MAPPING DIGITAL MEDIA:
CANADA

OPEN SOCIETY
FOUNDATIONS

Mapping Digital Media: Canada

A REPORT BY THE OPEN SOCIETY FOUNDATIONS

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Mapping Digital Media

The values that underpin good journalism, the need of citizens for reliable and abundant information, and the importance of such information for a healthy society and a robust democracy: these are perennial, and provide compass-bearings for anyone trying to make sense of current changes across the media landscape.

The standards in the profession are in the process of being set. Most of the effects on journalism imposed by new technology are shaped in the most developed societies, but these changes are equally influencing the media in less developed societies.

The **Mapping Digital Media** project, which examines the changes in-depth, aims to build bridges between researchers and policymakers, activists, academics and standard-setters across the world. It also builds policy capacity in countries where this is less developed, encouraging stakeholders to participate in and influence change. At the same time, this research creates a knowledge base, laying foundations for advocacy work, building capacity and enhancing debate.

The Media Program of the Open Society Foundations has seen how changes and continuity affect the media in different places, redefining the way they can operate sustainably while staying true to values of pluralism and diversity, transparency and accountability, editorial independence, freedom of expression and information, public service, and high professional standards.

The Mapping Digital Media project assesses, in the light of these values, the global opportunities and risks that are created for media by the following developments:

- the switch-over from analog broadcasting to digital broadcasting;
- growth of new media platforms as sources of news;
- convergence of traditional broadcasting with telecommunications.

Covering 60 countries, the project examines how these changes affect the core democratic service that any media system should provide—news about political, economic and social affairs.

The **Mapping Digital Media** reports are produced by local researchers and partner organizations in each country. Cumulatively, these reports will provide a much-needed resource on the democratic role of digital media.

In addition to the country reports, the Open Society Media Program has commissioned research papers on a range of topics related to digital media. These papers are published as the **MDM Reference Series**.

Mapping Digital Media: Canada
Executive Summary

Canadians are among the most engaged and active users of digital media in the world, and digitization has had particular consequences for such a vast, largely urbanized and sparsely populated country. Although progress in some aspects has been exemplary, geographic complexities and a lack of leadership by the federal government have produced challenges and delays in others. In particular, while Canadians lead the world in areas relating to digital media take-up, the federal government has yet to finalize an official, comprehensive digital strategy similar to the EU's "Digital Agenda for Europe" or the "National Broadband Plan" in the United States.

Although the digital television transition was completed in 2011, the process stagnated after the policy was formally announced in 2001, with only limited guidance or support from the federal government in the development of a transition schedule, and no subsidies or support for disadvantaged households. At the same time, the dominance of cable and other subscription platforms, coupled with an increasingly vertically integrated broadcasting sector, has meant few incentives for broadcasters to target the marginal audiences of terrestrial broadcasting and invest in the necessary digital infrastructure.

This has had implications for a digital television divide, especially between the urban majority and rural minority. In 2013, the terrestrial television sector remained an analog-digital patchwork in much of the country. Canadian city viewers can enjoy a limited number of high-quality high definition (HD) signals with a simple antenna, while rural viewers must pay for a distribution service even to access public television. Analog signals continued in some regions with no set shut-off date due to the difficulties and costs in expanding the digital network infrastructure to cover extremely remote areas.

Coupled with cutbacks in government funding, these challenges have forced Canada's public broadcaster—the Canadian Broadcasting Corporation (CBC)—to make significant cutbacks in its terrestrial delivery systems as well as its programming investment, undermining the quality and universality of public service broadcasting at a time of growing concentration in commercial broadcasting markets. Nevertheless, efficiencies afforded by digital technologies of production and delivery have enabled the CBC to launch new services both on air

and online. Its web pages are among the most widely consumed online news sources, though co-production agreements with private sector partners limit the range of programming available on demand. Attention is currently focused on developing content and infrastructure for emerging mobile markets.

By 2011, wired broadband networks reached 96 percent of households, with 100 percent reachable by wireless or satellite connections. But relatively high prices for internet service packages and relatively low average connection speeds remain obstacles in the path towards universal service.

Canadians' appetite for online news has nonetheless grown steadily over recent years, with 22 percent of survey respondents citing it as their main source of news in 2012 (nearly double what it was just four years earlier). This growth has been at the expense of all conventional platforms, although television remains the most consumed news medium (followed by the internet, newspapers, and radio).

At the same time, the alternative online news sector is well developed by international standards. Sites such as 360News, Allvoice, and Wikinews are harnessing the power of user-generated content and social networks to create new ways to distribute and consume the news. A 2012 study of the impact of social media spaces on news consumption suggested that the likes of Facebook and Twitter are becoming central to the way Canadians experience news. In particular, users seem to value social media as a way to keep up with events and be exposed to a wider range of news and information than was previously available. Mobile technology and the rapid spread of smartphones are likely key drivers in this process, with Canada ranking first for content uploads in mobile media (according to a recent global study by Nielsen).

Due to the early and widespread adoption of digital technologies, there have been numerous examples of digital activism in Canada over many years in areas including (but not limited to): civil liberties, gender equality, abortion, labor, politics, and the environment. Notable recent digital mobilizations include the 2011 #OccupyWallStreet, the 2012 Quebec student protests, and the Stop Online Spying movement in opposition to Bill C-30 (lawful access legislation). Indigenous protests have also embraced digital media as an extension to their traditional place-based protests.

There is also a relatively high circulation of e-petitions in Canada, which has proved a significant vehicle of civic engagement, particularly in light of the vast distances between metropolitan centers which have long been a hindrance to traditional forms of mobilization around national issues. Engagement with established media remains an important component of many digital activist strategies, even though ongoing consolidation has meant that established media continue to play a significant gatekeeping role, especially in television.

Digitization has led to significant changes in professional newsgathering and newsroom culture. On the one hand, this has democratized the process of news selection since wire agency material is now available to, and monitored by all ranks in the newsroom (not just editors). Newsrooms have also widely adopted multi-platform strategies that have increased efficiencies in dissemination and in some ways advanced journalists' autonomy in respect of output. But they have also led to a centralization of newsgathering and there are increasing pressures on journalists to produce more output with fewer resources, especially time. Combined

with the blurring boundaries of professional journalism in the digital context, this has had a detrimental impact on the quality and accuracy of news coverage on balance.

Newsroom cuts have had a particularly acute impact on investigative journalism and the sustainability of non-profit initiatives continues to hang in the balance, particularly since the Canadian Centre for Investigative Reporting closed in 2013. But professional news organizations are increasingly held to account by bloggers and citizen journalists, and online investigative journalism is beginning to take shape amid the changing economic realities of the news industry. Huffington Post Canada and iPolitics.ca are new entrants experimenting with alternative business models for news delivery, whilst Rabble.ca is doing the same in the non-profit sector.

Elsewhere the perceived threat of digital disruption, combined with opportunities for resource-sharing and cross-promotion spawned by digital convergence, have continued to drive media concentration in key markets for news. One recent report suggested that Canada has the most concentrated television industry in the G8 group of countries, particularly as regards consolidation between distribution and content creation. Overall around 80 percent of the cable, satellite, and Internet Protocol Television (IPTV) markets are controlled by four groups, according to recent data. These groups also account for the majority of total media revenues across sectors. In this light it is not surprising that independent news outlets are increasingly relying on crowd-funding and donation models as alternatives to the diminishing pool of available advertising revenue. But concerns remain as to the long-term sustainability of independent news outfits.

In 2011, to address concerns about vertically integrated entities favoring their own content and services over those provided by competitors, the Canadian Radio-television and Telecommunications Commission (CRTC) introduced a new regulatory plan aimed at prohibiting entities from offering content to their mobile and internet subscribers on an exclusive basis. The Commission also adopted a code of conduct meant to prevent anti-competitive behavior, emphasizing more equitable treatment of independent providers.

Of the various internet policy issues relevant to the Canadian context, none other has been more contentious in recent years than cyber-surveillance. The battle over Bill C-30 (lawful access legislation) was a landmark attempt by the Canadian government to expand its search and seizure, interception, surveillance, collection and decryption capabilities, with the primary goal of removing the legal and technical barriers inhibiting the seamless access to information held in private internet and mobile accounts. The public uprising that contributed to the defeat of the bill speaks to the current divide over the future of the Canadian surveillance apparatus.

At the same time, the Canadian authorities have also set global precedents in regard to protection of online privacy. In 2009, responding to a privacy complaint from the Canadian Internet Policy and Public Interest Clinic, the Privacy Commissioner investigated Facebook's privacy practices in Canada and issued a set of recommendations that were accepted by the social networking giant. The Commissioner has also issued guidelines and reports addressing topics including (among others): online behavioral advertising, mobile privacy, and youth privacy online.

For its part, the judiciary has set legal precedents regarding liability for internet content. A landmark Supreme Court ruling in 2011 established that hyperlinking should be protected as a form of freedom of expression.

The record of the federal government in digital media policy is best described as patchy and inconsistent. It has certainly placed greater emphasis on its broadband rollout policy than on its digital television policy. For example, a three-year program announced in 2009 funded 84 projects and brought an additional 218,000 Canadians into the high-speed network. While this may be viewed as a relative success, considerable broadband access divides persist, and the federal government has yet to formulate an official broadband plan for the country. Access inequalities have also been amplified by controversial network management practices by telecommunications groups including Telus, Bell, and Rogers. In 2009 the CRTC issued a set of internet traffic management (i.e. net neutrality) rules which set modest limits to such practices, beginning with the requirement of greater transparency.

In some areas—such as digital television transition—the federal government has maintained a hands-off approach which has hindered the development of a viable digital terrestrial market. In other areas—such as spectrum allocation—it has been more interventionist, in ways that provoked legitimate concerns regarding transparency and accountability. Such concerns have been given weight by evidence of close informal contact between the Industry Minister and representatives of the telecommunications industry, particularly in the build-up to key licensing awards.

Spectrum policy is also very dependent on decisions made in the United States. This is largely due to the imperative of coordinating spectrum policy given the long and heavily populated border between the two countries. But it is also the result of a dependence on American programming and device ecosystems that are designed for the U.S. marketplace.

Amid these concerns, it is essential that the federal government tables a cohesive and comprehensive Digital Economy Strategy in consultation with all stakeholders, including the public. Such a unified, forward-thinking approach is needed if Canada is to forge a comprehensive and progressive agenda for the continued development of digital media infrastructure, services, and access.

Context

Canada's 10 provinces and three territories make it the largest country in North America (by total area) and the second-largest in the world. The vast majority (81 percent) of Canada's 33.47 million inhabitants live in urban centers, and it is estimated that 75–90 percent of Canada's total population lives within 160 km of the border between Canada and the United States, the longest land border in the world. Canada has a rich history that includes historical ties to the UK and France, as well as a complex economic, structural, and cultural relationship with the United States that spans many years. A parliamentary democracy, Canada has two official languages (English and French), as well as many other recognized regional languages spoken primarily by the large and diverse North American Aboriginal population.

A member of many international organizations including the G7, G8, G20, the Organization for Cooperation and Development (OECD), and the World Trade Organization (WTO), Canada is the 11th-largest economy in the world, with a Gross Domestic Product (GDP) in 2012 of US$ 1.82 trillion.[1] Canada's constitution is the supreme law of the land and includes a considerable and influential Charter of Rights and Freedoms.
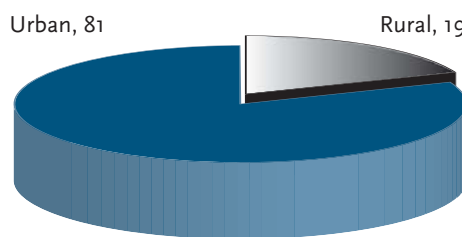
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1.   World Bank, "World Databank," at http://databank.worldbank.org/data/home.aspx (accessed 30 November 2013).

Social Indicators

Population: 33.48 million (2011)[2]
Households: 13.32 million (2011)[3]

Figure 1.

Rural–urban breakdown (% of total population), 2011

Urban, 81   Rural, 19

Source: Statistics Canada, 2011 Census[4]

Figure 2.

Ethnic composition (% of total population), 2011

Latin American, 1.2
South Asian, 4.8   Other, 6.2
Chinese, 4.0   Not a visible minority, 75.3
Black, 2.9
North American
Aboriginal, 5.6
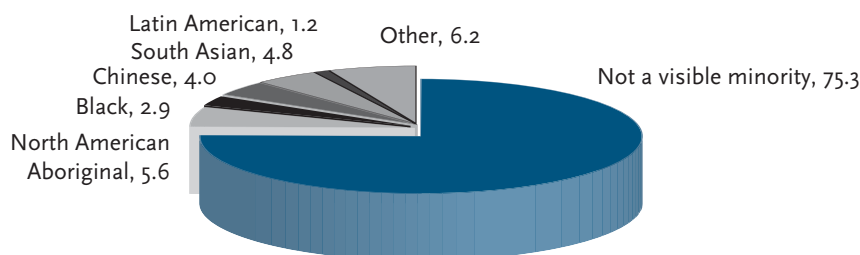
Note: All categories are the ethnic descriptions noted in the 2011 National Household Survey. "Other" includes the following:
Filipino, Arab, Southeast Asian, West Asian, Korean, multiple visible minorities, and visible minority not included else-
where. "Not a visible minority": "visible minority" includes persons who are non-Caucasian in race or non-white in color
and who do not report being Aboriginal

Source: Statistics Canada, "2011 National Household Survey"[5]

2.   Statistics Canada, 2011 Census, at http://www12.statcan.gc.ca/census-recensement/index-eng.cfm (accessed 30 November 2013).

3.   Statistics Canada, 2011 Census at http://www12.statcan.gc.ca/census-recensement/index-eng.cfm (accessed 30 November 2013).

4.   See Statistics Canada, at http://www12.statcan.gc.ca/census-recensement/index-eng.cfm (accessed 30 November 2013).

5.   See Statistics Canada, at http://www12.statcan.gc.ca/nhs-enm/2011/ref/guides/99-010-x/99-010-x2011006-eng.cfm (accessed 30 November 2013).

Figure 3.

Linguistic composition (% of total population), 2011
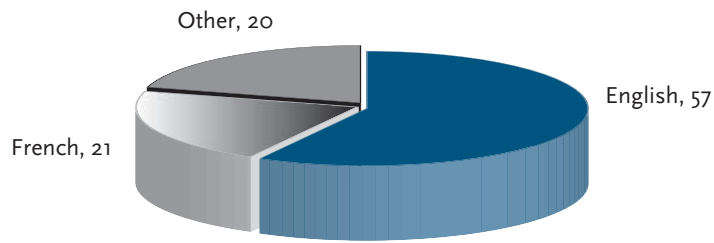
Note: Refers to "Mother Tongue." English and French are Canada's official languages

Source: Statistics Canada, 2011 Census[6]

Figure 4.

Religious composition (% of total population), 2011
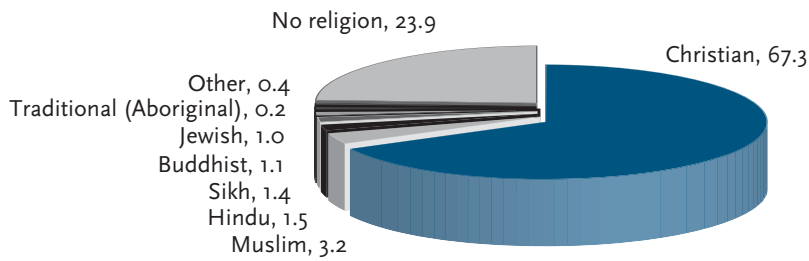
Source: Statistics Canada, "2011 National Household Survey"[7]

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6.   See Statistics Canada, at http://www12.statcan.gc.ca/census-recensement/index-eng.cfm (accessed 30 November 2013).

7.   See Statistics Canada, at http://www12.statcan.gc.ca/nhs-enm/2011/ref/guides/99-010-x/99-010-x2011006-eng.cfm (accessed 30 November 2013).

Economic Indicators

<div align="center">

Table 1.

Economic indicators, 2005–2014[8]

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	2005	2006	2007	2008	2009	2010	2011	2012	2013[f]	2014[f]
GDP (current prices, US$ billion)	1,164	1,309	1,457	1,542	1,368	1,616	1,781	1,819	1,843	1,899
GDP (current prices, US$), per head	36,150	40,263	44,339	46,369	40,651	47,424	51,716	52,231	52,364	53,462
Gross National Income (GNI), (current US$), per head	34,380	36,500	37,860	38,490	37,210	38,400	41,390	42,530	n/a	n/a
Unemployment (% of total labor force)	6.7	6.3	6.0	6.1	8.3	8.0	7.4	7.2	7.2	7.2
Inflation (average annual rate, % against previous year)	2.2	2.0	2.1	2.3	0.3	1.7	2.9	1.5	1.4	1.8

Notes: f: forecast; n/a: not available

Sources: International Monetary Fund (IMF) (GDP, unemployment, and inflation); World Bank (GNI)

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8.   World Bank, "World Databank," at http://databank.worldbank.org/data/home.aspx (accessed 30 November 2013).

1. Media Consumption: The Digital Factor

1.1 Digital Take-up

1.1.1 Digital Equipment

Though considerable access divides persist, particularly in information and communications technology (ICT) access and literacy,[9] the Canadian communications industry is growing and changing at a rapid pace. In 2011, revenues from communication services increased from 57.4 billion Canadian dollars (CAD) (US$ 51.9 billion) in 2010 to CAD 59.3 billion (US$ 53.6 billion), linked to a 5.5 percent increase in broadcasting revenues and a 2.5 percent increase in telecommunications revenues.[10] In 2011, approximately 90 percent of Canadian households subscribed to a broadcasting distribution undertaking (BDU). Among households that subscribed to a television distributor in 2011, 24.5 percent subscribed to a satellite or multipoint distribution provider, 5.6 percent to an IPTV service and 69.9 percent to cable.[11] Subscriptions in Canada surpassed advertising as the primary basis for financing television services in 1991; the same developments did not occur in the United States and the UK until 2003.[12]

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9. M. Geist, "Canada's digital divide likely to widen," *Toronto Star* (online), 5 April 2013, at http://www.thestar.com/business/tech_news/2013/04/05/canadas_digital_divide_likely_to_widen_geist.html (accessed 30 November 2013); M. Harris, "Digital divide persists in Canada, both in access and internet fluency," *National Post* (online), 13 March 2013, at http://business.financialpost.com/2013/03/21/digital-divide-persists-in-canada-both-in-access-and-internet-fluency/?__lsa=d232-79e0 (accessed 30 November 2013).

10. Canadian Radio-television and Telecommunications Commission (CRTC), "Communications Monitoring Report 2012," at http://www.crtc.ca/eng/publications/report/policymonitoring/2012/cmr2012.pdf (accessed 13 May 2013) (hereafter, CRTC, "Communications Monitoring Report 2012").

11. CRTC, "Communications Monitoring Report 2012."

12. D. Taras and M. Raboy, "Canada," in L. d'Haenens and F. Saeys (eds), *Western Broadcast Models: Structure, Conduct, and Performance*, Mouton de Gruyter, Berlin, p. 364 (hereafter, Taras and Raboy, "Canada").

Table 2.

Households owning equipment, 2005–2010

	2005		2006		2007		2008		2009		2010	
	No. of HH[13] ('000)	% of HH[14]	No. of HH ('000)	% of HH	No. of HH ('000)	% of HH	No. of HH ('000)	% of HH	No. of HH ('000)	% of HH	No. of HH ('000)	% of HH
TV sets[15]	12,374	99.0	n/a	n/a	12,504	98.9	12,601	98.8	12,735	98.9	12,855	98.9
PCs[16]	8,999	72.0	9,451	75.5	9,915	78.4	10,129	79.4	10,521	81.7	10,901	83.9

Notes: n/a: not available

Sources: For TV sets, International Telecommunication Union (ITU), "Yearbook of Statistics: Telecommunication/ICT Indicators 2002–2011," 2012; for PCs, data source for 2005 and 2006 is ITU, "World Telecommunication/ICT Development Report 2010," 2010,[17] and for all other years is ITU, "Telecommunication/ICT Indicators 2002–2011"

1.1.2   Platforms

In 2011, 80 percent of television subscribers received digital services, with the top four television distributors (Bell, Rogers, Shaw, Quebecor) capturing 89 percent of all subscribers.[18] Although IPTV makes up just a small percentage of television subscriptions, the number of IPTV subscribers is growing, while cable, direct-to-home (DTH) satellite, and Master Data Services (MDS) subscriptions remain essentially static.

