, 2007).

CMRC research

The first major study conducted by the CMRC (2004) was titled a *Report Card on the Canadian Media*, for which more than 3,000 Canadians were surveyed by the Vancouver-based pollster Mustel Group in late 2003 on their news consumption habits and on the credibility they lent the news they received. Results of the survey were released in 2004 and 2005 in a series of PowerPoint presentations, one of which was archived on the CMRC website (CMRC, 2004). In releasing some results of the study at the Banff Film Festival, Logan attributed its “disturbing” findings on news media credibility to groups other than media owners, one of whose editorial interventions had recently prompted a Senate inquiry into Canada’s news media. “I think the media has [sic.] to do a much better job of demonstrating its independence,” said Logan. “Canadians . . . feel that reporters are influenced by government officials, by bureaucrats, by powerful groups and people with money” (Logan cited in Monchuk, 2004, p. 11). Heavy-handed editorial control of the former Southam newspapers by Canwest Global’s owning Asper family had resulted in growing concern about the power that convergence had given large media owners over public opinion in Canada, which led to Senate hearings on news media in 2003 (Edge, 2007). Logan told the hearings when they visited UBC in 2005 that the CMRC’s *Report Card* showed Canadians were “quite cynical” about the news.

A surprising number of Canadians do not think the news is impartial. Almost 80 per cent of Canadians think that reporter’s bias influences news often or sometimes. The finding of reporter bias is very similar to results in the United States. (Canada, 2005)

The international comparison, on the contrary, was a case of “apples and oranges” (Edge, 2007, p. 221). The U.S. survey by the Pew Research Center for the People and the Press had asked whether “news organizations” were politically biased in their reporting. The CMRC’s survey question instead attributed any possible bias to individual journalists, asking: “How often do you think reporters let their own political preferences influence the way they report the news?” (CMRC, 2004, slide 17). Another question in the *Report Card* survey focused on the behavior of news organizations and asked: “In general, do you think news organizations are mostly independent, or are they often influenced by powerful people and organizations?” (CMRC, 2004, slide 26). Answers to that question showed that 76 percent of Canadians felt their news media were not independent, compared to 70 percent of Americans (CMRC, 2004). A follow-up question asked: “Apart from journalists and editors, what outside groups, if any, do you think influence the news?” (CMRC, 2004, slide 27). The wording of the question was open-ended, so as to not suggest any answers. “It is noteworthy that here only 12 per cent mentioned media ownership,” UBC faculty member Mary Lynn Young pointed out to the Senate hearings (Canada, 2005). The way the question was phrased, however, inquiring about “outside groups,” may have influenced the low percentage naming media ownership, which might more reasonably be considered an “inside” influence.

The Senate news media hearings produced a report in 2006 that, like the Senate report on mass media in 1970 and the Royal Commission on Newspapers report in 1981, proposed measures to slow concentration of media ownership in Canada. Its recommendations were dismissed, however, by the Conservative minority government that had been elected earlier that year. Bev Oda, the new minister responsible for broadcasting, who was a former executive of CTV, Canwest, and Rogers, issued a policy response to the Senate report on news media that deemed convergence “an essential business strategy for media organizations to stay competitive in a highly competitive and diverse marketplace” (Canada, 2006b, p. 13).

The CMRC’s *Report Card* was criticized as a survey that “would be valuable most of all to media outlets, their owners, and marketers” (Edge, 2007, p. 257). The CMRC was characterized as a corporate creation designed to advocate for private interests over those of the public. “The study . . . fulfilled the CMRC’s stated mandate to ‘focus on the development of Canadian data for use in media planning,’ ” noted one writer; “[i]t did not, however, ease the shortage of ‘historical perspective and reliable data’ from which Desbarats noted debate about media in Canada had long suffered” (Edge, 2007, p. 257).

The credibility gap

The CMRC’s \$3.5 million in public benefits funding was distributed in annual \$500,000 installments over seven years. A special focus was placed on studies of Internet usage by Canadians in the research it undertook. Canada online! provided a comparative analysis of Internet users and non-users in Canada and other countries that was based on telephone interviews with 3,014 adults (aged 18+) conducted in 2004. The research was replicated three years later for Canada online revisited, which was based on telephone interviews of 3,037 youth (aged 12-17) and adults (CMRC, 2008a). Another

Internet study published a year later was based on an online survey of 1,000 respondents. It found that the average “online Canadian” adult spent 2.3 hours a day consuming news and information and got 24 percent of it from television, with 22 percent coming from each of the Internet and newspapers. The Internet was found to be the most important source for younger Canadians (aged 18-29), accounting for 32 percent of their total time spent consuming news and information (CMRC, 2008b).

In 2006, the CMRC commissioned a literature review to “place CMRC reports in the context of published Canadian and international media research” (Savage, 2008, p. 293). It found that Canadian scholarly references comprised only 2-3 percent of peer-reviewed published sources in three key areas of media research. The study also interviewed 34 subjects for their perceptions of Canadian media research. Interviewees fell into four categories: media executives and consultants (14), public opinion researchers (8), academics (7), and government appointees (5). They identified five areas of research need: 1) changing media usage in a digital era; 2) media ownership and consolidation; 3) new media forms; 4) media and diversity; and 5) media policy (Savage, 2008).