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13.   Total number of households owning the equipment.

14.   Percentage of total households in the country.

15.   See http://www.itu.int/pub/D-IND-YB-2012 (accessed 30 November 2013) (hereafter, ITU, "Telecommunication/ICT Indicators 2002–2011").

16.   See http://www.uis.unesco.org/Communication/Documents/WTDR2010_e.pdf (accessed 30 November 2013); ITU, "Telecommunication/ ICT Indicators 2002–2011."

17.   See http://www.uis.unesco.org/Communication/Documents/WTDR2010_e.pdf (accessed 30 November 2013).

18.   CRTC, "Communications Monitoring Report 2012," p. iv.

Table 3.

Broadcasting distribution undertaking (BDU) consumption, 2007–2011

	2007	2008	2009	2010	2011
Cable subscribers ('000)	7,525.1	7,691.7	7,782.7	7,854.1	7,847.7
– % of total	70.0	70.1	69.4	68.2	66.7
– Annual growth (%)	2.1	2.2	1.2	0.9	−0.1
IPTV subscribers ('000)	166.2	225.0	311.4	416.9	657.3
– % of total	1.5	2.1	2.8	3.6	5.6
– Annual growth (%)	47.4	35.4	38.4	33.9	57.6
DTH satellite and MDS subscribers ('000)	2,631.0	2,699.5	2,760.9	2,862.1	2,877.4
– % of total	24.5	24.6	24.6	24.9	24.5
– Annual growth (%)	0.1	2.6	2.3	3.7	0.5
Reporting BDUs subtotal ('000)	10,322.3	10,616.3	10,854.9	11,133.1	11,382.4
– % of total	96.0	96.8	96.8	96.7	96.8
– Annual growth (%)	2.1	2.8	2.2	2.6	2.2
Non-reporting BDUs and estimates ('000)	429.3	350.2	354.2	376.8	376.8
– % of total	4.0	3.2	3.2	3.3	3.2
– Annual growth (%)	0.2	−18.4	1.1	6.4	0.0
Total subscribers ('000)	10,751.6	10,966.4	11,209.1	11,509.9	11,759.2
– Annual growth (%)	2.0	2.0	2.2	2.7	2.2

Source: CRTC, "Communications Monitoring Report 2012"

Figure 5.

BDU subscribers receiving digital and non-digital services (%), 2007–2011
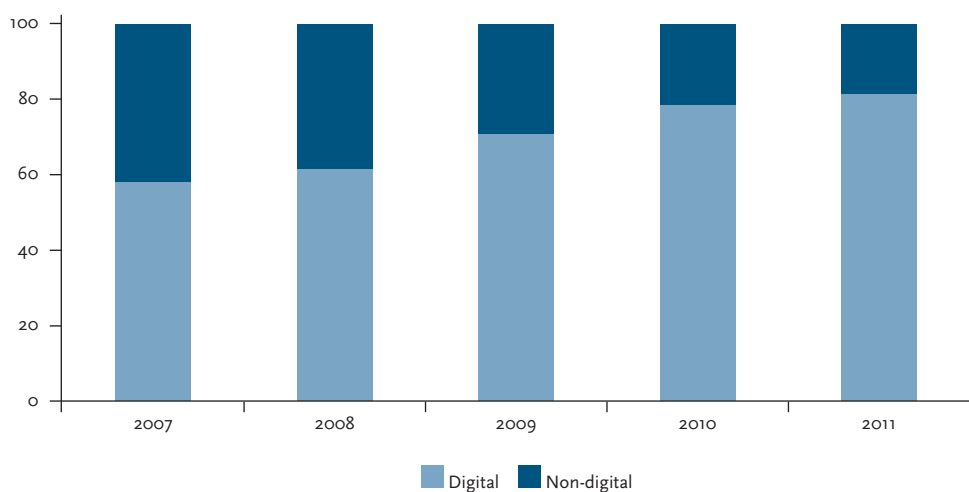
Source: CRTC, "2012 Communications Monitoring Report," 4.4.2

At the household level, Canadians spent CAD 181 (US$ 164) a month on communication services in 2011, with half being spent on mobile and internet services and the other half going to television and fixed-line telephony. While many still rely on fixed-line telephony, the number of landline-only subscribers dropped from 26.9 percent in 2007 to 21.1 percent in 2010.[19] Compared with many other industrialized countries, mobile phone uptake has been low. The 2011 uptake was 79.7 percent of households (see Table 5). Mobile broadband services are available across the country (3G service is available to 98 percent of the population), but as with mobile phone services in general, uptake has been slow. New data from comScore suggest otherwise, noting that smartphone penetration rates among mobile subscribers increased 17 percent between 2011 (45 percent) and 2012 (62 percent).[20]

Perhaps one of the reasons for the relatively slow uptake is the cost of wireless service in Canada. According to the ITU, in 2010 Canada's mobile industry had the highest average revenue per user (ARPU) in the world.[21] At or near the top of the list of average revenue per mobile subscription per month since 2007, the ARPU for Canadian mobile subscribers in 2010 was US$61. The second highest ARPU in 2010 was the United States at US$50.[22] It should be noted however, that ARPU does not translate exactly to price, as revenue is linked both to price and to usage (voice and data). As a result, increased usage could drive up ARPU and confuse comparative assessments of wireless costs for consumers. That being said, a recent report by the OECD has also suggested that Canadian wireless prices are among the highest in the world.[23] Canada's wireless pricing, along with the accuracy of the ITU and OECD's comparative data, continue to be sources of considerable debate.[24]

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19. CRTC, "Communications Monitoring Report 2012."

20. comScore, "Canada's digital future in focus," 2013, at www.comscore.com/Insights/Presentations_and_Whitepapers/2013/2013_Canada_Digital_Future_in_Focus (accessed 30 November 2013) (hereafter, comScore, "Canada's digital future in focus").

21. ITU, "Measuring the Information Society 2012," at http://www.itu.int/ITU-D/ict/publications/idi (accessed 30 November 2013) (hereafter, ITU, "Measuring the Information Society 2012").

22. ITU, "Measuring the Information Society 2012."

23. M. Geist, "OECD report confirms what Canadians have long suspected: Wireless pricing among highest in the world," at http://www.michaelgeist.ca/content/view/6905/125 (accessed 30 November 2013).

24. For example, M. Geist, "OECD report: Canada still among ten most expensive countries for broadband internet services," at http://www.michaelgeist.ca/content/view/6907/125 (accessed 30 November 2013).

Table 4.

Average revenue per mobile subscription per month (US$), 2007–2010

	2007	2008	2009	2010
Canada	56	57	52	61
United States	47	49	47	50
France	48	51	48	43
Norway	43	44	41	42
Israel	35	41	38	42
Kuwait	60	65	45	42
Switzerland	41	44	38	41
Ireland	47	50	45	40
Greece	43	40	37	38
United Arab Emirates	39	42	38	38
Netherlands	26	39	38	37
Belgium	44	44	40	36
Denmark	42	42	38	36
Korea (Rep.)	40	35	30	32
Spain	35	37	33	30
Iceland	65	45	31	30
Finland	42	36	32	28
United Kingdom	41	38	30	28
Austria	40	37	32	28
Germany	31	29	28	27

Source: ITU, "Measuring the Information Society 2012"

Canadians were early adopters of the internet. A wired broadband connection is available to 96 percent of households, with 100 percent reachable by wireless or satellite connections.[25] In 2011, internet subscriptions were on the rise, with 78 percent of the population accessing internet services at home. Broadband subscriptions also increased in 2011, with 72 percent paying for 1.5 Mbps service (compared with 68 percent in 2010) and 54 percent for 5 Mbps (compared with 51 percent in 2010).

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25. CRTC, "Communications Monitoring Report 2011," at http://crtc.gc.ca/eng/publications/reports/PolicyMonitoring/2011/cmr2011.pdf (accessed 4 May 2013) (hereafter, CRTC, "Communications Monitoring Report 2011").

Table 5.

Internet penetration rate (total internet subscriptions as % of total population) and mobile penetration rate, 2005–2011

	2005	2006	2007	2008	2009	2010	2011
Internet	64	68	72	74	75	76	78
– of which broadband[26]	n/a	64	66	70	83	91	92
Mobile telephony	52.7	57.4	61.4	66.2	70.7	75.9	79.7
– of which broadband	n/a	n/a	n/a	n/a	11.0	38.8	48.1

Notes: The 3G data are inferred from the total mobile broadband figures; n/a: not available

Sources: For the internet, CRTC, "CRTC Telecommunications Monitoring Report: Status of Competition in Canadian Telecommunications Markets—Deployment/Accessibility of Advanced Telecommunications Infrastructure and Services," 2006 (hereafter, CRTC "Annual Report");[27] CRTC "Annual Report," 2008;[28] CRTC, "Annual Report," 2009;[29] CRTC, "Annual Report," 2010;[30] CRTC, "Annual Report, 2012."[31] For mobile telephony, International Telecommunication Union (ITU), "Yearbook of Statistics: Telecommunication/ICT Indicators 2002-2011," 2012

Internet and television products introduced by the digital transition are becoming increasingly popular. According to CRTC data, over 40 percent of Canadians watched an entire 30- or 60-minute television program online in 2010, though well under 10 percent paid for it.[32] The popularity of digital media products unique to the internet is also worth mentioning. For example, in 2010, amateur online video (e.g. YouTube) was almost twice as popular as professionally produced online video.[33]

According to comScore,[34] Canadians connected to the internet are highly engaged and among the most active users in the world. In 2012, on average they spent more than 41 hours per month online on their PCs (second to the Americans at 43 hours per month), but ranked first in terms of average monthly page views (3,731) and visits (101) per user. They are also consuming an increasing amount of video online, ranking second worldwide in terms of monthly hours (25) and videos (291) per user.

Canadian broadband prices are high when compared internationally, but not as high as the wireless prices. Canada ranks fifth most expensive—with US$ 70.75—in the U.S. Federal Communications Commission's

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26. Broadband networks provide download speeds of 1.5 Mbps or higher. The figures presented here show the percentage of households with broadband connections, and data for each year come from the same source as the internet penetration data.

27. See http://www.crtc.gc.ca/eng/publications/reports/PolicyMonitoring/2006/tmr2006.pdf (accessed 7 May 2013).

28. See http://www.crtc.gc.ca/eng/publications/reports/PolicyMonitoring/2008/cmr2008.pdf (accessed 7 May 2013). Note that 2006 data were updated in the 2008 report.

29. See http://www.crtc.gc.ca/eng/publications/reports/policymonitoring/2009/2009MonitoringReportFinalEn.pdf (accessed 7 May 2013).

30. See http://www.crtc.gc.ca/eng/publications/reports/PolicyMonitoring/2010/cmr2010.pdf (accessed 7 May 2013).

31. See http://www.crtc.gc.ca/eng/publications/reports/policymonitoring/2012/cmr2012.pdf (accessed 7 May 2013). Note that 2010 data were updated in the 2012 report.

32. CRTC, "Communications Monitoring Report 2011," p. 108.

33. CRTC, "Communications Monitoring Report 2011," p. 102.

34. comScore, "Canada's digital future in focus."

analysis of 38 countries in terms of average monthly net price of a broadband package.[35] In terms of broadband connection speed, Canada ranks 12th in the world with an average connection speed of 7.8 Mbps.[36]

No Official Digital Strategy

As discussed in section 5, Canada currently does not have an official, comprehensive digital strategy similar to the EU's "Digital Agenda for Europe" or the "National Broadband Plan" in the United States. This is not to say that attempts have not been made to address the future of a digital Canada. For example, in the Governor General's annual Speech from the Throne in 2010 and again in 2011, plans for the government to establish a digital strategy were noted.[37] The Minister of Industry set up a website and in 2010 began a process of public consultation to determine a Digital Economy Strategy.[38] In 2010, the Standing Senate Committee on Transport and Communications released a set of 18 recommendations to serve as a "Plan for a digital Canada." Movement from talk to action did occur with Industry Canada's program "Broadband Canada: Connecting Rural Canadians." The program was announced in July 2009 and began using a fund of CAD 225 million (US$ 203 million) to provide broadband services (defined by the program as 1.5 Mbps "to as many communities as possible that had been identified as unserved."[39] The three-year program funded 84 projects and provided new service to 218,000 Canadians.[40] Unfortunately, there is still no official digital strategy, an issue that some are now referring to as a broken promise.[41]

35. U.S. Federal Communications Commission's International Broadband Data Report, Third, at http://www.fcc.gov/reports/international-broad-band-data-report-second (accessed 30 November 2013).

36. Akamai, "The State of the Internet," Q1 2013, at http://uk.akamai.com/html/awe/login.html?&curl=/dl/whitepapers/akamai_soti_q113.pdf (accessed 30 November 2013).

37. Speech from the Throne, 3 March 2010, at http://www.speech.gc.ca/eng/media.asp?id=1388 (accessed 30 November 2013); Speech from the Throne, 3 June 2011, at http://www.speech.gc.ca/eng/media.asp?id=1390 (accessed 30 November 2013).

38. See http://www.ic.gc.ca/eic/site/028.nsf/eng/home (accessed 30 November 2013).

39. Standing Senate Committee on Transport and Communications, Plan for a Digital Canada, June 2010, p. 15, at http://www.parl.gc.ca/Content/SEN/Committee/403/tran/rep/rep04jun10-e.pdf (accessed 30 November 2013).

40. See http://www.ic.gc.ca/eic/site/719.nsf/eng/h_00001.html (accessed 30 November 2013).

41. L. Pinto, "The government's broken promise of a digital strategy for Canada," 16 January 2013, at http://openmedia.ca/blog/government's-broken-promise-digital-strategy-canad (accessed 30 November 2013); M. Geist, "Canada can't afford to wait any longer for digital economy strategy," Toronto Star (online), 2 September 2012, at http://www.thestar.com/business/2012/09/02/canada_cant_afford_to_wait_any_longer_for_digital_economy_strategy.html (accessed 30 November 2013).

1.2   Media Preferences

1.2.1   Main Shifts in News Consumption

While the appetite for online news sources has grown steadily over the past several years,[42] television remains Canadians' most consulted source of news, followed by newspapers, radio, and the internet.[43]

In 2007, the CRTC noted the internet's "mild effect on eroding usage of traditional media," that approximately 10 percent considered the internet a "replacement of traditional media sources" and that people under the age of 34 were more likely to hold this opinion.[44] In addition, when the CRTC asked about changes in their use of particular media, one-fifth of respondents indicated that their use of traditional media (television, newspapers, and radio) had declined over the past year, while 58 percent indicated their use of the internet had increased. The perceived increase in personal internet use was substantially higher than for the traditional media.[45] Thirty-three percent of respondents predicted that their use of the internet as a source of news would increase in the next year, compared with 10 percent for television, newspapers, and radio.[46]

The erosion perspective is countered, however, by a 2007 study by the Canadian Internet Project, whose investigators found that attention to conventional media by users and non-users of the internet was virtually identical, and that "Internet users are not finding time to be online by taking away from their traditional media diet. In many ways, media activity just begets more media activity."[47] With regard to social media as a news source, a survey conducted in 2010 indicates that use of traditional news sources does not appear to be affected by social media use.[48]

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42. Television Bureau of Canada (TVB), "Reach, Time Spent & Attitudes: National Adults 18+," report, 2008, p. 11, at http://www.tvb.ca/page_files/ppt/2008RTSA/2008_RTSA_Nat_18+.ppt (accessed 20 April 2013); Television Bureau of Canada (TVB), "Attitudinal Survey 2012: Adults 18+," report, 2012, p. 10, at http://www.tvb.ca/page_files/ppt/RTSA/ATTITUDES/ATTITUDES12_ADULT_18+.pptx (accessed 20 April 2013).

43. CRTC, "Access to news sources," 2007, Executive Summary, at http://www.crtc.gc.ca/eng/publications/reports/decima2007.htm (accessed 10 April 2013); Canadian Journalism Foundation, "Despite growth in digital media, Canadian news seekers still rely on traditional sources for daily news," *Canada Newswire,* 17 October 2012, at http://www.newswire.ca/en/story/1054503/despite-growth-in-digital-media-canadian-news-seekers-still-rely-on-traditional-sources-for-daily-news (accessed 30 November 2013). See also Television Bureau of Canada (TVB), "Reach, Time Spent & Attitudes: National Adults 18+," report, 2008, p. 11, at http://www.tvb.ca/page_files/ppt/2008RTSA/2008_RTSA_Nat_18+.ppt (accessed 20 April 2013); Television Bureau of Canada (TVB), "Attitudinal Survey 2012: Adults 18+," report, 2012-news-seekers-still-rely-on-traditional-sources-for-daily-news (accessed 10 April 2013); S. Papathanassopoulos, S. Coen, J. Curran, T. Aalberg, D. Rowe, P. Jones, H. Rojas, and R. Tiffen, "Online threat, but television is still dominant: a comparative study of 11 nations' news consumption," *Journalism Practice* (2013), p. 8 (hereafter, Papathanassopoulos et al., "Online threat, but television is still dominant"; Canadian Media Research Consortium, quoted in D. Beers, "TV? Newspapers? We Canadians love our Internet the most," The Tyee, 12 April 2011, at http://thetyee.ca/Blogs/TheHook/Media/2011/04/12/TTV-Newspapers-We-Canadians-love-our-Internet-the-most/ (accessed 27 March 2013).

44. CRTC, "Access to news sources," 2007, section A4, at http://www.crtc.gc.ca/eng/publications/reports/decima2007.htm (accessed 10 April 2013).

45. CRTC, "Access to news sources," 2007, section A5a, at http://www.crtc.gc.ca/eng/publications/reports/decima2007.htm (accessed 10 April 2013).

46. CRTC, "Access to news sources," 2007, section A6, at http://www.crtc.gc.ca/eng/publications/reports/decima2007.htm (accessed 10 April 2013).

47. C. Zamaria, as quoted in Canadian Internet Project, "Canadian Internet Project launches report from second phase of study on Canadian Internet habits," CNW Group, 24 September 2008, at http://www.newswire.ca/fr/story/255593/canadian-internet-project-launches-report-from-second-phase-of-study-on-canadian-internet-habits (accessed 22 April 2013).

48. A. Hermida, F. Fletcher, D. Korell, and D. Logan, "Share, like, recommend: decoding the social media news consumer," *Journalism Studies* 13(5–6) (2012), p. 820.

A 2012 World Internet Project report notes that "Canada has seen strong growth in internet use for … getting news online,"[49] a finding which is supported by surveys conducted for the Television Bureau of Canada, which indicate that the internet's role as a main source of news rose from 12.3 percent of Canadians in 2008 to 22 percent in 2012. Over the same time period, Canadians who said television was their main news source fell from 47.5 percent to 44 percent, while the number of those who preferred newspapers dropped from 20.9 percent to 16.9 percent, and radio from 16.6 percent to 14.4 percent.[50]

According to the CRTC, internet users indicate a number of reasons for their use of the medium as a news source, primarily "ease of accessibility" but also "convenience, the ability to access multiple sources and perspectives, and the ability to select specific sections to read."[51] Furthermore, close to 70 percent of internet users read or watch news online, making news consumption one of the most common activities, after email, shopping, and online banking.[52]

The shift from traditional to online news media has been linked to several significant changes in news production and consumption, including a decline in the viability of local television news production, declines in newspaper circulation and consequently revenues, and a more general reduction in news consumption, particularly among young people.