Four years after issuing its *Report Card*, the CMRC conducted a replication of the research that found what it called “significant, largely negative” (CMRC, 2008c, p. 2) changes in the relationship between Canadians and their news media. The *Credibility Gap* was based on telephone interviews with 2,011 adults (aged 19+) conducted in February, 2008 (CMRC, 2008a). It found two main problems for media outlets: declining interest and increasing cynicism among audience members, whom it described as “very sophisticated and fussy” (CMRC, 2008c, p. 2). On the other hand, it found among young Canadians “increasing engagement and novel news habits,” which it concluded offered “perhaps the greatest hope for conventional media in the future of news” (CMRC, 2008c, p. 2). On the subject of political bias, the controversial 2004 question was rephrased from inquiring about reporters to ask: “Would you say that news organizations are politically biased in their reporting?” (CMRC, 2008c, p. 7). A majority (53 percent) answered in the affirmative, compared to 60 percent of Americans who were asked the same question three years earlier. Another new question asked respondents if they agreed that journalists were able to report the news “freely, without interference from owners,” to which 37 percent answered in the affirmative. That compared to 45 percent of Britons, 38 percent of Americans, and 33 percent of Germans asked the same question in 2006 (CMRC, 2008c, p. 10).

The CMRC’s 2008 Internet studies were combined into a report titled *The State of the Media in Canada: A Work in Progress* that was released at an invitation-only “Future of News Summit” held in Toronto in 2009. Also included in the report was research into the quality of journalism in Québec and economic data gathered by a media consultant. Missing, however, was any mention of the *Credibility Gap* research (CMRC, 2009). By the time the conference of media executives, bureaucrats, and academics was held, the picture had changed considerably both for Canadian media and for the CMRC. An economic downturn that began the previous year had dropped advertising revenues sharply and Canwest Global, which was highly leveraged with debt, was near bankruptcy. Both Canwest and CTV threatened to close several of their television sta-

tions in smaller markets if the CRTC did not provide regulatory relief (Edge, 2011; Winseck, 2010).

The outlook was also uncertain for the CMRC because its seven-year benefits grant had lapsed a year earlier. The CMRC sought a continuation of its funding from the benefits flowing from CTVglobemedia's \$1.4-billion purchase of 33 radio stations, 12 television stations, and 21 cable television channels owned by CHUM Ltd. in 2007. Instead of going through the acquiring corporation to seek inclusion in its public benefits proposal, however, the CMRC approached the regulator directly, as did several other parties, including the British Columbia Institute of Technology and the Canadian Broadcast Museum Foundation (CRTC, 2007a). The CMRC asked the CRTC to earmark a minimum level of funding for its research from future public benefits payments "so that researchers would not have to seek corporate support on a case-by-case basis, as is now standard procedure" (Sauvageau, Fletcher, Logan, & Juneau, 2006, p. 2; see Appendix B).

Under the current policy, funding for research depends on the goodwill of corporations [and] creates doubts in the minds of some about the independence of researchers whose funding is associated with a particular transaction. ... Some could see our involvement in the matter as support for the transaction and a favourable stance on media concentration. (Sauvageau, Fletcher, Logan, & Juneau, 2006, p. 2)

The CRTC denied the request (CRTC, 2007a). The CMRC continued to operate using its remaining funds while, according to its 2010 annual report, "seeking new resources from the original donor and other sources" (CMRC, 2010, p. 2). In 2011, it released the results of several more surveys conducted on its behalf by pollster Angus Reid. One found that the vast majority of Canadians were unwilling to pay for online news (CMRC, 2011a). Another found that of all available media, Canadians would be least prepared to give up home Internet service (CMRC, 2011b). A third found that one in three Canadians valued social networks as a source for news (CMRC, 2011c). And lastly, a fourth found that nearly nine out of ten Canadians considered traditional news media trustworthy, but only one in four deemed information from social networks reliable (CMRC, 2011d).

The fate of public benefits

The CRTC's public benefits program came under much criticism during its first three decades. Broadcasters questioned its fairness and relevance and characterized it as a "tax." Some scholars were also critical of the program. Catherine Murray (2001) criticized it as "unwieldy, secret, and subject to the whim of the private broadcasters' largesse," and pointed out that "there are no systems to monitor the performance of the public benefits" (p. 48, fn. 12). Peter Townley (2003) found it "anti-competitive" and "costly to the Canadian economy" (p. 75) because broadcasters were able to pass the cost of benefits payments along to advertisers through their acquired market power. Advertisers, the economist noted, in turn passed the cost along to consumers in the form of higher prices. "As Canadians ultimately bear the burden of this levy in a variety of markets, an obvious alternative to the CRTC's arrangement would be to

use general tax revenues to fund the same objectives and not to allow the acquisition of market power” (pp. 75–76). Greater efficiency would be created, Townley concluded, through the increased competition allowed by preventing ownership concentration. “A better policy prescription would be to remove the reason for the CRTC to levy its tax and to leave competition matters to the Competition Bureau” (p. 76). A pair of communication lawyers retained by the CRTC to review its regulatory framework in 2007 found the benefits program to be “uneven in its scope and application” and noted that it produced “somewhat quixotic results” (Dunbar & Leblanc, 2007).