The most popular form of television news is the evening or late newscast, consulted "always" or "sometimes" by 76 percent, followed by 24-hour news networks (54 percent) and dedicated business news networks (42 percent).[53] Ratings for local news broadcasts (in both English and French Canada) stagnated or declined from 2004–2008.[54] The CRTC suggested that this is due to the proliferation of alternative sources of local news, such as specialty cable channels and online sources.[55]

Since 2007, however, the amount of time Canadians spend watching news and analysis programming has increased (along with television viewing in general). In 2007–2008, viewers of English-language services spent 59.8 million hours (15.1 percent of total viewing hours) watching news programming. In 2010-2011

49. World Internet Project, "International Report, Fourth Edition," 2012, p. 21, at http://www.worldinternetproject.net/_files/_Published/_oldis/770_2012wip_report4th_ed.pdf (accessed 23 March 2013) (hereafter, World Internet Project, "International Report, Fourth Edition," 2012, p. 21.

50. World Internet Project, International Report, Fourth Edition," 2012, p. 21.

51. CRTC, "Access to news sources," 2007, section A5b, at http://www.crtc.gc.ca/eng/publications/reports/decima2007.htm (accessed 10 April 2013).

52. Statistics Canada, "Table 358-0153—Canadian Internet use survey, Internet use, by age group and Internet activity, occasional (percent)," CANSIM (database), 2010, at http://www5.statcan.gc.ca/cansim/a26?lang=eng&retrLang=eng&id=3580153&pattern=358-0152..358-0158&tabMode=dataTable&srchLan=-1&p1=-1&p2=-1 (accessed 10 April 2013).

53. Canadian Journalism Foundation, "Despite growth in digital media, Canadian news seekers still rely on traditional sources for daily news," *Canada Newswire,* 17 October 2012, at http://www.newswire.ca/en/story/1054503/despite-growth-in-digital-media-canadian-news-seekers-still-rely-on-traditional-sources-for-daily-news (accessed 10 April 2013).

54. CRTC, "Study of Canadian OTA Local News Economic and Audience Trends," 2008, at http://www.crtc.gc.ca/eng/publications/reports/rp090123.htm (accessed 10 April 2013).

55. CRTC, "Study of Canadian OTA Local News Economic and Audience Trends," 2008, Section 4, at http://www.crtc.gc.ca/eng/publications/reports/rp090123.htm (accessed 10 April 2013).

the number of hours watching news increased to 92.7 million hours (16.3 percent of the total). In the Quebec Francophone market, news viewership increased from 38.7 million viewing hours (21.8 percent of the total) to 51.8 million hours (25.3 percent of the total).[56] The number of people who are tuned out (do not subscribe to a television service) is now 8 percent of the population. The availability of online streaming video is cited as a factor, as is the transition in 2011 from analog over-the-air television to a digital signal; the number of tuned-out Canadians has doubled since the change.[57]

A 2007 Canadian Internet Project survey found that 16 percent of respondents (and 20 percent of heavy internet users) had cancelled a newspaper or magazine subscription because similar content was now available online.[58] The average paid daily circulation for newspapers has fluctuated since then, but the general trend is of decline.[59]

To make up for decreased circulation and advertising revenue, a number of major newspapers implemented or announced plans to implement subscription models (paywalls) for online access in 2012 and 2013. These include *The Globe and Mail*, the *Toronto Star*, Sun Media papers, and several Postmedia papers (*National Post*, *Ottawa Citizen*, *Vancouver Province*, and the *Vancouver Sun*).[60] One notable exception is Montreal's *La Presse*, which has been increasing its roster of journalists and has invested CAD 40 million (US$ 36.5 million) in developing a free digital tablet edition (supported by advertising), which is being positioned as a possible replacement for the print edition of the newspaper.[61] While it is too soon to evaluate the effect of paywalls on online readership, print circulation, and revenue generation, publishers have expressed optimism and also noted the value of subscribers in terms of audience engagement and advertising.[62] A 2011 survey showed a very strong disinclination to pay for online content, with 92 percent of respondents indicating that if their current preferred site started charging for content, they would simply shift to another free online news source. Only 4 percent said they would be willing to pay for news from their favorite online site (although

56. CRTC, "CRTC Communications Monitoring Report," Table 4.3.5, at http://www.crtc.gc.ca/eng/publications/reports/PolicyMonitoring/2012/cmr.htm#toc (accessed 11 April 2013).

57. M. Oliveira, "Report looks at 'tuned out' Canadians who don't pay for TV, mostly stream video," *Canadian Press*, 3 April 2013, at http://www.660news.com/2013/04/03/report-looks-at-tuned-out-canadians-who-dont-pay-for-tv-mostly-stream-video (accessed 20 April 2013).

58. C. Zamaria and F. Fletcher, "Canada Online! The Internet, media and emerging technologies: Uses, attitudes, trends and international comparisons 2007," Canadian Internet Project, Toronto, 2008, p. 175, at http://ciponline.ca/en/publications.htm (accessed 21 April 2013) (hereafter, Zamaria and Fletcher, "Canada Online!").

59. Canadian Newspaper Association, "Daily Newspaper Circulation Reports 2008–2012," at http://www.newspaperscanada.ca/daily-newspaper-circulation-data (accessed 8 October 2013) (hereafter, Canadian Newspaper Association, "Daily Newspaper Circulation Reports 2008–2012").

60. J. Cruikshank, "The Star to launch digital subscription," *Toronto Star*, 29 October 2012, at http://www.thestar.com/news/2012/10/29/the_star_to_launch_digital_subscription.html (accessed 11 April 2013); S. Ladurantaye, "The Globe to roll out metered paywall as industry shifts to digital revenue," *The Globe and Mail*, 15 October 2012, at http://www.theglobeandmail.com/report-on-business/the-globe-to-roll-out-metered-paywall-as-industry-shifts-to-digital-revenue/article4612259 (accessed 12 April 2013); The Canadian Press, "Sun Media papers to move to pay-per-view model next week in major cities," *Maclean's*, 27 November 2012, at http://www2.macleans.ca/2012/11/27/sun-media-papers-to-move-to-pay-per-view-model-next-week-in-major-cities (accessed 12 April 2013).

61. S. Ladurantaye, "*La Presse* makes big bet on the future of news," *The Globe and Mail*, 18 April 2013, at http://www.theglobeandmail.com/report-on-business/la-presse-makes-a-big-bet-on-the-future-of-news/article11360785 (accessed 19 April 2013).

62. The Canadian Press, "If you build it, will they pay?," *Maclean's*, 26 December 2012, at http://www2.macleans.ca/2012/12/26/if-you-build-it-will-they-pay (accessed 12 April 2013) (hereafter, The Canadian Press, "If you build it, will they pay?").

that number jumps to 30 percent if no other choices are available).[63] People's unwillingness to pay for news online may be changing, however; a 2012 poll showed 15 percent of respondents would now be willing to pay to access their favorite newspaper's content online.[64]

Age also plays a role in Canadians' preference of medium for getting their news. A 2007 survey by the CRTC, which found that people who rely on television for the majority of their news tend to be over the age of 50,[65] is echoed by a 2013 study which indicates that Canadians aged 18–34 are less likely to consult television news than those who are 55 and older.[66] This holds true for newspapers as well. In 2007, a survey for the Canadian Internet Project found that Canadians under 30 spent less time with newspapers, and consulted online news sites more frequently than older Canadians.[67]

In its 2008 review of trends in local news consumption, the CRTC suggested that "although new platforms are involved in the reduction of television, and local news, viewing, they are largely used for news and information updates rather than viewing of news programs or sourcing of substantive news content, by Canadians aged 18–34 … the 18–34 demographic seems simply to have reduced news consumption habits."[68] However, the Canadian Internet Project's 2007 survey of internet users suggested that "younger users still use mainstream news organizations to complement news found elsewhere,"[69] a finding supported by a 2011 survey indicating that 83–88 percent of young adults ranked traditional news outlets as reliable or very reliable, compared with 33 percent ranking social networking sites and blogs as reliable or very reliable.[70]

More generally, a University of British Columbia study found that people under 35 years of age were "significantly less likely to regard keeping up with the news as an important part of their daily activities, whereas almost all Canadians older than 55 think keeping up with the news is important."[71] A 2012 Ipsos Reid poll conducted for the Canadian Journalism Foundation found that 18 percent of Canadians identified themselves as "non-newsies" who "don't seek out or care much about the news unless it's really something that's big or affects me directly."[72]

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63. Canadian Media Research Consortium (CMRC), "Canadian Consumers Unwilling to Pay for News Online," 2011, at http://www.visioncritical.com/wp-content/uploads/2011/03/CMRC_Paywall_Release1.pdf (accessed March 23, 2013).

64. The Canadian Press, "If you build it, will they pay?"

65. CRTC, "Access to news sources," 2007, section A1, at http://www.crtc.gc.ca/eng/publications/reports/decima2007.htm (accessed 10 April 2013).

66. Papathanassopoulos et al., "Online threat, but television is still dominant," p. 9.

67. Zamaria and Fletcher, "Canada Online!," p. 169.

68. CRTC, "Study of Canadian OTA Local News Economic and Audience Trends," 2008, Section 4, at http://www.crtc.gc.ca/eng/publications/reports/rp090123.htm (accessed 10 April 2013).

69. Zamaria and Fletcher, "Canada Online!," p. 177.

70. "Canadians find mainstream news media more trustworthy than social networks: study," University of British Columbia Public Affairs, 11 May, 2011, press release, at http://www.publicaffairs.ubc.ca/2011/05/11/canadians-find-mainstream-news-media-more-trustworthy-than-social-networks-study (accessed 10 April 2013) (hereafter, UBC Public Affairs, "Canadians find mainstream news media more trustworthy than social networks").

71. UBC Public Affairs, "Canadians find mainstream news media more trustworthy than social networks: study" (accessed 30 November 2013).

72. Canadian Journalism Foundation, "Despite growth in digital media, Canadian news seekers still rely on traditional sources for daily news," Canada Newswire, 17 October 2012, at http://www.newswire.ca/en/story/1054503/despite-growth-in-digital-media-canadian-news-seekers-still-rely-on-traditional-sources-for-daily-news (accessed 10 April 2013).

1.2.2 Availability of a Diverse Range of News Sources

The shift to digital media production, delivery, and consumption has affected the diversity of sources primarily through "fragmentation and consolidation."[73] As noted by the CRTC, digitization means that a wide range of new, unregulated, and unmediated content from domestic and international sources is now available: "New media and broadcasters' use thereof is providing more Canadians with greater access to a more diverse array—local, regional, linguistic and cultural—of Canadian content than at any time. It is worth noting that many of the Broadcasting Act's objectives will be achieved, in part, outside of the regulated sector."[74]

Some examples of this content can be found at new online publications such as The Tyee (described as "a distinctly regional response to both the reduction of local coverage and its perceived homogenization by the corporate owners of the media chains that service those areas")[75] and Rabble.ca, which is more opinion-oriented. The long-term viability and sustainability of these ventures, however, is unclear.

As will be discussed in section 6, media ownership in Canada is highly concentrated,[76] a situation which has led to concerns about a decline in the diversity of information available.[77] An analysis conducted in 2007 found little evidence for informational convergence or content-sharing at the time, though its authors warned against complacency in light of the rapidly evolving media landscape.[78] The new digital media have, however, resulted in the introduction of "news infomediaries," specifically Ca.yahoo.com, News.ca.msn.com, and Theloop.ca (a Sympatico.ca site), each of which is a web portal provided by a major Canadian internet service provider, as well as news aggregators like Google News and search engines.[79] While portals and news aggregator home pages may be customized by their users, "most users accept what appears."[80] Such infomediation results in the presentation (and consumption) of news from a narrow set of providers. In Google's case, for example, the way stories are ranked and ordered privileges mainstream newspaper content over more original material, and the portals present news from a small set of providers they have licensing agreements with: Radio-Canada, AFP, and The Canadian Press, along with a few journalists' blogs in Yahoo!'s case.[81]

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73. CRTC, "Navigating convergence: charting Canadian communications change and regulatory implications," 2010, Section 2.0, at http://www.crtc.gc.ca/eng/publications/reports/rp1002.htm (accessed 10 April 2013).

74. CRTC, "Navigating convergence: charting Canadian communications change and regulatory implications," 2010, Section 2.0, at http://www.crtc.gc.ca/eng/publications/reports/rp1002.htm (accessed 10 April 2013).

75. J.R. Compton and P. Benedetti, "Labour, new media and the institutional restructuring of journalism," *Journalism Studies* 11(4) (2010), p. 495.

76. M. Goyette-Cote, R. Carbasse, and E. George, "Converging Journalism: Producing and Publishing for Multi-platform Conglomerates in Canada," *Journalism Studies* 13 (2012), pp. 753–762, 754 (hereafter, Goyette-Cote et al., "Converging Journalism").

77. D. Theckedath and T.J. Thomas, "Media Ownership and Convergence in Canada," *Library of Parliament Research Publications,* 10 April 2012, Section 4, at http://www.parl.gc.ca/Content/LOP/ResearchPublications/2012-17-e.htm (accessed 21 April 2013).

78. W.C. Soderlund, C. Brin, L. Miljan, and K. Hildebrandt, *Cross-Media Ownership and Democratic Practice in Canada: Content-Sharing and the Impact of New Media*. Edmonton: University of Alberta Press, 2012, pp. 96–102 (hereafter, Soderlund et al., *Cross-Media Ownership and Democratic Practice in Canada*).

79. Goyette-Cote et al., "Converging Journalism," pp. 753–762.

80. Zamaria and Fletcher, "Canada Online!," p. 173.

81. Goyette-Cote et al., "Converging Journalism," pp. 753–762.

1.3 News Providers

1.3.1 Leading Sources of News

1.3.1.1 Print Media

Paid circulation for Canadian newspapers has fluctuated over the past four years, with a nearly 10 percent overall decline in paid circulation in 2008–2011, followed by an 8.6 percent increase from 2011 to 2012. Altogether, total paid daily circulation declined by 2.2 percent from 2008 to 2012.[82]

Table 6.

Paid daily newspaper circulation, 2008 and 2012

	2008 Paid daily circulation (average no. of copies sold per publishing day)	2012 Paid daily circulation (average no. of copies sold per publishing day)	Change (%)
Toronto Star	335,680	357,612	6.5
The Globe and Mail	332,764	302,190	−9.2
Le Journal de Montréal	225,427	287,799	27.7
La Presse, Montréal	214,953	227,206	5.7
National Post	197,034	169,566	−13.9

Sources: For 2008, Canadian Newspaper Association, "2008 Daily Newspaper Paid Circulation Levels: By Province;"[83] for 2012, Canadian Newspaper Association, "2012 Daily Newspapers Circulation Report"[84]

Two free daily newspapers, both distributed in the Toronto market, have circulation numbers that rival those of the paid dailies, *24 Hours Toronto* (258,007) and *Metro Toronto* (256,265).[85] The number of free daily papers has increased from 18 in 2009 to 29 in 2012.[86]

Only two of the top five papers listed in Table 6 can be said to have national reach, *The Globe and Mail* and the *National Post. Toronto Star*, Canada's top-selling daily, has minimal sales outside Ontario,[87] and the French-language *Le Journal de Montréal* and *La Presse* are primarily distributed in Quebec.[88] *Le Journal de Montréal* is the only tabloid-format newspaper represented in the top five, the others are broadsheets.

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82. See Canadian Newspaper Association, "Daily Newspaper Circulation Reports 2008–2012."

83. See http://www.newspaperscanada.ca/sites/default/files/08%20CIRC%20FINALspreadsheet.XLS (accessed 4 September 2013).

84. See http://www.newspaperscanada.ca/sites/default/files/2012%20Daily%20Newspapers%20Circulation%20Report%2004162013%20FINAL. xlsx (accessed 4 September 2013).

85. See Canadian Newspaper Association, "2012 Daily Newspapers Circulation Report," at http://www.newspaperscanada.ca/news/research/news-papers-canada-releases-2012-circulation-data-report-daily-newspapers (accessed 30 November 2013).

86. See Canadian Newspaper Association, "Daily Newspaper Circulation Reports 2008–2012."

87. Torstar Corporation, "2012 Annual Information Form," 2012, p. 9, at http://www.torstar.com/images/file/AIF/AIF percent202012 percent-20Final percent20Revised.pdf (accessed 30 November 2013).

88. "Le Journal de Montréal—Very Popular!," at http://resultats.sunmedia.ca/2013/03/jdm/en/index.html (accessed 17 April 2013).

1.3.1.2 Online

A 2007 CRTC survey[89] asked Canadians to name their preferred online sources for local, national, and international news. CBC.ca, the website for the national broadcaster, was the most popular website in all three categories.

For local news, 14 percent of Canadians indicated they used CBC.ca, followed by Msn.com/Sympatico.msn. ca (12 percent), Google News Canada (9 percent), Canoe.ca (8 percent), and a four-way tie for fifth place: Radio-canada.ca, Yahoo News Canada, CTV.ca, and Globeandmail.com (6 percent each). The *Toronto Star*'s website was close behind with 5 percent claiming to use it for local news. Notably, 49 percent of respondents used "other" sources to access local news online. While this ranking shows preferences across Canada as a whole, it should be noted that Quebecers' preferences were markedly different due to language: Canoe.ca was most popular (27 percent) followed by Radio-canada.ca (24 percent).

CBC.ca was again most popular in 2007 for national news (27 percent), followed by Msn.com/Sympatico. msn.com (17 percent), CTV.ca (14 percent), and Globeandmail.com and Yahoo News Canada (each with 11 percent). Residents of Quebec visited Canoe.ca (20 percent), Radio-canada.ca (18 percent), and Cyberpresse. ca (14 percent) for their national news. When looking for international news 21 percent visited CBC.ca, but were then more likely to look to international sources like CNN.com (16 percent) and BBC.com (16 percent), followed by the popular portals and aggregators like Msn.com/Sympatico.msn.ca (15 percent), Google News Canada and Yahoo News Canada (9 percent each). Francophones were more likely to visit Canoe.ca (16 percent) or Radio-canada.ca (15 percent).

A survey also conducted in 2007 by the Canadian Internet Project[90] showed similar results in terms of a distinction between English- and French-speaking populations. The most visited news websites for Anglophones were CBC.ca (23 percent), MSN (14 percent), CNN.com (12 percent), Google (10 percent), and Yahoo.com and CTV.ca (each visited by 9 percent). For Francophones the most popular online news sources were Google (25 percent), Radio-Canada (25 percent), Cyberpresse.ca (13 percent), Sympatico (9 percent), and Msn.com and Canoe.ca (each visited by 6 percent of Francophone Canadians).

Based on Alexa rankings, the news websites most visited by Canadians in early 2013 were CBC.ca (30th), CNN.com (42nd), BBC.co.uk (52nd), Globeandmail.com (59th), Thestar.com, (63rd).[91] In terms of news websites originating in Canada, CBC.ca (30th), Globeandmail.com (59th), and Thestar.com (63rd), Cyberpresse.ca (77th), and Canoe.ca (86th) are the most popular.[92] A number of portals and social media sites appeared in the top-ranked sites for Canada in 2013, but it is difficult to determine the extent to which

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89. CRTC, "Access to news sources," 2007, section A1, at http://www.crtc.gc.ca/eng/publications/reports/decima2007.htm (accessed 10 April 2013).

90. Zamaria and Fletcher, "Canada Online!," p. 176.

91. See Alexa.com, "Top Sites for Canada as of April 19, 2013," at http://www.alexa.com/topsites/countries;0/CA (accessed 30 November 2013) (hereafter, Alexa.com, "Top Sites for Canada as of April 19, 2013").

92. See Alexa.com, "Top Sites for Canada as of April 19, 2013."

they are used to access news, as these sites support a wide variety of activity and information. They include: Google.ca (1st), Google.com (2nd), Facebook.com (3rd), YouTube.com (4th), Yahoo.com (5th), Twitter.com (9th), Bing.com (13th), reddit.com (19th), and Msn.com (21th).[93]

A comparison of popular news sites from 2007 and 2013 shows little change in terms of the sites being accessed, and thus while new players such as Huffington Post Canada have emerged, they have not displaced existing online news sources.

1.3.1.3 Television

The Canadian television industry includes one national public broadcaster (Canadian Broadcasting Corporation/Société Radio-Canada, known as CBC/Radio-Canada), several regional public broadcasters (Télé-Québec, Saskatchewan Communications, TV Ontario, and British Columbia's Knowledge Network) and a variety of English-language (CTV, Global, CityTV), French-language (TVA, Télé-Québec, and Quatre Saisons), and multicultural and Aboriginal private broadcasters (APTN, OMNI, Vision, Fairchild, and Channel Zero).[94]

Conventional broadcasters are supplemented by a substantial number of specialty cable networks, several of which specialize in news programming. While CBC's News Network and Radio-Canada's RDI benefit from synergies with other government-funded CBC services, the remainder are run by private enterprises.[95] International news networks including CNN, Fox News, CNBC, BBC America, and Al Jazeera are also available to those with cable and satellite television subscriptions.

1.3.2   Television News Programs

Several English-language national news programs are broadcast over-the-air, including the CBC's "*The National*," Global TV's "*Global National*," and CTV's "*National News*." While all three programs currently air at different times and therefore do not compete in a particular timeslot, CTV's "*National News*" is the only national news broadcast to consistently appear in the list of 30 top-rated programs for English Canada.[96] CTV's "*Evening News*," which is an aggregate of CTV affiliates' local newscasts, is also one of the highest-rated news programs in the country.[97] In Quebec, daily news programs include "*TVA Nouvelles*" and Radio-Canada's "*Le Téléjournal*."

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93.   See Alexa.com, "Top Sites for Canada as of April 19, 2013."

94.   Television Bureau of Canada, "The Canadian Television Industry," slides 20–25, n.d., at http://www.tvb.ca/pages/canadian+tv+landscape_htm (accessed 24 April 2013).

95.   Television Bureau of Canada, "TV Basics 2012–2013," pp. 42–43, n.d., at http://www.tvb.ca/page_files/pdf/InfoCentre/TVBasics.pdf (accessed 20 April 2013).

96.   BBM, "2012–13 National Top Program Reports Archive," n.d., at https://www.bbm.ca/en/2012-13-national-top-program-reports-archive (accessed 24 April 2013) (hereafter, BBM, "2012–13 National Top Program Reports Archive").

97.   BBM, "2012–13 National Top Program Reports Archive."

1.3.3   Impact of Digital Media on Good-quality News

As will be discussed in greater detail in section *4*, while internet users may have access to a wide variety of information sources and perspectives, critics suggest that if they rely on the internet for news, they will acquire only low levels of hard news knowledge, particularly when compared with people who rely on television news sources.[98] It is difficult, however, to determine whether this is due to the quality of news available online, or the ways in which people consume it.

Perhaps the greatest threat to good-quality news in Canada are the ongoing cuts to newsroom and production staff at news organizations across the country,[99] a result of declining operating revenues (often attributed to audience migration to free online content and lower advertising revenues).[100] Interviews with media executives revealed "a widespread and deep concern that job cuts had already reduced to near critical levels the ability of Canadian media to gather and report news in a responsible way,"[101] a sentiment echoed by journalists and policymakers.[102]

1.4   Assessments

Though considerable digital divides persist, Canada's communications industry is growing and changing at a rapid pace. The number and type of digital products available appears to be expanding, along with penetration rates. Canadians are taking advantage of digital products, in numbers that far exceed international averages. For example, as noted, comScore recently reported that Canadians are among the most active internet users in the world. In 2012, Canadians on average spent more than 41 hours per month online on their PCs (second to the Americans at 43 hours per month), and ranked first in terms of average monthly page views (3,731) and site visits (101) per user. Canadians are also consuming an increasing amount of video online, ranking second worldwide in terms of monthly hours (25) and videos (291) per user. These figures suggest considerable potential for ground-up new media innovation and the expansion of the digital economy.

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98.   Papathanassopoulos et al., "Online threat, but television is still dominant," p. 8.

99.   The Canadian Press, "Citytv confirms layoffs at stations across the country," 19 January 2010, at http://www.ctvnews.ca/citytv-confirms-lay-offs-at-stations-across-the-country-1.475340 (accessed 24 April 2013); CBC News, "Calgary Herald newsroom staff cut by a third," 27 July 2012, at http://www.cbc.ca/news/canada/calgary/story/2012/07/27/calgary-herald-newsroom-cuts.html (accessed 24 April 2013); G. Dixon, "CBC to cut 650 jobs in fighting $200-million shortfall," Globeandmail.com, 6 September 2012, at http://m.theglobeandmail.com/arts/television/cbc-to-cut-650-jobs-in-fighting-200-million-shortfall/article4098206/?service=mobile (accessed 24 April 2013); C. Dobby, "Toronto Star announces layoffs, outsourcing of page production," *Financial Post*, 4 March 2013, at http://business.financialpost.com/2013/03/04/toron-to-star-announces-layoffs-outsourcing-of-page-production (accessed 24 April 2013).

100.   S. Freeman, "Toronto Star layoffs: newspaper to outsource editorial jobs amid 'revenue challenges'," Huffington Post Canada, 4 March 2013, at http://www.huffingtonpost.ca/2013/03/04/toronto-stay-layoffs-outsource-pagemasters_n_2807006.html (accessed 21 April 2013); J. Sturgeon, "Quebecor's sweeping job cuts highlight newspaper industry's stark reality," *Financial Post*, 13 November 2012, at http://business.financialpost.com/2012/11/13/quebecors-sweeping-job-cuts-highlight-newspaper-industrys-stark-reality (accessed 21 April 2013).

101.   Soderlund et al., *Cross-Media Ownership and Democratic Practice in Canada,* p. 69.

102.   Soderlund et al., *Cross-Media Ownership and Democratic Practice in Canada*, pp. 82–94.

In spite of this potential, Canada has yet to finalize an official national digital strategy, while the industry grows increasingly concentrated every year (the wireless industry in particular), and (likely, as a result) Canadians pay some of the highest prices for telecommunications service in the world. As noted, the mobile sector's prices are among the highest in the world, according to the ITU and the OECD, and Canada ranks fifth in the net price of a broadband package, while ranking 12th in broadband connection speeds. Despite these government and industry roadblocks, Canadians surge ahead and continue to lead the world in online engagement, and serve as exemplars in areas such as digital activism (see section *3*). A national digital strategy is needed, and along with it, the regulatory structure and laws that will provide much needed enforcement.

The shift toward digital media is having an impact on the Canadian media system that is similar to the impact being seen all over the world. Convergence, coupled with the globalization of the communication system and consumer consumption patterns, create considerable challenges for the traditional media industries. Whether or not industry consolidation offers a solution to the challenges facing traditional outlets remains unclear. What is clear is that more work is needed to determine the extent to which further consolidation—which the government seems to be constantly debating (as we are witnessing with the current debate over Bell Media's recent acquisition of Astral Media)—will have a net benefit for the global economy in general and Canadians in particular.

2. Digital Media and Public or State-administered Broadcasters

2.1 Public Service and State Institutions

The 1929 Royal Commission on Radio Broadcasting's pioneering Canadian study (the Aird Report) specified the public nature of the airwaves and called for the management of the radio spectrum to be placed under public trusteeship.[103] Perhaps the most significant recommendation was that broadcasting should be viewed as a public service. The same spirit informs the current (1991) Broadcasting Act, which states that broadcasting is a "public service essential to the maintenance and enhancement of national identity and cultural sovereignty."[104] Thus all broadcasters, public and private, have an obligation to provide a public service.

2.1.1 Overview of Public Service Media; News and Current Affairs Output

The Canadian Broadcasting Corporation/Société Radio-Canada (CBC/Radio-Canada) has traditionally been seen as the primary public element of the Canadian media system. The CBC/Radio-Canada operates more than 30 program services, including four national radio networks, two main television networks, seven specialty television channels, a range of websites and web-based services, and 11 foreign news bureaus.[105] Operations are primarily split along linguistic lines, one English (CBC) and one French (Radio-Canada), but the corporation also offers programming in eight Aboriginal languages and five others.

With revenue of approximately CAD 1.26 billion (US$ 1.16 billion) from its parliamentary grant and CAD 763 million (US$ 700 million) generated through advertising and other means,[106] the CBC/Radio-Canada is far and away the largest broadcaster of original Canadian programming. It airs 21 hours of Canadian

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103. Royal Commission on Radio Broadcasting, *Report of the Royal Commission on Radio Broadcasting* (*Aird Report*), F.A. Acland, Ottawa, Canada, 1929.

104. Broadcasting Act (3.1.b), at http://laws-lois.justice.gc.ca/eng/acts/B-9.01/page-2.html#h-4 (accessed 30 November 2013).

105. CBC/Radio-Canada, "Annual Report 2011–2012," p. 28, at http://www.cbc.radio-canada.ca/site/annual-reports/2011-2012 (accessed 30 November 2013) (hereafter, CBC/Radio-Canada, "Annual Report 2011–2012").

106. CBC/Radio-Canada, "Annual Report 2011–2012," p. 9.

programs per week in prime time compared with the 7 hours, approximately, put out by private broadcasters. Between 8 p.m. and 11 p.m. programming is practically 100 percent Canadian, while programming on the private conventional networks is almost all American.

On the English side, the CBC/Radio-Canada has an 8.1 percent share of the television audience in prime time and 6.1 percent throughout the day, while in Quebec Télévision de Radio-Canada attracts almost 20 percent in prime time and 12.9 percent throughout the day.[107,108] Moreover, the CBC/Radio-Canada puts more money into Canadian programs than all the private conventional[109] broadcasters combined, at CAD 709.7 million (US$ 647 million) compared with CAD 562.9 million (US$ 513.5).[110] On radio, CBC/Radio-Canada English-language networks take a 14.5 percent share of the national audience, and the French networks have a 17.8 percent share.[111]

In recent years, the category of public media has been expanded to include a range of not-for-profit broadcasters, including what are defined under the terms of the 1991 Broadcasting Act as community television and radio, Aboriginal broadcasters, and provincial educational broadcasters.

In 2011, there were 95 community television channels operating in Canada. The vast majority of these channels are owned and controlled by cable companies. Outside Quebec, there has been a longstanding concern that communities at large have had limited access to these facilities and in recent years there have been complaints that community programming has been cut back in favor of program formats that mimic those of commercial broadcasters.[112] In Quebec, programmers generally enjoy greater independence than in the rest of the country. Overall audience share is low: 0.3 percent for English stations and 0.2 percent for those broadcasting in French.[113] News and current affairs components of program schedules vary between stations, and digitization of these channels largely falls to the cable companies owning them.

The CRTC defines a community radio station as one that is "owned and controlled by a not-for-profit organization, the structure of which provides for membership, management, and programming primarily by members of the community at large."[114] In 2011 there were 123 community stations operating in Canada.[115]

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107. CBC/Radio-Canada, "Annual Report 2011–2012," p. 39.

108. CRTC, "Communications Monitoring Report 2012," pp. 64, 66.

109. Conventional broadcasters' signals have traditionally been available "over-the-air" (OTA) through roof or set-top antennae as well as by cable and satellite. As opposed to specialty and pay-TV, which generally focus on specific television genres, conventional broadcasters carry a broad range of programming. With the digital switch-over some broadcasters dropped elements of their OTA services but because these were the first kind of television licenses awarded they remain a key regulatory category.

110. CRTC, "Communications Monitoring Report September 2012," p. 89.

111. CBC/Radio-Canada, "Annual Report 2011–2012," pp. 35, 39.

112. Michael Lithgow, "Transformations of Practice, Policy, and Cultural Citizenships in Community Television," in Kirsten Kozolanka, Patricia Mazepa, and David Skinner (eds.), *Alternative Media in Canada*, UBC Press, Vancouver, 2012.

113. CRTC, "Communications Monitoring Report September 2012," pp. 62, 64, 66.

114. CRTC, "Community radio policy, Public Notice CRTC 2000–13," 2000, at http://www.crtc.gc.ca/archive/ENG/Notices/2000/PB2000-13.htm (accessed 18 January 2012).

115. CRTC, "Communications Monitoring Report 2012," p. 40.

Outside Quebec, stations have one or two part-time paid staff members and are programmed by volunteers. Within Quebec, community radio enjoys some support from the provincial government and has more paid employees and a more formal volunteer structure. Community radio stations are operated independently and news and public affairs programming varies from station to station. Because of their very small budgets, their adoption of digital technologies varies individually.

Community radio stations based on university campuses are classified in regulation as another form of community radio. In 2011, there were 40 of these stations operating in Canada. Like their community station cousins, campus community stations carry a range of programming and their political affiliations can vary. Community and campus stations had a 2.4 percent audience share in 2011, calculated weekly.[116] Again, because they operate independently and on very small budgets, their adoption of digital technologies varies.

In 2011, there were 50 licensed Aboriginal radio stations as well as perhaps an equal or greater number of unlicensed stations operating in remote communities where licenses are not required. In 1999, Aboriginal broadcasters were given the opportunity to share their stories with all of Canada with the launch of the Aboriginal Peoples Television Network (APTN). Carried on all program distributors, today APTN reaches over 10 million households and is in part financed by advertising and a small mandatory subscription fee. Its network links both large metropolitan centers in Canada's south and small northern communities. Eighty percent of APTN programming is Canadian in origin, and it is broadcast in English, French, and a variety of Aboriginal languages. The network garnered a 0.2 percent audience share in 2011.[117] Radio programming is to a large extent community-based with an emphasis on news and public affairs. APTN produces both news and public affairs programming with an Aboriginal focus and archives and streams much of this programming through its website.

There were four provincial broadcasters operating in Canada in 2011–2012. The largest of these is Television Ontario (TVO). While provincial broadcasters are mandated to carry educational programming, TVO is well known for its current affairs and children's programs. TVO reached over 10.8 million residents of Ontario in 2011–2012. TVO is also committed to maintaining a digital presence. Its main website had 1.6 million visitors and its children's website had 3.8 million during 2011–2012. During the same period they also had 10 million video streams and 4.3 million visits to their YouTube Channels.[118]

The private sector has undergone rapid expansion over the last 20 years, but the public and community sectors have encountered significant deregulatory pressures, resulting in cutbacks to the CBC/Radio-Canada, pressures to privatize provincial broadcasters, and changes in cable regulation that cut the mandatory funding

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116. CRTC, "Communications Monitoring Report September 2012," p. 44, at http://www.crtc.gc.ca/eng/publications/reports/policymonitoring/2012/cmr2012.pdf (accessed 30 November 2013).

117. CRTC, "Communications Monitoring Report 2012," p. 44, at http://www.crtc.gc.ca/eng/publications/reports/policymonitoring/2012/cmr2012.pdf (accessed 30 November 2013).

118. TVO, "2011–12 Annual Report," p. 15.

of community television. While community and educational broadcasters play important roles in the system, their presence is quite small compared with the CBC/Radio-Canada and private actors.[119]

CBC/Radio-Canada Television and Radio News

The CBC News Network reaches more Canadians than any other news channel. Apart from their English and French specialty news channels, the CBC/Radio-Canada spent CAD 289.7 million (US$ 264.3 million), or 40.1 percent of their Canadian programming budget, on news and information programming in 2011. By comparison, conventional stations spent CAD 370.9 million (US$ 338.3 million), or 65.9 percent of their budgets for Canadian programs on this type of programming.[120] (Private conventional broadcasters also spent CAD 729 million (US$ 665 million) on foreign programming.)[121] In terms of viewing, taken together, Canadians watched an average of 7.6 million hours a week of English-language news on CBC and 7.1 million hours per week of French-language news on Radio-Canada. By comparison, they watched 40.5 million hours per week of English news, and 23.5 million hours per week of French, on conventional television.[122]

News and current affairs programming has been increasingly popular, with "*Marketplace*," a consumer watchdog show, and "*The Fifth Estate*," an investigative journalism program, attracting an increasing percentage of viewership in 2012.[123] (CBC claims to have more investigative journalists than any other news organization in Canada.[124] This is logical, as it is the country's biggest newsgatherer.)

While similar figures are not available for radio, CBC/Radio-Canada is a top performer with 20 of their news and current affairs themed Radio One morning programs sitting in the top three ranking in their markets. National news programs have recently shown increased popularity, and in Toronto, one of the most competitive radio markets in the country, the current affairs program, "*Metro Morning*," has captured an 18 percent share.[125]

CBC/Radio-Canada Online

The CBC/Radio-Canada offers a comprehensive range of online services. Apart from streaming video and audio derived from its broadcast programming, its website includes a number of web-only interactive features related to news, entertainment, and sports programming. It also offers both English and French digital music services that include web radio stations and genre-based music streams. CBC Books offers literary content in

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119. CBC/Radio-Canada, "Annual Report 2011–2012," pp. 20, 28.

120. CRTC, "Communications Monitoring Report 2012," p. 89.

121. CRTC, "Communications Monitoring Report 2012," p. 90.

122. CRTC, "Communications Monitoring Report 2012," p. 68.

123. CBC Revenue Group, "Ratings Reveal Stellar Season for CBC News and Current Affairs Programs Market place and the Fifth Estate," 27 April 2012, at http://www.cbc.ca/revenuegroup/ratings-reveal-stellar-season-for-cbc-newss-current-affairs-programs-marketplace-and-the-fifth-estat.html (accessed 8 October 2013).

124. See http://www.cbc.ca/news/community/editorsblog/2013/04/half-a-century-of-investigative-journalism-at-the-cbc.html (accessed 30 November 2013).

125. CBC Revenue Group, "CBC Radio Soars with Spectacular November Ratings in Key Canadian Markets," 12 December 2012, at http://www.cbc.ca/revenuegroup/cbc-radio-soars-with-spectacular-hnovember-ratings-in-key-canadian-markets.html (accessed 30 November 2013).

audio, video, and digital forms. There is also an on-demand French television service (Tou.tv), a web-based international service, and several websites dedicated to specific geographic communities.

In November 2011, the CBC/Radio-Canada announced that Hamilton, Ontario would be the first city in Canada to receive a flagship new digital service. The launch in May 2012 was a welcome development in local media, though the actual product was a simple website. The service is designed to serve as a template for delivering local news in an innovative and cost-efficient fashion, without compromising standards and traditions.

Editorial Controversies

While, from time to time, there have been controversies associated with the way CBC/Radio-Canada presents particular stories, the most enduring controversy has focussed on an alleged left-wing bias in CBC/Radio-Canada reporting and current affairs programming. However, a 2010 report commissioned by the CBC/Radio-Canada from an independent company found no such bias.[126] As discussed below, more recently attacks on the CBC/Radio-Canada have generally revolved around financial matters.

2.1.2   Digitization and Services

The CBC has always been an innovator in terms of emerging technologies and began to experiment with digital audio broadcasting in 1990. In 1993, the first CBC radio programs were made available on the emerging internet.[127] In 2000, it launched Radio 3, an online music archive for young people.[128] Currently CBC and Radio-Canada offer websites with a comprehensive range of news, sports, and streaming video, and many television and radio programs have their own pages that offer streamed archived programming.

In December 2011, the CBC finished building its "Next Generation Converged Network." According to the "Annual Report 2011–2012," this "massive high speed network is revolutionizing the way we work, allowing employees to find, access, download and edit audio and video content files from ... locations across the country onto their desktops."[129]

From September 2011 to March 2012, CBC.ca and Radio-canada.ca had 7.9 million unique visitors and 147 million page views per month (the latter marks a 4 percent increase over the previous year). The site also had 5.4 million video views per month, up 10 percent over the previous year.[130] Over 1 million podcasts were

126. Erin Research, "The News Balance Report," 2010, at http://www.cbc.ca/news/pdf/news-balance-engexecsumm-oct1b.pdf (accessed 30 November 2013).