As a result of falling profits in small markets, the CRTC decided in 2007 to eliminate benefits payments for the transfer of television licences for stations with less than \$10 million in annual revenues (CRTC, 2007a); however, the regulator decided as part of its “Diversity of Voices” review the following year to continue the benefits program in the public interest. “The benefits policy makes it possible for the market to govern changes in effective control of broadcasting licences while simultaneously ensuring that the public interest is still served” (CRTC, 2008). In its annual monitoring report for 2010, the CRTC calculated the value of benefits payments in radio from 1998 to 2009 at \$205.3 million, and in television at \$860 million from 1999 to 2009, for a total of \$1.065 billion (CRTC, 2010a). In its 2012 three-year plan, the CRTC identified streamlining its benefits policy as a priority for 2012–13 (CRTC, 2012a).

Canwest was forced to declare bankruptcy in 2009 due to the debt load resulting from its 2000 acquisition of the Southam newspaper chain and its 2007 acquisition, in partnership with U.S. investment bank Goldman Sachs, of thirteen cable channels from Alliance Atlantis. As part of that purchase, Canwest had been required to make public benefits payments of \$151 million. Canwest’s television and newspaper divisions were sold off separately out of bankruptcy starting in 2010, beginning a process of “de-convergence” a decade after convergence had reshaped Canadian media (Edge, 2010). Its Global Television network was bought by Calgary-based cable company Shaw Communications, which the CRTC allowed to pay a discounted rate of 5 percent in public benefits on some Global assets that it found were in financial distress (CRTC, 2010b). Later that year, BCE bought the 85 percent of CTV it did not then own, de-converging that network from the Thomson family’s Globe and Mail. BCE argued that it should not have to make any benefits payments on that purchase because it had already done so as part of its original acquisition of CTV in 2000 before selling most of CTVglobemedia in 2005. The CRTC rejected that argument and a subsequent one that BCE be allowed to pay a discounted benefits rate on some of CTV’s assets, as Shaw had for Global, due to their financial distress. The regulator found that the CTV assets were not distressed and required BCE to pay benefits at the regular rates of 6 percent in radio and 10 percent in television.

In 2012, BCE agreed to pay \$3.4 billion for Montréal-based Astral Media. The purchase of 85 radio stations and 24 cable television channels, along with two CBC television affiliates would have required a public benefits package of \$200 million (CRTC, 2012b). In an attempt to gain CRTC approval for its acquisition despite widespread concern over the resulting level of ownership concentration, BCE added \$41.3 million to the required benefits in offering a package worth \$241.3 million (BCE, 2012). That

would have made the benefits package, if approved, the largest in history, ahead of two previous BCE packages (BCE, 2012). (See Table 1.)

Table 1: Largest broadcasting benefits packages since 2000 (millions of dollars)

Buyer	Purchased	Year	Media	Price	Benefits
BCE	CTV	2011	radio, TV	2,680	239
BCE	CTV	2000	TV	2,300	230
Shaw	Global	2010	TV	2,047	180
CanWest	Alliance Atlantis	2007	TV	1,512	151
CTV	CHUM	2007	radio, TV	1,700	147
CanWest	WIC	2000	TV	692	84.3
Québecor	TVA	2001	TV	489	48.9
Rogers	CITY-TV	2007	TV	375	37.5
CTV	TSN	2000	TV	352	35.2

Sources: CRTC public notices (2011-163; 2000-747; 2010-782; 2007-429; 2007-165; 2000-221; 2001-384; 2007-165; 2000-86)

The CRTC, however, denied BCE’s application for transfer of Astral’s broadcasting licences, citing concerns expressed by many interveners over ownership concentration, competition, and vertical integration. The benefits package proposed did not outweigh the concerns, the CRTC ruled. It also contained some initiatives that fell outside of its guidelines, according to the regulator, and others that would have primarily benefited BCE and not third parties. “In general, interveners agreed that the tangible benefits policy is an appropriate mechanism to ensure that benefits flow to the broadcasting system” (CRTC, 2012c, para 45).

Administrative research

The administrative critical dichotomy in media research was first drawn by Columbia University’s Paul Lazarsfeld in 1941 after a fruitless wartime collaboration with members of the exiled Frankfurt School (Lazarsfeld, 1941). Administrative researchers who used mostly survey methods usually failed to consider “crucial issues of institutional structure and power relations,” noted Melody and Mansell (1983, p. 110), yet many critical theorists were equally at fault. “For most administrative research, the existing power structure can do no wrong; for most critical research, it can do no right” (Melody & Mansell, 1983, p. 110). Both sides, they noted, tend to spend “insufficient effort examining the specific structural relations of the relevant institutions involved in a particular research problem” (p. 110). Institutions, they pointed out, were “not about to knowingly finance research into matters that could undermine their power” (p. 111). They thus urged policy researchers to “examine the structure of power relations, if for no other reason than to know what vested interests are subtly nurturing research in what directions to achieve what ends” (p. 110). Smythe and Van Dinh (1993) added another dimension to the debate:

We suggest that a third factor is also involved—the ideological orientation of the researcher. All of us have our predispositions, either to criticize and try to change the existing political-economic order, or to defend and strengthen it. The frequent pretense of scientific “neutrality” on this score is a delusion. (p. 117)

The ideological orientation of the CMRC can, at least in part, be inferred from the public statements, media interviews, writings, and testimony of its founders. Donna Logan was director of the Sing Tao School of Journalism at UBC, where the CMRC was headquartered, and she made no secret of her position on media ownership concentration. She told the *Vancouver Sun* in a 2000 interview, “[w]hat gets me upset is when people automatically say concentration of ownership is bad and divestiture is good” (Sieberg, 2000, p. D5). Logan regularly downplayed the high level of media ownership concentration in Vancouver, where, from 2000 until its breakup in 2010, Canwest owned both English-language daily newspapers, one of the two national newspapers, the province’s dominant television station, and almost all of the area’s numerous non-daily newspapers. “If the dangers of media ownership concentration were as dire as some critics would have us believe, the people of Vancouver would be rioting in the streets,” Logan (2000, p. 15) wrote in a column for *Media* magazine after Canwest acquired most of the Lower Mainland’s newspapers as part of its purchase of Southam in 2000. The following year, she dismissed concentration concerns in a letter to the CRTC supporting the licence renewal of CTV following its merger with the *Globe and Mail* (see Appendix C).

I am particularly concerned by questions that have been raised by the Commission with respect to a potential reduction in diversity of editorial voices arising from media cross-ownership. The claim that media mergers result in fewer voices is largely a myth perpetrated by the critics of joint ownership. (Logan, 2001, p. 1)

In 2002, Logan appeared on a Vancouver radio program after Canwest fired the publisher of its Ottawa Citizen newspaper for printing an editorial critical of prime minister Jean Chrétien, who was a friend of Canwest’s owning Asper family. “I think the situation in Vancouver is one of the things that gets overblown,” she said. “We actually are in a very competitive situation here” (Logan quoted in Edge, 2007, p. 168). When Rafe Mair, the program’s host, pointed out that the UBC Journalism School had recently received its \$500,000 endowment from Canwest, Logan refused to admit any connection to her defence of ownership concentration (Edge, 2007).

Conclusions

Desbarats experienced the dilemma of corporate endowment first hand after Rogers made a \$1 million public benefits payment in 1995 to endow a named chair at Western Ontario. “When journalists subsequently asked me to comment on the Rogers takeover of Maclean Hunter, all I could do was draw their attention to the donation. They understood right away that I had been, to express it crudely, bought” (Desbarats, 1998, p. A21). As McChesney (2007) noted in urging a turn toward critical research aimed at media ownership reform, “when push comes to shove, the integrity of research cannot be determined by who pays for it” (p. 197).

The most important barrier preventing the field from embracing the critical juncture is going to be the wealth and influence of the corporate sector. University administrators look to this sector to bankroll their communication programs to the greatest extent possible and will hardly be enthusiastic toward an approach that effectively lessens that possibility. Corporate interests are eager to encourage research that supports their agenda. (p. 197)

While public benefits payments were intended in part to offset the negative effects of increased media ownership concentration, the program has obviously fallen victim to the CRTC's regulatory capture by Canadian broadcasters. As Townley pointed out, the *quid pro quo* of public benefits payments is that "in return, the CRTC accommodates and protects the exercise of market power" (2003, p. 75). The ability of advertisers to pass down the cost of benefits payments to consumers, he noted, results in the public paying for the benefits in the long run, which enables the shell game of regulatory capture. "Obviously, no ... station owner would be willing to pay this levy unless it could be recouped from advertisers. Indeed, the excess profits earned on these licences may be many times the ... levy" (Townley, 2003, p. 75). Townley also concluded that because media owners "can accrue market power by paying [for] it, this is a case of regulatory capture—regulation is for the regulated" (p. 75).

In its 2008 *Credibility Gap* study, the CMRC reported what it saw as a change in public perceptions of media in Canada since its 2004 *Report Card*. The original findings, it admitted, had been counter-intuitive. "The relationship between Canadians and their news media wasn't as bad as we thought. Canadians ... were slightly more positive in general than Americans around key measures of media credibility" (CMRC, 2008c, p. 2). Given the turbulent state of Canadian news media at the time—i.e., the ownership changes that had prompted a Senate inquiry into news media—it indeed defied logic that only 12 percent of survey respondents would list ownership as a worrisome influence on news reporting. Rather than detecting a change in public opinion from its 2003 survey, the *Credibility Gap* research likely only just began to measure the level of distrust many Canadians harbored for their news media. Perhaps in response to criticism of its flawed *Report Card*, its 2008 survey questions were more comparable to those asked in other countries. As a result, its findings tended to be less exculpatory of media ownership.