127. A.S. Patrick and T.E. Whelan, "The CBC on the internet: an experiment in convergence," *Canadian Journal of Communication* 21(1) (1996), pp. 125–140.

128. Pierre C. Bélanger, in collaboration with Philippe Andrecheck, "CBC's Electronic Radio 3: Connecting With the Elusive Youth," *Journal of Radio Studies* 12(1) (2005), pp. 120–135.

129. CBC/Radio-Canada, "Annual Report 2011–2012," p. 49.

130. CBC/Radio-Canada, "Annual Report 2011–2012," p. 15.

downloaded per month and CBC podcasts often ranked in the top 20 on iTunes.[131] In June 2011 Radio-Canada launched Espace.mu, the world's largest-line selection of French-language songs and a wide array of web radio streams.[132]

2.1.3 Government Support

No direct funding to help effect the transition to digital television has been forthcoming from the government.

2.1.4 Public Service Media and Digital Switch-over

While switching to digital increased the range of media provided by public service broadcasters, it also resulted in the closure of some services and the rationalization of others. The over-the-air (OTA) digital television transition is not nationwide but is restricted to 28 major markets. Other areas will remain analog for an indefinite period or, in many cases, lose their OTA signal altogether. From a strictly administrative perspective, the transition succeeded: channels 52–61 were cleared off television broadcasts as planned and the digital dividend is scheduled to be auctioned in 2014; however, many regions lost OTA service and the CBC/Radio-Canada is no longer freely available OTA in rural and small-town Canada. Public broadcasters in Canada were especially hard hit by the transition to digital.

In 2003 the CRTC made it clear there would be no strong regulation guiding Canada's transition, noting "a voluntary, market-driven transition model, without mandated deadlines, is the most appropriate approach for Canada."[133] In 2007 the CRTC noted that "the pace of transition in Canada has been slow," and introduced an OTA analog shut-off deadline of 31 August 2011.[134] This deadline called for the end of all analog television broadcasting transmissions in 2011, only allowing concessions for northern and remote communities. In those cases, the CRTC only went so far as to say it was "willing to consider" exceptions for northern and remote communities, only in exceptional circumstances and following a public hearing.[135]

In 2009, after recognizing that the costs associated with the digital transition might make it financially impractical for some stations located in smaller markets to convert, the CRTC eased its call and established a baseline group of mandatory markets for transition to digital. These markets included the National Capital Region and all provincial and territorial capital cities, as well as centers with populations greater than 300,000.

In August 2011, less than one month before the scheduled transition, the CBC received permission from the CRTC to keep broadcasting in analog in 22 markets across Canada. Almost immediately the CBC sought

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131. CBC/Radio-Canada, "Annual Report 2010–2011."

132. CBC/Radio-Canada, "Annual Report 2011–2012," p. 13.

133. CRTC, "Broadcasting Decision CRTC 2003-621," 19 December 2003, at http://www.crtc.gc.ca/eng/archive/2003/db2003-621.htm (accessed 30 November 2013).

134. CRTC, "Broadcasting Public Notice CRTC 2007-53," 17 May 2007, http://www.crtc.gc.ca/eng/archive/2007/pb2007-53.htm (accessed 30 November 2013).

135. CRTC, "Broadcasting Public Notice CRTC 2007-53," 17 May 2007, http://www.crtc.gc.ca/eng/archive/2007/pb2007-53.htm (accessed 30 November 2013).

a further extension; then, faced with 10 percent budget cuts in 2012, the CBC announced they would not upgrade transmitters in these regions, finalizing the incomplete OTA television transition in large areas of the country.

CBC and its private affiliates completed the digital television transition in the following communities:

- Vancouver, BC   CBUT   9 January 2006
- Calgary, AB   CBRT   1 April 2011
- Edmonton, AB   CBXT   1 April 2011
- Lloydminster, AB   31 August 2011
- Regina, SK   CBKT   31 August 2011
- Winnipeg, MB   CBWT   9 December 2011
- Toronto, ON   CBLT   5 March 2005
- Ottawa-Gatineau, ON/QC   13 September 2006
- Windsor, ON   CBET   31 August 2011
- Brighton, ON   CKWS (affiliate)   31 August 2011
- Thunder Bay, ON   CKPR (affiliate)   31 August 2011
- Montreal, QC   CBMT   21 February 2005
- Fredericton, NB   CBAT   31 August 2011
- Halifax, NS   CBHT   31 August 2011
- Charlottetown, PE   CBCT   31 August 2011
- St. John's, NL   CBNT   31 August 2011
- Yellowknife, NW   CFYK   31 July 2012

Radio-Canada, the French-language public broadcaster, completed the digital television transition in the following communities:

- Vancouver, BC   CBUFT   31 August 2011
- Edmonton, AB   CBXFT   31 August 2011
- Regina, SK   CBKFT   31 August 2011
- Winnipeg, MB   CBWFT   9 December 2011
- Toronto, ON   CBLFT   5 March 2005
- Ottawa-Gatineau, ON/QC   30 September 2006
- Montreal, QC   CBFT   22 March 2005
- Quebec City, QC   CBVT   20 January 2006
- Trois-Rivières, QC   CKTM   31 August 2011
- Rivière-du-Loup, QC   CKRT (affiliate)   31 August 2011
- Sherbrooke, QC   CKSH   31 August 2011
- Saguenay, QC   CKTV   31 August 2011
- Rouyn-Noranda, QC   CKRN (affiliate)   31 August 2011
- Val d'Or, QC   CJDG (affiliate)   31 August 2011
- Rivière-du-Loup, QC   CKRT-DT & CKRT-DT-3 (affiliate)   31 August 2011

- Baie-Saint-Paul, QC   CKRT-DT-1 (affiliate)   31 August 2011
- Dégelis, QC   CKRT-DT-2 (affiliate)   31 August 2011
- Cabano, QC   CKRT-DT-4 (affiliate)   31 August 2011
- Saint-Urbain, QC   CKRT-DT-5 (affiliate)   31 August 2011
- Trois-Pistoles, QC   CKRT-DT-6 (affiliate)   31 August 2011
- Rimouski, QC   CJBR   31 August 2011
- Moncton, NB   CBAFT   31 August 2011[136]

Those communities that do not appear on this list lost OTA service on 31 July 2012 when CBC/Radio-Canada decommissioned its analog OTA transmission network.

Like the CBC, the Ontario provincial public broadcaster, TVO, did not complete the digital transition in the OTA sector. TVO converted nine Ontario markets to digital: Belleville, Chatham, Cloyne, Kitchener, London, Ottawa, Thunder Bay, Toronto, and Windsor. OTA transmitters for TVO ceased operation in 14 markets: Bancroft, Hawkesbury, Huntsville, Kenora, Kingston, North Bay, Owen Sound, Parry Sound, Pembroke, Penetanguishene, Peterborough, Sault Ste. Marie, Sudbury, and Timmins.[137]

There remains no clear agenda for the eventual digital transition for many smaller markets that kept their analog OTA signal.

2.2   Public Service Provision

In general, public broadcasting has not been well supported in Canada for some time. Community broadcasters have never had government funding and provincial broadcasters have had their funding severely cut and in some cases been privatized.[138] Under the terms of the 1991 Broadcasting Act, the CBC is charged with a particularly comprehensive set of responsibilities. However, government funding increased by only 8 percent between 1991 and 2009, not even keeping pace with inflation, and in spring 2012 the federal government announced a 10 percent budget cut for the corporation. Shortly thereafter, the CRTC shut down a local programming fund effectively cutting another CAD 40 million (US$ 36.5 million) from the CBC/Radio-Canada budget. In response to these budget cuts, the CBC/Radio-Canada proposed that it would begin to introduce commercials to Radio 2, drawing criticism from some quarters.[139]

Most recently the Conservative government made changes to its collective bargaining process with crown

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136. See http://www.cbc.radio-canada.ca/en/explore/strategies/dtv/transmitter-and-channel-lists (accessed 28 March 2013).

137. See http://about.tvo.org/who-we-are/digital-over-air-transition (accessed 28 March 2013).

138. Kirsten Kozolanka, "Public Service Educational Broadcasting: Between the Market and the Alternative Margins," in Kirsten Kozolanka, Patricia Mazepa, and David Skinner (eds.), *Alternative Media in Canada*, UBC Press, Vancouver, 2012, pp. 46–64.

139. Kate Taylor, "After 38 commercial-free years, CBC radio could bring back ads," *Globe and Mail*, 26 December 2012, at http://www.theglobe-andmail.com/arts/after-38-commercial-free-years-cbc-radio-could-bring-back-ads/article6727725 (accessed 12 November 2013).

corporations,[140] giving it a more direct hand in setting salaries and benefits and thereby undermining the political independence of the CBC and other crown corporations.[141]

2.2.1 Perception of Public Service Media

For the most part, community, Aboriginal, and provincial broadcasters garner very little public attention. However, during the last several years the CBC has been at the center of a number of controversies. For instance, the conservative Quebec-based Sun Media chain has used its newspaper and television outlets to attack the corporation on many fronts, including employees' salaries, covering up accusations of sexual harassment, and withholding important corporate information.[142] Contracts for sports coverage, such as the Olympics and professional hockey, are criticized by private broadcasters who argue that these potentially lucrative contracts would be better placed in the hands of private broadcasters. Stingray Music has complained that the CBC's web-based music streaming service, CBC Music, offers unfair competition to commercial operators of similar services.[143]

It is no surprise that in the current neo-liberal political climate, state and corporate support for public broadcasting has suffered. The ideological ground over which the struggle for public broadcasting takes place has shifted as austerity and a preference for market-based solutions to political, economic, and social concerns now guide government policy. Still, public support for the CBC/Radio-Canada remains strong. A poll in 2011 showed that almost three-quarters (74 percent) of Canadians believe that the corporation is "somewhat to very important" for protecting Canadian identity and culture and, although 46 percent of those polled believe that the level of funding was the same or higher in comparable countries, 69 percent said the funding should be maintained or increased.[144] The CBC/Radio-Canada's own polling shows that Canadians believe the corporation offers high-quality radio and television programming. But translating this broad public support into government action is another matter.

2.2.2 Public Service Provision in Commercial Media

Under the terms of the 1991 Broadcasting Act, all elements of the broadcasting system have public responsibilities. With regard to private broadcasters, Section 3(s) of the Broadcasting Act states that "to an extent consistent with the financial and other resources available to them," they are charged to; "i) contribute significantly to the creation and presentation of Canadian programming, and ii) be responsive to the evolving demands of the public." In regulatory terms, the commercial television sector has several facets: conventional broadcasters, which were traditionally OTA broadcasters; pay and specialty program services; and distributors,

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140. On crown corporations, see "What are Crown corporations and why do they exist?," CBC News, 1 April 2012, at http://www.cbc.ca/news/canada/what-are-crown-corporations-and-why-do-they-exist-1.1135699 (accessed 12 November 2013).

141. Canadian Media Guild, "Conservative Bill gives government a direct say in CBC journalism," 7 May 2013, at http://www.cmg.ca/en/2013/05/07/conservative-bill-gives-government-a-direct-say-in-cbc-journalism (accessed 12 November 2013).

142. See for instance CBC/Radio-Canada, "What Quebecor won't tell you about its attacks on the public broadcaster," 19 October 2011, at http://www.cbc.radio-canada.ca/en/media-centre/2011/10/19 (accessed 30 November 2013).

143. CBC/Radio-Canada, "CBC Music challenge squashed by CRTC," 14 August 2012, at http://www.cbc.ca/news/arts/story/2012/08/14/crtc-ruling-cbc-music.html (accessed 30 November 2013).

144. Friends of Public Boadcasting, "Report of the Initial Results from a Survey Commissioned by Friends of Public Boadcasting," November 2011, at http://www.friends.ca/files/PDF/fcb-28nov11-report.pdf (accessed 30 November 2013).

such as cable and satellite services. In practice, however, there is extensive cross-ownership linking these divisions, so distinctions tend to blur. In return for the privilege of holding a license and perquisites such as protected advertising markets, broadcasters are required to air certain percentages of Canadian content. In return for their privileges, distributors help uphold advertising market protections and provide priority carriage to public broadcasters and other signals favored by regulations.

2.3   Assessments

Public broadcasting has not been well supported financially in Canada. As a result, broadcasters have largely been left to their own devices to make the switch to digital production and transmission. Consequently, while digital technology has enabled broadcasters to improve efficiency in production, and increase the range of their services and their reach through the internet, the investment has come at a price to traditional forms of service. OTA delivery systems have been cut back, undermining the universality of service, and resulting in complaints that programming is not as comprehensive as it once was. Furthermore, while web-based program archives have enabled people to access programs at their leisure, co-production agreements with private-sector partners limit the range of programming available.

Over the last decade the CBC's place in the Canadian communication system has been a matter of continuing controversy. Building on the recommendations of a variety of inquiries and studies, the CBC announced a five-year strategic plan in 2011. Among the promises were to boost Canadian content in prime time, develop more online services, and add local radio stations. In the current situation, these appear to be places where private-sector services are flagging.

Two growing gaps in broadcast service are particularly apparent: first, at the local level as private broadcasters have begun to abandon small- and medium-sized markets where, in the multichannel universe, programming is no longer profitable; second, at the national level, where due to economies of scale, distinctively Canadian programming is simply unable to compete financially with U.S. programs. The CBC has stepped up in both areas, initiating both new radio and innovative online services at the local level as well as developing a growing number of popular weekly television programs. It is currently developing content and infrastructure for emerging mobile markets and has also introduced new online services, including a music platform for showcasing Canadian artists.

Meanwhile, there is some concern that the corporation might be approaching what a former CBC president, Robert Rabinovitch, calls a financial "tipping point."[145] In 2013–2014 the CBC's contract with the National Hockey League expires. If it loses the rights to these broadcasts to commercial competitors—as it has in the past with the Olympics, curling, and Canadian football—the CBC will lose over 350 hours of prime-time programming and a vital source of revenue. There is no ready way to replace either of these resources.

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145. Sandro Contenta, "CBC faces uncertain future as federal budget looms," Thestar.com, 23 March 2012, at http://www.thestar.com/news/insight/2012/03/23/cbc_faces_uncertain_future_as_federal_budget_looms.html (accessed 12 November 2013).

3. Digital Media and Society

3.1 User-Generated Content (UGC)

3.1.1 UGC Overview

Canadians are avid producers and consumers of UGC. In 2011, Nielsen reported that 60 percent of Canadians were visiting social media sites. Of these, 26 percent spent six or more hours a week on the sites.[146] Table 7 highlights the most popular websites in Canada according to Alexa. Those highlighted in bold are widely regarded as social networking sites. Five of the top 10 and eight of the top 20 sites are social media sites with user-generated news and content; however, most sites on the list have social media functionality and thus these numbers probably under-represent the popularity of UGC.

Table 7.
Most popular websites, August 2013

Rank	Website
1	Google.ca
2	Google.com
3	Facebook.com
4	YouTube.com
5	Yahoo.com
6	Wikipedia.org
7	Live.com
8	LinkedIn.com
9	Kijiji.ca
10	Twitter.com
11	Amazon.ca
12	Amazon.com

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146. Newswire, "Connecting with the Canadian consumer," 28 March 2011, at http://www.nielsen.com/us/en/newswire/2011/connecting-with-the-canadian-consumer.html (accessed 30 November 2013) (hereafter, Newswire, "Connecting with the Canadian consumer").

Table 7. (continued)

Most popular websites, August 2013

Rank	Website
13	Gc.ca
14	Bing.com
15	WordPress.com
16	Tumblr.com
17	Pinterest.com
18	Msn.com
19	Craigslist.ca
20	Tdcanadatrust.com

Source: Alexa[147]

As can be seen, Google features at the top of the list. Among the platforms that contain user-generated news and information, the top search terms on Google were for Facebook, YouTube, Hotmail, Yahoo!, and Kijiji (weather, games, and news were other popular term searches). The rising terms for 2012 on Google included such platforms as Instagram, Pinterest, Tripadvisor, Reddit, Tumblr, and Netflix.[148]

Mobile technology is increasingly a driving factor in UGC, making capturing and delivering content possible and simple from almost anywhere. Mobile penetration rates have hovered around 80 percent,[149] with new data from comScore suggesting that smartphone penetration rates among mobile subscribers increased 17 percent between 2011 (45 percent) and 2012 (62 percent).[150] According to the Media Technology Monitor fall 2011 survey, over 70 percent of Canadian smartphone owners accessed the internet using their smartphones. Smartphone users also read news online (close to 30 percent), watched internet video (30 percent), and accessed social networking sites (close to 50 percent).[151]

In 2010, several municipalities including Toronto, Vancouver, Edmonton, and Ottawa agreed on an Open Data Framework.[152] Access to data on a variety of topics (from census local area profiles to council members' expenses and bike rack locations) is available in a variety of formats. Users are encouraged to develop and share applications based on the datasets available.

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147. See http://www.alexa.com/topsites/countries/ca (accessed 5 September 2013).

148. See http://www.google.com/trends/explore#geo=CA&date=1 percent2F2012 percent2012m&cmpt=q (accessed 17 May 2013).

149. International Telecommunication Union (ITU), "Yearbook of Statistics: Telecommunication/ICT Indicators 2002–2011," 2012.

150. 'comScore, "Canada's digital future in focus."

151. Media Technology Monitor, "Fall 2011 Survey," quoted in CRTC, "Communications Monitoring Report 2012."

152. Samuel E. Trosow et al., "Mobilizing user-generated content for Canada's digital advantage," 1 December 2010, at http://ir.lib.uwo.ca/cgi/viewcontent.cgi?article=1022&context=fimspub (accessed 13 May 2013) (hereafter Trosow et al., "Mobilizing user- generated content").

The Canadian federal government has embarked on an Open Data Portal, as a "centralized public-facing web portal that enables free public search and download of Government of Canada open datasets."[153] This initiative started as a pilot project in March 2011 as part of Canada's expansion of open government. The pilot ran for 18 months, ending on 30 September 2012. The new Open Data Portal along with a new Open Government License is now available at Data.gc.ca. Alongside this portal, large open-access datasets are available through various agencies, such as GeoGratis, a portal provided by the Earth Sciences Sector (ESS) of Natural Resources Canada (NRCan).[154] Environment Canada also provides access to large collections of data about wildlife, biodiversity, water, air, soil, climate, pollution, environmental prediction, and environmental technologies.[155]

3.1.2 Social Networks

Alexa's list of top sites consulted by Canadians hints at the complex and evolving nature of social networking. Alongside traditional sites such as Facebook, Twitter, and LinkedIn, we find others such as Kijiji and Craigslist (classifieds), Amazon.ca (online retailer), Tumblr (micro-blogging), and Pinterest (online pinboard). The boundaries between the various functionalities provided by the various services are increasingly blurred. Samuel Trosow and his team found that, "The desire to share albums with family and friends has led photo sharing websites to add functionality such as ability to comment, change privacy settings, include a select network of contacts, and add tags to categorize photos ... Podcasting has likewise shifted into the social media arena with the result that podcasting is now 'generally seen as a part of a channel strategy—a valid part of a multi-platform digital buy.'"[156] Indeed, the relationships between retailers, brands, and consumers are shifting. According to Nielsen, "27 percent of Canadians surveyed said they are more likely to share a negative product experience online. Friends and family dominate the 'trust zone' when it comes to recommendations about a purchase decision, but 40 percent of consumers place trust in online product reviews."[157]

According to a Media Technology Monitor (MTM) report (based on telephone surveys with 4,001 English-speaking Canadians in fall 2013), seven out of 10 internet users declared they were regular social media users, logging on at least once a month, up by about 6 percent compared with 2011.[158] About 63 percent of social media users surveyed said they read Facebook posts, tweets, and/or LinkedIn updates every single day.[159] Some 93 percent of social media users said they were on Facebook, and comScore has reported that Canadians average almost 230 friends each compared with a global average of 130.[160] With 18 million

153. See http://www.data.gc.ca/ (accessed 30 November 2013).

154. See http://geogratis.cgdi.gc.ca/ (accessed 30 November 2013).

155. See http://www.ec.gc.ca/scitech/default.asp?lang=En&n=EE731FE6-1 (accessed 30 November 2013).

156. Trosow et al., "Mobilizing user-generated content."

157. Newswire, "Connecting with the Canadian consumer."

158. See https://www.mtm-otm.ca/reports.asp (accessed 30 November 2013).

159. M. Oliveira, "How do you compare? New report reveals stats about social media usage in Canada," The Canadian Press, appeared in CTV News, 29 April 2013, at http://www.ctvnews.ca/sci-tech/how-do-you-compare-new-report-reveals-stats-about-social-media-usage-in-canada-1.1258800#ixzz2TZqSwpXb (accessed 17 May 2013).