The CMRC is an excellent example of the middle-aged "co-option by industry interests," or even old-aged "bureaucratic senility" described by Fraser (2000). More seriously from a regulatory standpoint, as an agency that specialized in marketing surveys and audience research, it resulted in an "end run" being made around the CRTC's proscription against public benefits payments for those purposes. The CMRC may well have fulfilled Wilton's promise of "invaluable information and material for use by the media elites and decision makers" (Wilton, 2001, p. C15). Its administrative orientation and lack of critical focus, however, prevented it from delivering the "ground-breaking research into media issues" that he promised would "foster an unprecedented constructive debate among the general public as to the media's role, now and in the future" (Wilton, 2001, p. C15). Nor did it, as Fletcher promised, "focus on important economic, social and cultural issues," and "produce stimulating and socially

important research for public debate” (Fletcher, 2000). It did, however, create a conflict of interest for the universities that participated in the CMRC, as advocacy on behalf of its donor corporation by faculty members created at least the appearance of a troubling *quid pro quo*.

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Appendix A

Fred Fletcher letter to CRTC dated August 23, 2000

CANADIAN MEDIA RESEARCH CONSORTIUM CONSORTIUM CANADIEN DE RECHERCHE SUR LES MÉDIAS UNIVERSITY OF BRITISH COLUMBIA 6388 Crescent Road Vancouver, BC, Canada V6T 1Z2

Directors

Fred Fletcher
York-Ryerson
Graduate Program
in Communication
and Culture

Florian Sauvageau
Centre d'études
sur les Médias
Université de Laval

Donna Logan
The School of
Journalism
University of
British Columbia

Bill Wilton
Canadian
Journalism
Foundation

Michael Cobden
University of
King's College

August 23, 2000

Ursula Menke
Secretary General
CRTC
Ottawa, ON
K1A 0N2

Dear Mrs. Menke:

Re: BCE Acquisition of CTV – Application – 2000 – 15497

The Directors listed on this letterhead represent the newly-formed Canadian Research Media Consortium. We are writing in support of BCE-CTV's proposal to fund its media research and related activities as part of the benefits package in the above application.

The Canadian Media Research Consortium will put Canada on the global map in the leading-edge field of media research. It is a timely initiative aimed at establishing a collaborative network with an integrated pan-Canadian strategy towards research, scholarly training and dissemination. The Consortium's work will promote open discussion, improve the quality of media and journalism, and provide current, topical and useful information to media industry players, policymakers and the Canadian public.

The creation of the Consortium responds to a strong need for concerted media research in Canada. While the technological possibilities of media are rapidly evolving, there is a corollary need for experts and specialists to track and analyse these changes and study the dynamic of their commercial, industrial, social and cultural dimensions.

BCE-CTV's support of the Research Consortium is timely because it will be difficult to finance otherwise. Similar types of media research structures have been established with great success in the United States, where there is a long tradition of research foundations, endowed centres of media scholarship and academic networks working on collaborative projects. Notable examples in the U.S. are the Poynter Institute, Freedom Forum and Harvard's Shorenstein-Baronne Centre. In Canada, while there has been a slight increase in media research in recent years, there are still no major centres or well-developed networks undertaking collaborative research in the area of media and communications. Much of the media research in Canada today is insufficiently multi-disciplinary.

The Consortium would undertake research in media and communication with particular focus on important economic, social and cultural issues related to technological change in media. The work would put particular emphasis on dissemination, i.e. the need to produce stimulating and socially important research for public debate. This will be accomplished through the Internet, lectures, television specials and conferences.

The Directors of the Consortium believe very strongly that Canadian media would benefit greatly from such discourse at this time. Prof. Sauvageau, Prof. Logan and myself would very much like to appear before you to further explain the proposed work of the Consortium and its importance to the industry and the Canadian public.

Yours sincerely,

Fred Fletcher
Professor, Political Science and in Environmental Studies
Director, Joint Graduate Programme in Communication and Culture
York University
C: James Macdonald, BCE Media Inc.
Trina McQueen, CTV

Telephone: (604)822-6688 Facsimile: (604)822-6707

Appendix B
Florian Sauvageau, Fred Fletcher, Donna Logan & Pierre Juneau
letter to CRTC dated September 23, 2006



Canadian Media Research Consortium / Canadien de Recherche sur les Médias

Sang Tao Building - 6388 Crescent Road
 University of British Columbia
 Vancouver, B.C. V6T 1Z7

Le 22 septembre 2006

Madame Diane Rhéaume
 Secrétaire générale
 CRTC
 Ottawa, Ontario
 K1A 0N2

CRTC 2006-09-22 25SEP06

**DIRECTORS/
DIRECTEURS**

Fred Fletcher
 Chair
 président

Pierre Juneau
 Chair
 Advisory Council
 président
 comité consultatif

Ira Levine
 Dean, Faculty of
 Communication &
 Design
 Ryerson
 University

Donna Logan
 Secretary
 Treasurer
 secrétaire
 trésorier

Florian
 Sauvageau
 Vice-Chair
 vice-président

Re : Examen de certains aspects du cadre réglementaire de la télévision en direct

Madame,

1. Permettez-nous d'abord de nous présenter. Je vous écris au nom du Consortium canadien de recherche sur les médias, un partenariat formé de trois institutions d'enseignement et de recherche : The School of Journalism, University of British Columbia, le Centre d'études sur les médias (Université Laval), et le York-Ryerson Graduate Program in Communication and Culture.