160. S. Ladurantaye and R. Trichur, "Facebook taps Canada to test talk app," Globeandmail.com, 4 January 2013, at http://www.theglobeandmail.com/globe-investor/facebook-taps-canada-to-test-talk-app/article6922790 (accessed 17 May 2013) (hereafter, Ladurantaye and Trichur, "Facebook taps Canada to test talk app").

Facebook users (in a country of 35 million), Canada may represent only a fraction of more than a billion global users, but the country "has been an important part of the company's plans since it first expanded into Canadian universities in the mid-2000s."[161] Canada is also one of very few countries where Facebook has its own managing director to handle local operations (others are organized in larger geographic groupings such as Europe or Asia-Pacific).[162]

According to comScore, nearly 24 million Canadians accessed a social networking site in 2012.[163] In August 2013, Facebook revealed that 19 million Canadians are logging on to Facebook at least once a month and that 14 million Canadians check their newsfeeds every day.[164] In fact, as recently reported by Jordan Banks, managing director of Facebook Canada, daily Facebook usage by Canadians is greater than the global and U.S. average. He notes, "one of the things [studied] is the percentage of monthly users that come back daily. 61 percent is pretty much the global average. In the U.S. that number is somewhere around 70 percent and in Canada it's 74 percent."[165]

3.1.3   News in Social Media

According to Statistics Canada, in 2009 67.7 percent of Canadian internet users aged 16 and older used the internet at home to view the news or sports, and 56.5 percent searched for information about municipal, provincial, or federal government, while 26.9 percent reported communicating with a government department or an elected official.[166]

Few traditional media companies featured among the top Google search terms for 2012 in Canada. Similarly, among the top 20 most followed on Twitter, no news source made the list. Rather, celebrities dominated the twittersphere with the Canadian pop star Justin Bieber in prominent position (President Barack Obama was fifth, while Prime Minister Stephen Harper was nowhere to be found). CNN Breaking News is currently in 33rd place between the pop band One Direction and the celebrity Lil Wayne. CNN and the *New York Times* are in 62nd and 64th positions respectively.[167]

A look at the 20 most popular blogs shows that the Huffington Post, a news blog, leads the pack, followed far behind, in 25th position, by CNN's Political Ticker. In between, the top blogs often relate to entertainment gossip or technology (TechCrunch or Ars Technica).[168]

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161. Ladurantaye and Trichur, "Facebook taps Canada to test talk app."

162. Ladurantaye and Trichur, "Facebook taps Canada to test talk app."

163. comScore, "Canada's digital future in focus."

164. See http://www2.macleans.ca/2013/08/13/facebook-releases-stats-about-canadian-usage-14-million-daily-users (accessed 30 November 2013).

165. See http://www2.macleans.ca/2013/08/13/facebook-releases-stats-about-canadian-usage-14-million-daily-users (accessed 30 November 2013).

166. Statistics Canada, CANSIM, tables 358-0130 and 358-0132, accessed through CRTC, "Communications Monitoring Report 2012."

167. Twitter Counter, "The Top 100 Most Followed on Twitter" (ranking changes daily), at http://twittercounter.com/pages/100 (accessed 17 May 2013).

168. Technorati Authority, "Technorati Top 100 Blogs," at http://technorati.com/blogs/top100 (accessed 19 May 2013).

Despite it all, Canada seems to have a thriving culture of newspaper commenting. Sites such as 360News, Allvoice, Wikinews, and MyNews: CTV.ca, which aggregate multiple forms of user-generated news productions, exist to connect consumers to UGC.[169] A 2012 study of the impact of social media spaces on news consumption (based on an online survey of 1,600 Canadians in 2011) suggests that social media are becoming central to the way Canadians experience news. Two-fifths of social networking users surveyed reported receiving news from people they follow (on Facebook, for instance). One-fifth of respondents follow news organizations and individual journalists. Users seemed to value social media as a way to keep up with events and to be exposed to a wider range of news and information.[170]

3.2   Digital Activism

3.2.1   Digital Platforms and Civil Society Activism

Due to the early adoption of the internet in Canada, there have been numerous examples of digital activism over many years, in areas including (but not limited to): civil liberties, gender equality, abortion, labor, politics, and the environment.[171] Notable recent events include the 2011 #OccupyWallStreet and the 2012 Quebec student protests, known as "Printemps érable" (or the "Maple Spring"). Indigenous protestors have also taken to digital media as a way of extending their traditional place-based protests (see below).

In the last few years, digital activism has grown quite popular as a tool for engaging in struggles over the future of Canadian ICTs in particular.[172] A recent study by Jonathan Obar surveyed 63 advocacy groups operating in Canada to determine the extent to which these groups perceive and use social media as tools for advancing activism objectives.[173]

The findings reveal that groups small and large from across Canada, addressing a wide range of social, economic, and political issues, have been building online outreach teams that include workers devoted specifically to the management of a social media presence. Larger groups were found to be more likely to hire employees to work in these positions, while smaller groups were more likely to work with volunteers.

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169. Trosow et al., "Mobilizing user-generated content."

170. A. Hermida, F. Fletcher, D. Korell, and D. Logan,. "Share, Like, Recommend: Decoding the social media news consumer," *Journalism Studies* 13(5/6) (2012), pp. 815–824.

171. See B. Crow and M. Longford, "Digital activism in Canada," in M. Moll and L.R. Shade (eds.), *Seeking convergence in policy and practice: Communications in the public interest*, 2004, Canadian Centre for Policy Alternatives, Ottowa; L. McTavish, "Virtual activism and the pro-choice movement in Canada," *Canadian woman studies*, 2006, at http://www.pi.library.yorku.ca/ojs/index.php/cws/article/download/5897/5086 (accessed 30 November 2013); L.R. Shade, "Public interest activism in Canadian ICT policy: Blowin' in the policy winds," *Global media journal* Canadian edn 1(1), 2008; see the abstract at http://www.gmj.uottawa.ca/0801/inaugural_shade.pdf (accessed 30 November 2013); J.A. Obar, "Canadian advocacy 2.0: An analysis of perceived social media affordances for advancing activism in Canada," *Canadian journal of communication,* 2014 (hereafter, Obar, "Canadian advocacy 2.0").

172. See, for example, http://openmedia.ca/campaigns; https://www.cippic.ca (both accessed 30 November 2013).

173. Obar, "Canadian advocacy 2.0."

Almost all groups said that they primarily use Facebook and Twitter, and engage with these technologies at least a few times a week. The majority also use YouTube, blogs, and email. When groups were asked about the benefits of social media, they often said that the technology strengthens outreach efforts. Reaching more people by engaging with the power of the network and overcoming the challenges of time, cost, and geography were reasons given for this benefit. In sum, these low-cost, low-barrier tools have seemingly widened the door to the public sphere, and given groups of varying sizes and resources access to a political game traditionally dominated by a select few. Other perceived benefits associated with social media use include feedback loops and faster communication.

Stop Online Spying

In 2012, the government introduced Bill C-30, referred to as the Lawful Access Bill. C-30 was intended to mandate forms of electronic surveillance, providing law enforcement and other government agencies access to private information contained in mobile and internet accounts. In response, civil society groups, academics, journalists, politicians, and many citizens came together under the "Stop Online Spying" campaign organized by the group OpenMedia.ca. A wide variety of non-affiliated groups and citizens also engaged in the battle against the bill.

Among the digital activism tactics utilized was the development of online videos about the perils of lawful access. The videos went viral and were watched more than 100,000 times.[174] Other digital activism tactics included Twitter attacks, digital artwork, memes, form letters, listserv communication, e-cards, and an online petition with more than 150,000 signatures.[175]

One of the more salacious tactics to receive a lot of popular attention was the anonymous Twitter account called "Vikileaks," which leaked private personal information about one of the bill's government supporters, information that was later shared via social media. The group Anonymous also participated in the battle against C-30, referring to its work as "Operation White North." In February 2013, in response to the wide-ranging public opposition to the bill, the Canadian government removed it from consideration.[176]

174. See http://openmedia.ca/blog/stop-online-spying-goes-viral; http://unlawfulaccess.net (both accessed 30 November 2013).

175. See http://openmedia.ca/StopSpying (accessed 30 November 2013).

176. CBC, "Government killing online surveillance bill," CBC.ca, 11 February 2013, at http://www.cbc.ca/news/politics/story/2013/02/11/pol-rob-nicholson-criminal-code-changes.html (accessed 30 November 2013).

Idle No More

Idle No More is a pan-Canadian Indigenous movement. It began in December 2012 as a reaction to the Harper government's handling of indigenous treaty rights, and took specific aim at some provisions under the government's omnibus budget bill, Bill C-45.[177]

Idle No More consisted of a series of political actions and occupation of public spaces (rallies, protests, teach-ins, flash mobs, traditional round dances, etc.), along with a six-week hunger strike by Attawapiskat Chief Theresa Spencer, all orchestrated through targeted and concerted social media efforts. The movement's substantive digital presence includes a website, Twitter, and Facebook as well as an Idle No More app that allows activists to share information and coordinate events.

Although Bill C-45 did become law ultimately, the protest movement became a national (and international) call for rally and for reframing Canada's relationship with Aboriginal people.[178] Its ability to build and sustain momentum was enabled by an effective dissemination of online content, the building of networks through social media, and the mixing of a strong online presence with other more traditional forms of political communication.

Young Drivers Against Ontario's New Laws

In 2008, a high-school student, Jordan Sterling, launched a campaign against the Ontario government's proposal to change licensing laws for young drivers. Over 150,000 members joined his Facebook group Young Drivers Against Ontario's New Laws (many of whom were neither of voting nor of driving age). The massive online protest included online petitions and complaints sent to members of the legislature. The Facebook site served as a space for both sharing information and calling for action. Eventually, the campaign resulted in some of the most restrictive aspects of the proposed legislation being rescinded by the then transportation minister, Jim Bradley.[179]

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177. See http://www.cbc.ca/news/canada/9-questions-about-idle-no-more-1.1301843 (accessed 30 November 2013).

178. See http://www.idlenomore.ca (accessed 30 November 2013).

179. Karen Louise Smith, "Through the social Web: Citizen-led participation in Ontario policy-making," PhD dissertation, University of Toronto, 2013.

Feeding My Family

The Feeding My Family campaign organized out of Nunavut, in 2012, was meant to draw attention to the effects of northern federal food policies. The message broadcast was simple: "The cost of food is too high in Nunavut!"[180] Exasperated by the high food prices in their communities, thousands of Inuit took to social media to post pictures of the price tags of regular food items from their local grocery stores on a Facebook site.

In addition to the Facebook group (with over 20,000 followers), a series of protests was organized across the territory. The campaign received media attention nationally and internationally. Feeding My Family illustrates how groups take to digital platforms to raise awareness about a range of social issues (i.e. food security, hunger), protest public policy, and mobilize sympathizers into action.

3.2.2   The Importance of Digital Mobilizations

Current research suggests that digital activism in Canada helps to bridge the various technocratic and time–space divides that have traditionally marginalized and fragmented the general public.[181] Canada provides an interesting case study for the power of digital activism as its tremendous size (in terms of territory) and the resulting distribution of the population creates considerable challenges for those interested in mobilizing individuals for national advocacy efforts. Citizens wishing to get involved in national campaigns face similar challenges (the distance from Vancouver in the west and Ottawa in the east, for example), making it highly unlikely that citizens can participate directly in Federal rulemaking on any regular basis. This challenge of space and time is not new to Canadians; it serves to underline why a sovereign communication system has been and continues to be vital to the maintenance of democracy in the country.[182]

A Canadian researcher, Philip Howard, has noted the unusually high circulation of e-petitions in Canada by international standards. He sees this as a "productive way to reach Parliament" and attributes it to the ease of internet access.[183] Howard and others are much less impressed by the quality of the government's engagement with the broader public, despite the president of the Treasury Board, Tony Clement, describing data as Canada's "new natural resource."[184]

180. See http://www.feedingmyfamily.org (accessed 30 November 2013).

181. Obar, "Canadian advocacy 2.0."

182. M.Gasher, D. Skinner, and R. Lorimer, *Mass Communication in Canada*, 7th edn, Toronto, ON, Oxford, 2012; J.A. Obar and A. Clement, "Internet Surveillance and Boomerang Routing: A Call for Canadian Network Sovereignty," SSRN, at http://ssrn.com/abstract=2311792 and http://dx.doi.org/10.2139/ssrn.2311792 (both accessed 8 October 2013).

183. See http://fullduplex.ca/canada-provides-peculiar-example-digital-activism (accessed 30 November 2013).

184. See http://data.gc.ca/eng/blog/open-data-new-natural-resource-21st-century (accessed 30 November 2013).

3.3 Assessments

The high level of digital media engagement means that it should come as no surprise that Canadians are very interested in the Web 2.0 world of UGC, and that a wide variety of digital activism exists. Indeed, especially in the area of media reform, groups such as Openmedia.ca have shown repeatedly that their efforts can connect and sometimes mobilize considerable numbers of the population (sometimes tens of thousands of individuals) primarily through the use of digital activism techniques. At the same time, as is noted throughout, unless more is done to remove government and corporate roadblocks (such as high prices and average connection speeds), it is likely that the potential will not be fully realized.

4. Digital Media and Journalism

4.1 Impact on Journalists and Newsrooms

4.1.1 Journalists

Shifts associated with digitization that have been experienced by journalists over the past several years relate to technological and social transformations in the newsroom, out in the field, and among news consumers. In all three areas, the availability of digital media is a contributing factor and represents one important element in these changing dynamics. Another important element is how both journalists and the wider public use digital media in ways that affect journalism practice and news coverage. News organization executives and shareholders play a major role in these dynamics through the decisions they make about the purchase of technologies, the creation of policies for specific technologies, and the ways in which they influence the prioritization of news values that trickle down throughout the organization and affect news coverage.

Examples of shifts in the newsroom include the electronic monitoring of newsfeeds through software packages like iNews and ENPS, which have meant the death of the traditional copy taster who once acted as a vital gatekeeper, sifting through news items from news agencies. Collective monitoring of the wires through each journalist's workstation is now commonplace and has led to a greater, albeit still minor, ability to influence the selection of news items.[185] According to Sean O'Shea, an investigative reporter for Global News, this shift has "democratized the newsroom because everybody from the news director through to producers, reporters and editorial assistants can get all the information at the same time."[186]

The executive producer (the exact title varies by organization) still holds the greatest power in selection and assignment processes, but journalists are now privy to a wider array of news items, especially since their superiors tend to see urgent items only.[187] Overall, the use of software packages contributes to the continued

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185. R. Bivens, "The Internet, Mobile Phones and Blogging: How New Media are Transforming Traditional Journalism," *Journalism Practice* 2(1) (2008), pp. 113–129.

186. Interview with Sean O'Shea, investigative reporter at Global News, Toronto, December 2006.

187. R. Bivens, *Digital Currents: How Technology and the Public are Shaping TV News*, University of Toronto Press, Toronto, March 2014 (hereafter, Bivens, *Digital Currents*).

dominance of news agencies as sources for mainstream news content, which is problematic as the agencies have faced strong criticism for their narrow coverage.[188, 189]

Server technology is also increasingly important for facilitating a much more streamlined process for sharing content, both in the newsroom and as a result of partnerships with other news organizations. "Gateway" is the name of the system used by CTV, which offers access to content across CTV's studios as well as content from CNN and ABC. At Global News, content from NBC and CNN can be accessed on demand through a similar system. According to Trina Maus, video journalist for CTV Southwestern Ontario, if "a riot breaks out in Kitchener [Ontario] I can shoot some video, put it into our system, throw it on our Gateway service and every single media outlet in all of Canada, including CNN and ABC who have rights, will have access to that video."[190] The obvious advantages are speed and cost, but the repurposing of content also has consequences. Enabled by server technology and encouraged by news executives, the remote sourcing of news goes hand-in-hand with the continuing closure of foreign news bureaus.[191] According to Derek Thacker, director at CTV Ottawa, "You can file anything from anywhere. I cannot even tell you how many Afghanistan stories I have cut [edited], how many Rwandan stories I have cut, how many Bosnian stories I have cut without ever traveling there because you can get everything fed in."[192]

Multiplatform authoring and newsroom convergence have resulted in increased pressure on journalists to do more in the same amount of time, repurposing their work for more than one news format. At the same time, the news cycle has been transformed by shifting news consumption patterns related to public sharing of news-related information in social media outlets. Broadcast journalists in particular are experiencing a shift in news values towards immediacy, which contributes, for example, to a greater emphasis on reporting "live on location." Here broadcast journalism is attempting to secure its audience (and its own economic survival) in the now widespread unstable environment that is a function of the new, digital horizontal media spaces that breed mass self-communication, citizen journalism, and the blurring of boundaries between professional journalists and the wider public.[193]

4.1.2   Ethics

The Canadian Association of Journalists incorporated a special section on digital media in their June 2011 Ethics Guidelines document.[194] This is indicative of changes brought on by the intersection between digital

188. Oliver Boyd-Barrett, "Assessing the Prospects for an Asian Re-Configuration of the Global News Order," *Global Media and Communication* 6(3) (2010), pp. 346–356.

189. Chris Paterson, "News Agency Dominance in International News on the internet," in David Skinner, James R. Compton, and Michael Gasher (eds.), *Converging Media, Diverging Politics: A Political Economy of News Media in the United States and Canada*, Lexington Books, Lanham MD, 2005.

190. Interview with Trina Maus, video journalist at CTV Southwestern Ontario, Toronto, December 2006.

191. For example, in 2012 the CBC/Radio-Canada planned to shut down two more foreign bureaus as a result of more funding cuts from the Conservative government.

192. Interview with Derek Thacker, director at CTV Ottawa, Ottawa, December 2006.

193. Bivens, *Digital Currents.*

194. See http://www.caj.ca/wp-content/uploads/2011/09/Ethics-Guidelines.pdf (accessed 12 November 2013).

media tools and the myriad ways in which both journalists and the public use these tools every day. One issue highlighted in the document is "source remorse," a term coined to describe the second thoughts of an interviewee who wishes to qualify or retract a statement after publication. This may become increasingly important as the digitization of news and information is necessarily accompanied by an element of information permanence. Even if news organizations were to correct errors or remove content,[195] digital material is easily copied and shared, making it very difficult or impossible to keep track of every reproduction.

Information that members of the public contribute on social media sites is often considered public if journalists can access it. However, when journalists do use this material, ethical issues may arise. The broadest issues here concern the practical knowledge of social media users with respect to privacy settings and the technical limitations imposed by designers of social media (i.e. privacy settings are not always clear or fixed; changes can occur without users' knowledge; and some material is simply not possible to set to "private," such as Facebook's cover photo). Social media sites attract a huge volume of images. Creative Commons licensing helps users to clarify how they wish their photos to be used, but this does not necessarily prevent abuses. News websites now frequently include "© Facebook" as a source for images or accompanying text, such as "Tragedy: A picture of a young child taken from Felicia Boots' Facebook page believed to be her young daughter who died in the family home in Wandsworth yesterday."[196] It is reasonable to conclude that this Canadian woman did not authorize journalists to use her Facebook photos since she was in custody at the time of the coverage.