2. Depuis sa création en 2000, le Consortium a mené, en toute indépendance, plusieurs projets de recherche sur des sujets variés : l'utilisation d'Internet au Canada, les attitudes du public envers les médias, les jeunes adultes et les médias, la convergence, la gouvernance des médias et les enjeux liés à la réglementation. Plusieurs de ces études ont été réalisées avec des collègues d'autres institutions, dont l'Université de Montréal, l'Université McGill et l'Institut national de la recherche scientifique de l'Université du Québec. Nous avons aussi réuni des universitaires et des représentants des médias dans le cadre de plusieurs séminaires et ateliers consacrés à nos travaux de recherche et à ces enjeux cruciaux pour l'avenir des médias, et avons publié plusieurs études ou documents émanant de ces rencontres. Enfin, le Consortium a créé dès le départ un Comité consultatif, présidé par M. Pierre Juneau et représentatif du monde universitaire et de celui des médias (la liste des membres actuels de ce comité est en annexe).

3. Comme vous le savez, le Consortium est né en 2000 dans le cadre de la politique des avantages tangibles du Conseil, lors de l'acquisition de CTV par BCE et de la création de Bell Globemedia. C'est au sujet des avantages tangibles et de leurs liens avec la recherche que nous intervenons aujourd'hui. Les commentaires que nous formulons dans les paragraphes qui suivent soulèvent, croyons-nous, des questions de fond non seulement pour les universitaires intéressés par la recherche sur la radiodiffusion et les médias, mais pour l'industrie et la société en général. Ces questions d'intérêt public n'ont jamais, à notre connaissance, fait l'objet de discussions devant le Conseil. Nous souhaitons donc pouvoir comparaître pour en souligner l'importance et répondre aux questions que pourrait avoir le Conseil à ce sujet. Nous espérons vivement que le Conseil donnera suite à cette demande.

Appendix B (con't.)

4. Comme l'écrit le Conseil dans son avis 2006-5, une grande partie des sommes issues des transferts de propriété dans le cadre de la politique des avantages a été consacrée à la production d'émissions canadiennes. Certains projets de formation et de recherche ont aussi été retenus par les entreprises et soumis au Conseil – la création du Consortium en offre le meilleur exemple, mais on peut dire que cela constitue l'exception.

5. La recherche, appliquée en particulier, nous semble devoir jouir d'un meilleur sort. Elle est essentielle tant aux architectes des politiques publiques qu'aux entreprises et autres organismes intéressés, pour permettre le développement d'un système de radiodiffusion qui satisfasse aux objectifs. La recherche disponible est souvent américaine et ne répond pas toujours, bien au contraire, aux problèmes particuliers qui se posent au Canada.

6. Le Comité sénatorial des transports et des communications a bien noté l'importance de la recherche dans son Rapport final sur les médias d'information canadiens (juin 2006) en proposant que le "Canada crée son propre centre de recherche indépendant sur les médias" et recommande (recommandation 39) "que soit créé un réseau de centres d'excellence qui feraient de la recherche sur le journalisme et l'état des médias au Canada". Le comité du Sénat souligne ensuite l'existence du Consortium canadien de recherche sur les médias, tout en notant que son financement se terminera bientôt.

7. Plusieurs leaders de l'industrie sont aussi conscients de l'importance de la recherche comme en témoignent les commentaires que nous avons recueillis lors d'une enquête visant à préciser les priorités de recherche que devrait se donner le Consortium pour les prochaines années. Les recherches réalisées par le Consortium et les travaux en cours, notamment sur Internet et les autres nouveaux supports servant à transmettre l'information et le divertissement, leur financement et leur encadrement réglementaire, font aussi l'objet des préoccupations de plusieurs de ceux que nous avons rencontrés.

8. Il nous semble qu'il appartient au Conseil de s'assurer que les travaux indépendants de recherche nécessaires à la réalisation des objectifs de la politique de radiodiffusion se fassent. Le cadre des avantages tangibles pourrait le permettre, si l'on mettait en place un mécanisme qui assure que certaines sommes soient réservées à la recherche, en évitant aux chercheurs de solliciter l'appui des entreprises au cas par cas comme le veut l'actuelle façon de faire.

9. Dans le cadre de la politique actuelle, le financement de la recherche est laissé au bon vouloir des entreprises. De plus, quelle que soit la bonne volonté des uns et des autres, l'actuel système laisse planer des doutes, dans l'esprit de certains, sur l'indépendance des chercheurs dont le financement des travaux est associé à une transaction donnée. Ainsi, dans le cas de la transaction Bell Globemedia-CHUM qui sera bientôt soumise au Conseil, le Consortium souhaite qu'une partie des avantages tangibles soit consacrée à ses travaux futurs, mais certains souhaitent voir dans notre association au dossier un appui à cette transaction et une prise de position favorable à la concentration des médias, une question qui fait l'objet de débats et mériterait davantage de recherche. Cela minerait notre indépendance.