Apart from these broader issues, the document does note that subterfuge should not be used when journalists seek access to social media content. The identities of journalists are also subject to potential ethical issues if, for example, a journalist subscribes to a Facebook group that has a particular political leaning, perhaps out of personal interest or simply to discover sources and other information restricted to the group. A subscription to a group can be visible to other users and thereby damage the journalist's reputation or ability to remain impartial.

Accuracy, fairness, independence, transparency, diversity, and accountability are the major issues featured in the document and these basic tenets of journalism practice remain vital, despite the challenges that accompany the widespread use of digital media. Journalism schools continue to tackle these issues and their curriculum and course content must be continually updated. Despite the accessibility of material posted on social media sites, journalists are not always welcome and users are not always comfortable with material being taken from one context and used in another. To remain ethical, journalists will have to continue to keep abreast of changes in social media sites and the social norms that users collectively adopt.

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195. Removing content is rare, according to the Ethics Guidelines, since "unpublishing" only occurs in instances of public safety, egregious errors, ethical violations, or legal restrictions.

196. See http://www.dailymail.co.uk/news/article-2142933/Felicia-Boots-Police-probe-post-natal-depression-claims-mother-kills-2-babies.html (accessed 30 November 2013).

4.2   Investigative Journalism

4.2.1   Opportunities

There are a number of ways in which digitization has helped investigative journalists conduct and improve upon their news output. Digital information is easily searchable (and can often be reformatted if it is not) and remotely retrievable through smartphones. These features can change the power dynamics in situations where journalists require specific information very quickly, often when they are out in the field, away from their desk. This is an advantage for all journalists who exploit digital media tools in ways that improve their ability to gather news.

According to David Akin, parliamentary correspondent at CTV, "Politicians have said things in the middle of the scrum and I think 'That doesn't compute' and fire up the BlackBerry … now I can challenge a politician saying, 'You just said Y but a year and a half ago you said X.'"[197] Of course not all of Akin's colleagues share his enthusiasm: "Journalists in my experience are not smart about the use of technology. They are dumb and really not that interested in changing. And that goes from an organizational level and an individual journalist level."[198] Nonetheless, digitization has meant that a huge volume of potentially pertinent information can be easily accessed, even remotely.

Sources are also more readily accessible and the ease with which a source can be anonymous via digital media tools is particularly useful for investigative journalists. As Sean O'Shea said, a source "could come out of the woodwork very easily and, without a lot of risk, email me some more information."[199] J-blogs and social networking services are also valuable, allowing potential sources to build relationships with journalists in new ways. At the same time these tools can be used to find new sources. Akin advocates his fellow journalists to "use technology to accelerate your newsgathering, improve your newsgathering, widen your sources, because I want to find people I've never heard of before."[200]

As a former technology reporter, Akin is perhaps predisposed to engage with digital media tools; however, he urges his colleagues to "take control of their information and organize their source base. For instance, journalists can 'harvest' email addresses that may not appear valuable, such as contacts from the public relations industry or academics. These contacts can be recycled and used to aid the newsgathering process."[201] Social networking and micro-blogging sites such as Twitter have also helped to make possible new scenarios where journalists can discover sources and relevant information for their investigations.[202]

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197. Interview with David Akin, parliamentary correspondent at CTV, Ottawa, December 2006.

198. Interview with David Akin, parliamentary correspondent at CTV, Ottawa, December 2006.

199. Interview with Sean O'Shea, investigative reporter at Global News, Toronto, December 2006.

200. Interview with David Akin, parliamentary correspondent at CTV, Ottawa, December 2006.

201. Bivens, *Digital Currents.*

202. Dominic L. Lasorsa, Seth C. Lewis, and Avery E. Holton, "Normalizing Twitter: Journalism Practice in an Emerging Communication Space," *Journalism Practice* 13(1) (2012), pp. 19–36.

4.2.2 Threats

In April 2013, the Canadian Centre for Investigative Reporting shut down[203] the only non-profit organization promoting investigative reporting in Canada. The dedication of fewer resources to investigative journalism by news organizations comes with a price, increased reliance on content produced by other organizations and the transmission of news coverage that may be inaccurate due to the lack of time available to vet the information. The shift towards immediacy as a vital news value has had detrimental consequences for the autonomy of journalists and the content of the news. Being live on location means there is little or no time for investigation.

Content tends towards verbatim repetition of news agency feeds, as journalists typically wear earpieces through which information is fed. They find themselves physically stuck on location, even if it is just a meaningless backdrop, as the aim is to signal to the audience that the news organization is out there on location. When no new information is available, the void is filled with what often amounts to very little substance. According to Sean Mallen, parliamentary correspondent at Global News, "There may have been one little snippet of information two hours ago [but] they're still talking about it and basically just treading water."[204]

Television news organizations are eager to secure audiences and often it is not investigative reporting that is valued by senior news executives. Instead, they want to show a breaking news story with which they can potentially hold an audience and which will be financially rewarding, particularly for 24-hour news stations. This is a result of digitization, because the shifts that have accompanied the mass spread of digital media tools have challenged the professional boundaries of the journalism industry and broadcast news executives seek to retain their authority through heightening immediacy as a news value.[205]

4.2.3 New Platforms

Online investigative journalism is beginning to take form as the political and economic realities of news are changing. On the for-profit side, The Huffington Post Canada, owned by AOL, launched its digital newsroom in 2011 and has dedicated very limited resources to Canadian investigative journalism.[206] While the website serves predominantly as a news aggregator and blog, it has been the first to report a few political stories and has won several awards, including the 2012 Canadian Association of Journalists award for an investigative piece on income inequality and the decline of unions.[207] The Canadian site features investigative pieces from its American and international counterparts.

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203. See http://j-source.ca/article/canadas-only-non-profit-investigative-centre-shutting-down (accessed 30 November 2013).

204. Interview with Sean Mallen, parliamentary correspondent at Global News, Toronto, December 2006.

205. Bivens, *Digital Currents*.

206. The Huffington Post's masthead lists two full-time reporters, politics reporter Althia Raj and business reporter Sunny Freeman: see http://www.huffingtonpost.com/p/huffingtonpostca-about-us.html (accessed 30 November 2013).

207. See http://www.huffingtonpost.ca/2012/04/28/huffington-post-canada-rachel-mandelson-caj-awards-labour-reporting_n_1461717.html (accessed 30 November 2013).

iPolitics.ca is also fairly new to the online news scene in Canada, launching in 2010 and attracting a host of veteran investigative reporters and columnists including Michael Harris, Elizabeth Thompson, and Lawrence Martin.[208] The organization promotes itself as an online resource for political decision-makers and focuses its business model on providing daily briefings to its subscribers. As a result, it focuses much of its attention on transcribing daily events in and around Parliament, including parliamentary committee hearings, the progress of legislation, political social events, and policy proposals.

On the non-profit side, one of the largest websites that has emerged is Rabble.ca, with a reported 2 million page views and 350,000 unique visitors per month.[209] The left-leaning website reports on progressive causes and is funded primarily by Canadian unions and left-leaning think-tanks.[210] While its overall contingent of reporters is limited, it boasts a longer list of freelance reporters who have the opportunity to investigate and write about the various progressive issues they may be interested in covering. The website's link to left-leaning political and activist organizations also lends itself to an activist agenda in addition to its journalistic mandate, touting its new collaborative online resource in the "Activist Toolkit" featured on the website's landing page.

On the right of the political spectrum, the conservative activist Stephen Taylor runs a website that functions much like a blog.[211] Since the Conservative Party formed the government in 2006, Taylor has succeeded in breaking stories. His status as a journalist is often called into question by journalists linked to more traditional organizations, given his partisan affiliation and his employment with a conservative think-tank. Nevertheless, he is awarded media credentials to political conventions and granted interviews with politicians from various political parties.

4.2.4 Dissemination and Impact

Digitization has led to a variety of new platforms for disseminating investigative news coverage, but social media are perhaps the most in the limelight. The Canadian Media Research Consortium released a report in 2011 entitled "Social Networks Transforming How Canadians Get the News."[212] Key findings revealed that Canadians regularly consume news through social networking sites, with over half of respondents consuming a broader range of news through social networks compared with what they would otherwise consume through traditional media sources. While the information may not be seen as particularly reliable, Canadians are "twice as likely to get their news from friends and family on social networks such as Facebook as from news organizations or journalists they follow."[213]

An interesting outcome is that a "latent" audience is reached when news organizations and individual journalists disseminate news through social media. (Bivens describes this audience as latent because the

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208. See http://www.ipolitics.ca/about (accessed 30 November 2013).

209. See http://rabble.ca/advertise (accessed 30 November 2013).

210. See http://rabble.ca/about/become-sustaining-partner (accessed 30 November 2013).

211. See http://www.stephentaylor.ca/# (accessed 30 November 2013).

212. See http://www.reportr.net/wp-content/uploads/2011/04/CRMC-Social-news-April-27.pdf (accessed 30 November 2013).

213. See http://www.reportr.net/wp-content/uploads/2011/04/CRMC-Social-news-April-27.pdf (accessed 30 November 2013).

news item was originally broadcast to or shared with a target audience but spreads further when the target audience disseminates it through their social networks using various social media plugins.)[214] Of course, "target audiences and latent audiences are not necessarily mutually exclusive since the flow of news, particularly through horizontal social media distribution patterns, has become increasingly multifaceted."[215] These behaviors are not entirely new—the metaphorical "water cooler" has existed for some time—but the ways in which digital networks form via social networking sites and the variety of people who populate these networks are new. "Viral capabilities easily triggered by sharing on social networking services also introduce new transformations to the flow of news by increasing the speed at which a news item spreads and the scale of coverage that it achieves."[216]

4.3   Social and Cultural Diversity

4.3.1   Sensitive Issues

Canada is a socially and culturally diverse country. The most sensitive issues include the following.

- **Canada's Two Solitudes**: Canada remains a country with a linguistic divide between its English- and French-speaking inhabitants. While Canada has a predominantly English-speaking population, the province of Quebec has a Francophone majority with a separate legal system (civil law) and a separate media system. The result is often different discussions in Quebec from the rest of Canada. A recent example of this divide are the media descriptions of the Quebec student protests in 2012, also known as "Printemps érable." Outside Quebec, the news trickled out with little context, focussing later on civil disobedience and a perceived sense of entitlement on the part of Quebec students.[217]

- **Aboriginals:** Issues concerning Canada's Aboriginal peoples (First Nations, Inuit, and Métis) have steadily risen to prominence since the late 1960s when Indigenous activism in the United States solidified a pan-American Indigenous movement, influencing a similar trajectory in Canada during the 1990s. Most recently, there have been important social movements,[218] landmark public apologies from the government about the residential school system, and the establishment of the Truth and Reconciliation Commission, all of which have renewed public attention to Aboriginal issues. For centuries, European settlers have implemented assimilationist policies towards Aboriginal peoples, and they continue to do so. This remains a big topic of contention with those who view these as damaging to Indigenous peoples and those who view assimilation as the only way to save them.[219]

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214. Bivens, *Digital Currents*.

215. Bivens, *Digital Currents*.

216. Bivens, *Digital Currents*.

217. Simon Houpt, "What the printemps érable really means," 1 June 2012, Theglobeandmail.com, at http://www.theglobeandmail.com/arts/what-the-printemps-rable-really-means/article4224937 (accessed 30 November 2013).

218. For example, the Idle No More protest movement, discussed in section *3*.

219. The historian Daniel Francis discusses the academic and popular narratives that have justified and continue to justify assimilationist policies, on both the political left and right. See Daniel Francis, *The Imaginary Indian: The Image of the Indian in Canadian Culture*, Arsenal Pulp Press, Vancouver, 2011.

- **Race:** Race has been an important subject of discussion. Since 2011 and throughout Canada's military engagement in Afghanistan, there is a renewed focus on Muslims, Islam, and Sharia law. Discussions remain politically charged.

- **Lesbian, gay, bisexual, transgender, and transsexual (LGBTT):** Since passing legislation legalizing same-sex marriage in 2006, discussion about LGBTT issues focusses on discrimination, including bullying, workplace discrimination, and social equality. In recent years, the high-profile teen suicides resulting from bullying based on gender and sexual orientation have increased the prominence of LGBTT issues.[220]

- **Economic inequality:** Since the financial collapse of 2008, discussion has centered on economic issues especially among politicians. Taxation, the role of government, and the social safety net are key topics, along with jobs and the health of the marketplace. Think-tanks, including the Fraser Institute, the Canadian Taxpayers Federation, the Canadian Centre for Policy Alternatives, the new Broadbent Institute, and many others drive the discussion from multiple points of view. Unions also drive the conversation.

- **Immigration and Refugees:** Immigration continues to be a hot-button issue. It has gained media attention recently with the federal government's changes to a number of policies including reducing health coverage for refugees, reforming the immigration system, and making changes to the temporary foreign worker program.

- **Reproductive Rights:** While the issue of reproductive rights has been in the public eye for some time, it remains important because of renewed efforts in Parliament to redefine personhood, to hold special right-to-life hearings, and to limit specific types of abortion. Canada has not had legal restrictions on abortion since its laws were struck down in 1988 by the Supreme Court of Canada in R. v Morgentaler.[221] According to the political scientist Paul Saurette, the language of the pro-life movement has shifted in recent years, adopting many of the arguments of the pro-choice movement and recasting women who have abortions as victims.[222]

4.3.2   Coverage of Sensitive Issues

The Charter of Rights and Freedoms grants in Section 2(b) the freedom of "expression, including freedom of the press and other media of communication." Unlike the American notion of freedom of speech, expression shifts focus away from the act of "speaking" to the content of "expression," therefore giving it a different level of legitimacy than it has in the United States where it is the act of speech that is protected. Freedoms in Canada, including freedom of expression, are both guaranteed by the Charter and are also subject to "such reasonable limits prescribed by law as can be demonstrably justified in a free and democratic society." Freedom of expression, therefore, is not absolute.

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220. See http://www.cbc.ca/news/canada/ottawa/story/2011/10/18/ottawa-teen-suicide-father.html (accessed 30 November 2013).

221. See http://scc-csc.lexum.com/decisia-scc-csc/scc-csc/scc-csc/en/item/288/index.do (accessed 30 November 2013).

222. Paul Saurette, "Conservative MP Mark Warawa's Motion 408 is about abortion, not free speech," *The Toronto Star*, 3 April 2013, at http://www.thestar.com/opinion/commentary/2013/04/03/conservative_mp_mark_warawas_motion_408_is_about_abortion_not_free_speech.html (accessed 30 November 2013).

The Canadian Human Rights Act of 1977 established federal and provincial human rights commissions designed to "promote the principle of equal opportunity and [work] to prevent discrimination[223] in Canada."[224] Section 13 of the Act applies to the media as it prohibits mediated speech, through the telephone or the internet, that exposes a person or group of persons to hatred or contempt based on one of the identifiable grounds for discrimination. The Holocaust denier Ernst Zundel was convicted in the late 1990s for promoting hatred against Jews through his website[225] and the Canadian conservative media personality Ezra Levant was charged for his 2006 publication of the Danish cartoon of the Prophet Mohammed in the magazine *The Western Standard*, now defunct.[226]

The CRTC is tasked with regulating and supervising Canadian broadcasting. Through the Broadcasting Act, 1991, it is responsible for ensuring that broadcasting reflects Canada's cultural diversity, and it deals with media violence and hate messaging through its regulatory powers.

Finally, media broadcasters operate in a system of self-regulation through the Canadian Broadcast Standards Council, an independent non-governmental association whose job it is to process and rule on public complaints. The broadcast standards, emanating from its members, include provisions dealing with race, diversity, gender discrimination, and the equitable portrayal of issues.

4.3.3 Space for Public Expression

The media market is relatively small and is dispersed across a large geographic area.[227] Given Canada's diversity, the government and the CRTC encourage viability either through direct funding or through revenues provided by licensing. For example, the Aboriginal Peoples Television Network (APTN)—a broadcast network focusing its attention on Canada's Aboriginal minority groups including Inuit, First Nations, and Métis—is granted mandatory carriage license and is required on all basic cable packages throughout Canada.[228] This carries a mandatory subscription fee today for all cable users of CAD 0.25 (US$ 0.23) per month (excluding Canada's north), which provides the network with basic funding for Aboriginal content on multiple platforms, including digital and online. This funding model creates a space for minority voices to create their own media content and witness their own stories on their own terms in a Western media and political economic environment that would otherwise make it difficult and where Indigenous content producers are limited and virtually non-existent.[229, 230]

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223. There are 11 grounds of discrimination that are protected under the Act, including race, national or ethnic origin, color, religion, age, sex, sexual orientation, marital status, family status, disability, and a conviction for which a pardon has been granted or a record suspended.

224. See http://www.chrc-ccdp.gc.ca/eng/content/how-are-human-rights-protected-canada (accessed 30 November 2013).

225. Zundel was extradited to Germany in 2005 to face similar charges. See http://www.cbc.ca/news/background/zundel (accessed 30 November 2013).

226. Canwest News Service, "Conservative who published Prophet cartoons faces rights commission," Canada.com, 10 January 2008, at http://www.canada.com/topics/news/story.html?id=6edbee05-bec3-46c0-aa22-f16cf3f0acb1 (accessed 30 November 2013).

227. Conference Board of Canada, "Report: Valuing Culture: Measuring and Understanding Canada's Creative Economy," 2008, at http://www.conferenceboard.ca/e-library/abstract.aspx?did=2671 (accessed 30 November 2013) (hereafter, Conference Board of Canada, "Report: Valuing Culture").

228. Lorna Roth, *Something new in the air: The story of First Peoples Television Broadcasting in Canada*, McGill-Queen's University Press, Montreal and Kingston, 2005 (hereafter, Roth, *Something new in the air*).

229. Valerie Alia, *New media nation: Indigenous peoples and global communication*, Berghahn Books, New York, 2010.

230. Roth, *Something new in the air*.

Canada's cultural economy and space for political expression are often linked to its ability to find international markets for consumption. Canada's diversity and density make our cultural industries difficult to sustain on their own. They find success, however, on the international stage, either through co-production or distribution in foreign markets looking for Canada's English, French, or ethnic content.[231]

Canadians are big users of blogs and other social network sites compared with other countries,[232] and are using the online tools to dialog and share information with one another. Much of these discussions circulate in limited networks and therefore reach limited audiences. Political blog aggregators such as the BloggingTories, LibLogs, and Progressive Bloggers attempt to disseminate partisan blog posts for wider audiences, with some success.

4.4   Political Diversity

4.4.1   Elections and Political Coverage

Digital media have triggered challenges to election coverage, specifically with reference to publishing the results. Section 329 of the Canadian Elections Act prohibits the transmission of election results to the public across electoral districts until all of the polling stations across the country have closed. This provision is complicated by the internet and self-publishing tools that enable anyone with an internet connection and a computer to publish results.

Section 329 has been challenged in the courts for its perceived infringement of the Charter of Rights and Freedoms and the impossibility of enforcing the law in the digital age. In 2007, the Supreme Court of Canada held the provision in R. v Bryan arguing that the limitation of freedom of expression is justified under section 1 of the Charter in an effort to promote fair and democratic elections.[233] Canadians in Western Canada challenged the law during the 2011 Canadian federal election by publishing results through the social network site Twitter,[234] prompting Elections Canada (Canada's elections agency) to admit its unenforceability and the federal Conservative government to vow to repeal the section.[235]

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231. Conference Board of Canada, "Report: Valuing Culture."

232. A survey by Media Technology Monitor found that one in three Anglophone Canadians "won't let a single day go by without checking into their social media feeds." See Michael Oliveira, "How do you compare?," The Canadian Press, 29 April 2013, at http://globalnews.ca/news/519222/how-do-you-compare-canadian-social-media-stats (accessed 30 November 2013).

233. R. v Bryan, at http://csc.lexum.org/decisia-scc-csc/scc-csc/scc-csc/en/item/2348/index.do (accessed 30 November 2013).