10. Selon nous, il appartient au Conseil de veiller à la mise en place de mécanismes qui évitent cette confusion et protègent l'intégrité de la recherche contre toute apparence de conflits.

Appendix B (con't.)

11. Nous réitérons notre souhait d'avoir l'occasion d'être entendu par le Conseil lors des audiences publiques, de façon à bien expliquer l'importance de la recherche et la nécessité de mettre en place des mécanismes en garantissant le financement et l'indépendance.

Nous vous prions de croire en l'expression de toute notre considération.



Florian Sauvageau
Vice-président, CMRC/CCRM
Professeur titulaire, Université Laval
Centre d'études sur les médias
Téléphone : 418-656-7689 ; télécopieur : 418-656-7807
Courriel : Florian.Sauvageau@com.ulaval.ca

Fred Fletcher
Président, CMRC/CCRM
University Professor Emeritus, Communication Studies and Political Science
Founding Director, York-Ryerson Graduate Program in Communication and Culture

Donna Logan
Secrétaire trésorier, CMRC/CCRM
Founding Director, The School of Journalism
Professor, University of British Columbia

Pierre Juncau
Président, Comité consultatif CMRC/CCRM
Ancien président de la Société Radio-Canada et du CRTC

Appendix B (con't.)

Canadian Media Research Consortium Canadien de Recherche sur les Médias

Sing Tao Building -- 6388 Crescent Road
University of British Columbia
Vancouver, B.C. V6T 1Z2

ADVISORY COUNCIL

COMITÉ CONSULTATIF

DORNAN, Christopher	-	Professor and Director School of Journalism & Communication Carleton University
DUBUC, Alain	-	Chroniqueur La Presse
FLEMMING, Brian	-	CM, QC Chairman & Acting President Canadian Airport Transportation Security Association
GILBERT, Renaud	-	Ombudsman Radio Canada
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HUGHES, Linda	-	Publisher Edmonton Journal
JUNEAU, Pierre	-	Président du Comité
LAPOINTE, Kirk	-	Managing Editor The Vancouver Sun
MCQUEEN, Trina	-	CTV Professor of Broadcast Management Schulich School of Business, York University

Appendix B (con't.)



Canadian Media Research Consortium Canadien de Recherche sur les Médias

Sing Tao Building 6088 Crescent Road
University of British Columbia
Vancouver, B.C. V6T 1Z2

September 22, 2006

Ms. Diane Rhéaume
Secretary General
CRTC
Ottawa (ON)
K1A 0N2

**DIRECTORS/
DIRECTEURS**

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Chair
président

Pierre Juneau
Chair
Advisory Council
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Laurence
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Ryerson
University

Donna Logan
Secretary-
Treasurer
secrétaire
trésorière

Robert
Savoyeau
Vice-Chair
vice-président

Re: Review of certain aspects of the regulatory framework for over-the-air television

Dear Ms. Rhéaume :

1. We should first like to introduce ourselves. I am writing on behalf of the Canadian Media Research Consortium/Le consortium canadien de recherche sur les médias, a partnership of three journalism and media institutions: The School of Journalism, University of British Columbia; the Centre d'études sur les médias, Université Laval; and the York-Ryerson Graduate Program in Communication and Culture.

2. Since it was established in 2000, the Consortium has conducted many independent research projects on topics such as Internet use in Canada, public attitudes toward the media, youth and the media, convergence, media governance and regulatory issues. Many of the projects have been conducted with researchers from other institutions, such as the Université de Montréal, McGill University and the Institut national de la recherche scientifique (Université du Québec). We have organized various workshops and seminars for researchers and media representatives on issues that are crucial for the future of the media, and have published various research papers and conference proceedings. The Consortium has also established an Advisory Council chaired by Pierre Juneau, and consisting of representatives of the media and academic communities (list of members enclosed).

3. As the CRTC is aware, the Consortium came into existence in 2000 as a result of the Commission's benefits policy, when BCE acquired CTV, and Bell Globemedia was established. We are writing to you today about benefits as they relate to research, in the context of the review of the regulatory framework for television. Our comments in the paragraphs that follow raise questions that in our opinion are fundamental not only for academics interested in research on broadcasting and media, but also for the industry and society in general. To the best of our knowledge, these matters of public interest have never been discussed before the Commission. We therefore wish to appear in order to stress their importance and to answer any questions it may have on this matter. We very much hope the Commission will accede to this request.

Appendix B (con't.)

4. As the Commission wrote in its 2006-5 notice, a large portion of the amounts arising from transfers of ownership under the benefits policy is devoted to production of Canadian programs. Certain training and research projects have also been accepted by the companies and submitted to the Commission – the creation of the Consortium is the best example, but can be regarded as an exception.

5. Research, particularly applied research, should in our opinion enjoy a better fate. It is essential for architects of public policy as well as companies and other interested bodies to ensure the development of a broadcasting system that meets its objectives. The available research is often from the United States and does not always respond to the problems that arise in Canada – quite the contrary in fact.

6. The Senate Committee on Transport and Communications pointed out the importance of research in its Final Report on the Canadian News Media (June 2006) by suggesting that “Canada develop its own independent media research centre” and proposed (recommendation 39) that “a network of centres of excellence for research on journalism and the state of the Canadian news media be established.” The Senate Committee then pointed out the existence of the Canadian Media Research Consortium, noting that its funding would soon end.

7. Various industry leaders are also aware of the importance of research, as shown by the comments we gathered during a survey to help determine the Consortium’s research priorities for the years to come. Almost everyone we spoke with expressed a strong desire for more research, especially from a Canadian perspective. The research done by the Consortium and the work in progress, notably on the Internet and the other new media used for information and entertainment, their financing and their regulatory oversight, are also among the concerns of many of the people we met with.

8. We believe that it is up to the Commission to ensure that the independent research required to achieve the objectives of the broadcasting policy is carried out. The framework of tangible benefits could permit it, if a mechanism were in place to ensure certain amounts were earmarked for research, so that researchers would not have to seek corporate support on a case-by-case basis, as is now standard procedure.

9. Under the current policy, funding for research depends on the good will of corporations. Moreover, regardless of their good will, the current system creates doubts in the minds of some about the independence of researchers whose funding is associated with a particular transaction. For instance, in the case of the Bell Globemedia-CHUM transaction that will soon be submitted to the Commission, the Consortium would like a portion of the benefits to be devoted to its future work; however some could see our involvement in the matter as support for the transaction and a favourable stance on media concentration, a subject that is widely discussed and merits further research. That would undermine our independence.

10. In our opinion, it is up to the Commission to ensure mechanisms are put in place to avoid this confusion and to protect research integrity from any appearance of conflict of interest.

Appendix B (con't.)

11. We should like to reiterate our desire to have the opportunity to be heard by the Commission at the public hearing so that we can properly explain the importance of research and the need for mechanisms to guarantee its funding and independence.

Respectfully yours,



Florian Sauvageau
Vice-President CMRC/CCRM
Professeur titulaire, Université Laval
Directeur du Centre d'études sur les médias

Fred Fletcher
President CMRC/CCRM
University Professor Emeritus, Communication Studies and Political Science
Founding Director, York-Ryerson Graduate Program in Communication and Culture

Donna Logan
Secretary-Treasurer CMRC/CCRM
Founding Director, The School of Journalism
Professor, University of British Columbia

Pierre Juneau
Chairman, Advisory Council CMRC/CCRM
Ancien président de la Société Radio-Canada et du CRTC

Appendix C
Donna Logan letter to CRTC dated March 22, 2001

THE UNIVERSITY OF BRITISH COLUMBIA



THE SCHOOL OF JOURNALISM
Sing Tao Building
6388 Crescent Road
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March 22, 2001

Ms. Ursula Menke
Secretary General
Canadian Radio-television and
Telecommunications Commission
Ottawa, Ontario
K1A 0N2

Via Facsimile: (819)994-0218 and E-mail

Dear Ms. Menke:

**Re: CTV Television Inc. Station Group Licence Renewal
Application #2000-2236-9**

I am writing in support of the above-mentioned application.

I am particularly concerned by questions that have been raised by the Commission with respect to a potential reduction in diversity of editorial voices arising from media cross-ownership.

While it is understandable that the commission might wish to discuss this matter, the suggestion that restrictions on co-operation and sharing should be imposed as a condition of licence is disturbing. Not only would it nullify the benefits of joint ownership but it would impose limits on freedom of speech that are clearly unacceptable in a democratic society such as ours.

The claim that media mergers result in fewer voices is largely a myth perpetrated by the critics of joint ownership. In a technological age where media choices are proliferating at an unprecedented rate, through the Internet, cable and regional news specialty channels, it is ludicrous to suggest that there are fewer voices. The landscape is changing, to be sure, but the viewer is better served, not worse.

An eminent media scholar, Roger Fidler, said in his recent book, *Mediamorphosis*, that "common assumptions that the present convergence will lead to fewer forms of communication...are not supported by historic evidence. Everett Rogers and other media scholars have clearly shown that the history of communication is the story of more."

Appendix C (con'd.)

Ms. Ursula Menke
March 22, 2001
Page 2

The CRTC already has the authority to hear complaints from the public on journalistic fairness and to make determination on those complaints. It seems clear that further regulation of viewpoints would be a serious infringement on freedom of speech among journalists and journalistic organizations.

I have read the TQS code that is intended to deal with some of the issues raised by media convergence. While the code may or may not be appropriate to the particular circumstances of the companies and the areas served, it is certainly extremely rigid and severe. I believe that it inhibits, rather than encourages good journalism. In any case, given the competitive nature of the English-Canadian journalistic situation, it is clearly beyond anything needed in the licence renewals before you.

Because of the importance of this issue, I would very much like to appear before you to further explain why this sensitive matter must be given careful consideration.

I look forward to hearing favorably from you.

Yours sincerely,

Donna Logan
Director, The School of Journalism
Professor, University of British Columbia

cc: Ms. Trina McQueen, President and C.E.O.
CTV Inc.
9 Channel Nine Court
P.O. Box 9, Station "O"
Scarborough, Ontario M1S 4B5
Via Facsimile and Courier: (416)332-5065 and DHL