234. See http://www.vancouversun.com/technology/Twitterverse+rebels+flout+Elections+Canada/4713579/story.html (accessed 30 November 2013).

235. See http://news.nationalpost.com/2012/01/13/law-banning-communication-of-election-results-while-polls-open-repealed-by-harper-government (accessed 30 November 2013).

4.4.2 Digital Political Communications

Third-party political advertising and expenditures in support of candidates or parties are limited during the federal writ period. Sections 350 and 351 of the Canada Elections Act limits total elections spending, indexed to inflation, to CAD 150,000 (US$ 136,800) nationally, of which only CAD 3,000 (US$ 2,740) can be spent in any particular constituency.[236] The Supreme Court of Canada held in Harper v. Canada that while the sections infringe sections of the Charter, they are justified under the limitations allowed in Section 1.[237]

The restrictions created by the Act make it difficult for third-party groups to purchase significant advertising during campaigns and influence elections through traditional broadcast media such as television and radio. Instead, organizations are taking to the internet for their campaigns and advertising. During the 2008 federal campaign, the Association des artistes with the Quebec musician Michel Rivard released a video criticizing the Conservative Party's policy on arts funding and their recent cuts to arts programs. The humorous video,[238] posted on YouTube, was argued by many to have been more effective at reversing Conservative fortunes in the province than Bloc Québécois and Liberal Party ads.[239]

Other groups have taken to digital platforms to raise awareness of social issues, protest against public policy, and mobilize sympathizers into action. Notable recent events include the 2011 #OccupyWallStreet and the 2012 Quebec student protests, known as "Printemps érable." Indigenous protests have also taken to digital media in what can be described as an extension of their traditional place-based protests. Three examples are the #DecolonizeWallStreet movement, which criticized and tried to influence the core grievances of Occupiers; the Feeding my Family campaign organized out of Nunavut, drawing attention to the effects of northern federal food policies; and most recently the Idle No More movement, considered to be the first pan-Canadian Indigenous movement. All of these have a substantive digital presence that includes websites, social media, and other forms of online content dissemination. It also is important to note that none of these movements takes place uniquely online. The online elements are complementary to other forms of political communication such as demonstrations, occupations of public spaces, performing of traditional rituals, and more.

4.5   Assessments

The quality and accuracy of news coverage have been affected by the development of digital media tools, their use by the public, journalists, the news executives attempting to direct journalism practice. Journalists operate in a more complex media environment, due in part to horizontal communication networks that enable easy publishing and distribution of news-related content and commentary by members of the public.

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236. See http://www.elections.ca/content.aspx?section=res&dir=loi/fel/cea&document=part17&lang=e#sec351 (accessed 30 November 2013).

237. See http://csc.lexum.org/decisia-scc-csc/scc-csc/scc-csc/en/item/2146/index.do (accessed 30 November 2013).

238. See http://www.youtube.com/watch?v=06-Gld6CQz0 (accessed 30 November 2013).

239. See http://www.nationalpost.com/opinion/columnists/story.html?id=f35c573c-c83a-4c3c-bab7-fdb6df134f25 (accessed 30 November 2013).

Journalists and news organizations as a whole are held to account by bloggers who can make their complaints very visible if ignored. While Canadian media critics are famously few and far between,[240] compared with the United States, the artist and University of Ottawa professor Carol Wainio's blog, Media Culpa, has been systematically analyzing and publishing critiques of alleged plagiarism. Most notably, the *Globe and Mail* columnist Margaret Wente has been a frequent target of Ms Wainio; in the ensuing controversies, Ms Wente has received much publicity.

Digital transformations in the newsroom and in use out in the field have enabled journalists (at least those who choose to engage with new technologies) to exploit digital media tools to their advantage. By enhancing their ability to retrieve information through search engines and smartphones, locating sources and building relationships with new and old audiences through j-blogs and social networking sites and democratizing the former role of the copy taster, journalists are able to widen their source base and improve their interview questions when under pressure.

Some journalists are also able to build a reputation for themselves and construct their own brand through social media (especially Twitter, but also Facebook). By so doing, they gain loyal audiences who might follow them if they leave their jobs or find themselves laid off. There was a high-profile case in the UK in 2011, when BBC News's chief political correspondent Laura Kuenssberg left the BBC for ITV[241] and took 58,800 followers with her.[242] In Canada, the CBC's Kady O'Malley covers the political beat and live-blogs much of what happens on "the Hill." Like Kuenssberg, O'Malley would likely take her nearly 30,000 followers with her if she were to move. While this measure of independence empowers journalists in the marketplace, it entails a great deal of extra work. News organizations are continually updating their social media policies to deal with such matters as they arise, attempting to keep journalists in check.

The ways in which digitization has improved or hindered investigative journalism are still unclear. New opportunities are made available through digital media tools for sources to contact journalists and for journalists to discover new sources. The digitization of huge volumes of information has improved access, particularly access to government documents. Yet along with digitization is the increased level of importance attached to the news value of immediacy—being there, live, on location. Investigative journalism suffers in this context and while broadcast audiences may stick around, the content they are receiving is greatly reduced in quality.

Coverage of elections has shifted somewhat as a result of the wider discussions and memes that are created and disseminated through social media by the public. Journalists must keep up with the online election battles on the websites of political candidates, their social media profiles, and their release of attack ads and other videos

240. See http://www.torontostandard.com/the-sprawl/why-so-mum (accessed 30 November 2013).

241. See http://www.guardian.co.uk/media/pda/2011/jun/22/laura-kuenssberg-twitter-account (accessed 30 November 2013).

242. In November 2013, Kuenssberg announced her return to the BBC. See John Plunkett, "BBC Newsnight recruits ITV's Laura Kuenssberg," *The Guardian*, 12 November 2013, at http://www.theguardian.com/media/2013/nov/12/bbc-newsnight-itv-laura-kuenssberg (accessed 12 November 2013).

online. Marginalized groups are also more readily able to create websites and influence the broader debate through social media and other digital tools, although the extent to which mainstream journalism takes note is not well researched. Clearly the Idle No More movement showcased the ability for marginalized groups to receive mainstream coverage, however problematic some coverage may have been.

5. Digital Media and Technology

5.1   Broadcasting Spectrum

Spectrum resources are managed by Industry Canada, specifically the Spectrum Management and Telecommunications Department. Industry Canada's decisions are guided by the Telecommunications Act, the Radiocommunication Act, and the Department of Industry Act. The Department of Defence manages spectrum for its own use for national security.

The CRTC also plays a vital role (under the Broadcasting Act) regulating the behavior of telecommunications and internet service providers (ISPs) in both retail and wholesale. The involvement of the CRTC is due primarily to Canada's vertical integration and ownership regulations. For example, the CRTC, which regulates content, has ruled that carriers that also own television channels must offer all their content on fair market terms to competing mobile telecommunications providers.

5.1.1   Spectrum Allocation Policy

Radio frequency spectrum is a finite public resource and is subject to a range of government policies and legislation in Canada. The Framework for Spectrum Auctions in Canada states:

> Industry Canada, through the Department of Industry Act, the Radiocommunication Act and the Radiocommunication Regulations, with due regard to the objectives of the Telecommunications Act, is responsible for spectrum management in Canada. The Spectrum Management Program operates under the guidance of the Spectrum Policy Framework for Canada, revised in 2007, which provides a single policy objective and a set of guidelines to guide Industry Canada's management of this resource.

Where the demand for spectrum is not expected to exceed the supply, Industry Canada generally uses a first-come, first-served licensing process to award spectrum licenses. In instances where the demand for spectrum is expected to exceed supply, a competitive licensing process, such as an auction, is generally used.[243]

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243. Industry Canada, "Framework for Spectrum Auctions in Canada," March 2011, at http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf01626.html (accessed 30 November 2013).

Canadian spectrum oversight was transferred from the Department of Communications (DOC) to Industry Canada after the DOC was dissolved by Prime Minister Kim Campbell in 1993. One of the last major products of the DOC was "A Spectrum Policy Framework for Canada," tabled in September 1992. This document outlined key areas of spectrum management and argued that a comparative licensing process was preferable to auctions for Canadian spectrum allocation.[244] Industry Canada proved more open to spectrum auctions than the DOC. In February 1996, it released the "Review of the Comparative Selection and Radio Licensing Process: Findings," which concluded that it would be in the public interest to establish a new alternative to the traditional comparative selection process that would feature competitive bidding where reliance on market forces was appropriate.[245]

The federal government announced in its 1996 Budget Plan its intention to take steps "to permit auctioning of the radio spectrum, where appropriate, in the future." Subsequently, the government's budget legislation amended the *Radiocommunication Act* to give the Minister of Industry explicit authority to use a system of competitive bidding to select the persons to whom radio authorizations would be issued.[246]

In 2002, Industry Canada revised the 1992 "Spectrum Policy Framework for Canada." The key amendments involved spectrum auctions: "the Department has adopted a number of changes in spectrum policy and management. One specific example is the Department's adoption of the option of using auctions as a means of determining who should be selected among multiple competing applicants for radio licenses where there is not sufficient spectrum to meet projected demand."[247]

The "Spectrum Policy Framework for Canada" was revised again in 2007, trimming the seven policy objectives of the 1992 and 2002 versions down to one straightforward and streamlined overriding guiding principle: "To maximize the economic and social benefits that Canadians derive from the use of the radio frequency spectrum resource."[248] The advanced wireless services (AWS) spectrum auction was held in Canada in 2008 and raised CAD 4.8 billion (US$ 4.34 billion) for the Treasury.[249]

The government was criticized by two prominent auction scholars and consultants, Martin Cave and Adrian Foster, who noted in 2010: "Auctions that competitively assign spectrum are commonplace around the world, but are nascent in Canada."[250] By 2009, Canada had conducted seven spectrum auctions, as compared with over 70 in the United States and 35 in Australia.

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244. Gregory Taylor, "Oil in the Ether: A Critical History of Spectrum Auctions in Canada," *Canadian Journal of Communication* 38(1) (2013) (hereafter, Taylor, "Oil in the Ether").

245. Industry Canada, "Review of the Comparative Selection and Radio Licensing Process: Findings," 20 February 1996, at http://www.ic.gc.ca/eic/site/smt-gst.nsf/vwapj/DGRB196E.pdf/$FILE/DGRB196E.pdf (accessed 30 November 2013).

246. Taylor, "Oil in the Ether," p. 131.

247. Industry Canada, "Revision to the 1992 Spectrum Policy Framework for Canada," June 2002, p. 2, at http://www.ic.gc.ca/eic/site/smt-gst.nsf/vwapj/spfc-eng.pdf/$FILE/spfc-eng.pdf (accessed 30 November 2013).

248. Industry Canada, "Spectrum Policy Framework for Canada," 2007, at http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf08776.html (accessed 30 November 2013).

249. See http://www.tbs-sct.gc.ca/dpr-rmr/2008-2009/inst/dus/dus02-eng.asp; http://canadianspectrumpolicyresearch.org/auctions (both accessed 30 November 2013).

250. Martin Cave and Adrian Foster, *Solving Spectrum Gridlock: Reforms to Liberalize Radio Spectrum Management in Canada in the Face of Growing Scarcity*, Howe Institute, Toronto, ON, 2010.

The "Framework for Spectrum Auctions in Canada" (the Auction Framework)[251] was released in 2011 and described the general approaches that Industry Canada would use to auction spectrum licenses. In March 2012, Industry Canada released the "Policy and Technical Framework for Mobile Broadband Services (MBS)—700 MHz Band Broadband Radio Service (BRS)—2500 MHz Band," which published the plan for the auction of Canada's digital dividend.

Broadcasting spectrum was reassigned after the digital television transition of 2011, which cleared 84 MHz of spectrum in the valuable 700 MHz band. The frequencies previously held by channels 52–69 in Canada are to be sold by Industry Canada via the 700 MHz auction. When the then Industry Minister Tony Clement announced the 700 MHz auction in December 2010, he also made it known that the license terms for Canadian spectrum auctions would be doubled from the previous limit of 10 years to 20 years.[252]

The current bands allocated for commercial mobiles in Canada are as follows:

- Cellular: 824–849 MHz/869–894 MHz

- Personal communications services (PCS): 1,850–1,915 MHz/1,930–1,995 MHz

- Advanced wireless services (AWS): 1,710–1,755 MHz/2,110–2,155 MHz

- Broadband radio services (BRS): 2,500–2,690 MHz

- Mobile broadband services (MBS): 698–764 MHz/776–794 MHz, 1,670–1,675 MHz[253]

In these frequencies there is a total of 544 MHz licensed and/or available in Canada. According to Industry Canada, of this licensed spectrum Rogers has rights to 29 percent, Bell 19 percent, Telus 10 percent, MTS 1 percent, Sasktel 1 percent, Vidéotron 2 percent, Globalive 2 percent, Shaw 1 percent, Mobilicity 1 percent, Bragg 1 percent, and "Others" 1 percent.[254] In Canada, commercial mobile service providers are granted spectrum licenses to provide coverage over a specific geographic area. There are four tier sizes:

- Tier 1 is a national license and service area that covers all of Canada.

- Tier 2 consists of 14 large service areas. There are eight Tier 2 service areas that have provincial boundaries and six that are in Ontario and Quebec.

- Tier 3 is made up of 59 regional service areas.

- Tier 4 is composed of 172 localized service areas. Statistics Canada 2001 census information was used to define the populations of service areas.

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251. Industry Canada, "Framework for Spectrum Auctions in Canada," 2011, at http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf01626.html (accessed 30 November 2013).

252. Industry Canada, "Speaking Points. The Honourable Tony Clement, PC, MP Minister of Industry. An Interim Report on the Digital Economy and Telecom Strategies—International Institute of Communications Canada Conference 2010," 22 November 2010, at http://www.ic.gc.ca/eic/site/064.nsf/eng/06098.html (accessed 30 November 2013).

253. Industry Canada, "Radio Spectrum Inventory: A 2010 Snapshot," at https://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf10023.html (accessed 30 November 2013).

254. Industry Canada, "Study of Future Demand for Radio Spectrum in Canada 2011–2015," at http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf10253.html (accessed 30 November 2013).

In 2012, Canada followed the U.S. lead and officially allowed development of television white space devices in Canada.[255] Given the sparse population and vast geographic area, Industry Canada also licenses Remote Rural Broadband Systems (RRBS) which employ unused television broadcasting spectrum in 6 MHz licenses. The policy defines rural as areas that have fewer than 100,000 people living within a 50 km radius, and are located at a sufficient distance from major population centers to avoid causing interference to local broadcasting facilities and their service contours.[256]

5.1.2 Transparency

The political framework of Canadian spectrum policy places a great deal of power in the hands of the Industry Minister and does not follow the same public hearing process such as one finds at the CRTC. The media lawyer Hank Intven wrote, "Unlike the CRTC which operates at arm's length from the government, and within a quasi-judicial legal framework, Industry Canada operates as an integral part of the government administration."[257] The CRTC is more transparent and involves frequent public consultations, but Industry Canada tends to operate behind closed doors. Section 5.1 of the Radiocommunication Act grants sole responsibility to the Minister for radio apparatus, to "do any other thing necessary for the effective administration of this Act" (5.1.n). This has led to legitimate concerns over the transparency of the policy process. A Canadian telecommunications news source noted in August 2011 that the Industry Minister, Christian Paradis, met with 13 representatives of the telecommunications industry to discuss the 700 MHz auction.[258] No information about these meetings was available at a crucial time in the development of 700 MHz spectrum auction policy.

All Industry Canada regulatory decisions are preceded by a public call for comments, followed by the posting of comments on the Industry Canada website, and a period for reply comments.[259] Though not excluded from this process, the general public does not frequently participate in large numbers. Significant consultations such as those that preceded the "Framework for Spectrum Auctions in Canada" consisted entirely of a dialog between Industry Canada and interested business groups. Only 16 submissions were received for this so-called public consultation, and none of them was from advocacy groups or public individuals.[260]

5.1.3 Competition for Spectrum

The 2008 AWS spectrum auction policy included 40 MHz of spectrum that was set aside for new entrants only (defined as having less than 10 percent market share). Three new carriers, Wind, Mobilicity, and Public

255. Industry Canada, "Framework for the Use of Certain Non-broadcasting Applications in the Television Broadcasting Bands Below 698 MHz," at http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf09081.html#ref4 (accessed 30 November 2013).

256. Industry Canada, "Licensing Procedure for Remote Rural Broadband Systems (RRBS) Operating in the Band 512–698 MHz (TV channels 21–51)," at http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf10062.html (accessed 30 November 2013).

257. Hank Intven, *Canadian Telecommunications Regulatory Handbook*, McCarthy Tétrault, Toronto, ON, 2012, p. 93.

258. Nicholas Kyonka, "Telcos Meet With Paradis to Lobby on Auction Rules," *The Wire Report*, 30 August 2011, at http://www.thewirereport.ca/news/2011/08/30/telcos-meet-with-paradis-to-lobby-on-auction-rules/22883 (accessed 30 November 2013).

259. See http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/h_sf08436.html (accessed 30 November 2013).

260. Industry Canada, "Decisions on the Revisions to the Framework for Spectrum Auctions in Canada and Other Related Issues," Spectrum Management and Telecommunications, March 2011, at http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf10001.html (accessed 5 September 2013).

Mobile, launched after the 2008 auction. Tower sharing and roaming agreements were mandated by Industry Canada to help new entrants, but in reality had little effect and the roaming and sharing agreements had to be reiterated and strengthened by the government in 2013.[261] These new wireless providers struggled to establish market share against the incumbent providers and all three companies were for sale in 2013.

The Calgary-based Shaw Communications purchased spectrum as a new entrant in the 2008 AWS auction but decided not to launch a wireless network. In 2013, Shaw announced a deal to sell its spectrum—purchased for CAD 190 million (US$ 172 million) in 2008—to Rogers for CAD 700 million (US$ 633 million). To prevent flipping of spectrum ownership, the framework of the 2008 AWS auction stipulated a five-year rule prohibiting the sale of acquired spectrum.

5.2   Digital Gatekeeping

5.2.1   Technical Standards

In 1997, the Task Force on the Implementation of Digital Television, an industry-led group that tabled the first study on digital television in Canada, recommended that the ATSC (Advanced Television Systems Committee) A/53 standard be adopted for digital television. Though there were concerns over the quality of this standard, Canada's weak economies of scale make it difficult to adopt a television standard different from that of the United States. Canada is largely dependent on the United States both in terms of hardware and programming.

Many Canadian broadcasting distributors receive American signals which they in turn rebroadcast to Canadian subscribers; therefore using a different standard would have created an expensive layer of signal translation.[262] In the end the economic interrelation of Canadian broadcasters and American signals meant that an independent Canadian standard was not economically feasible. Canada has no television manufacturing sector, so there was little incentive to make the enormous research and development investment required to develop a Canadian standard.

The telecommunications industry tried to tread a more independent path in digital radio technical standards, but was unsuccessful. It was at the forefront of early studies into the possibilities of digital audio broadcasting (DAB); unlike television, the industry had moved to be an early adopter in North America and announced its technology standard before the United States. In 1994, Industry Canada announced that Canada had adopted Eureka-147 as the standard for digital broadcasting and allocated 40 MHz of spectrum in the L-band range (1,452–1,492 MHz) for new digital radio broadcast services.[263] This was a bold move since that

261. Industry Canada, "CPC-2-0-17—Conditions of Licence for Mandatory Roaming and Antenna Tower and Site Sharing and to Prohibit Exclusive Site Arrangements," 2013, at http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf09081.html (accessed 30 November 2013).

262. Gregory Taylor, *Shut Off: The Canadian Digital Television Transition*, McGill-Queen's University Press, Montreal and Kingston, 2013 (hereafter, Taylor, *Shut Off).*

263. Brian O'Neill, "Digital Audio Broadcasting in Canada: Technology and Policy in the Transition to Digital Radio," *Canadian Journal of Communication* 32 (1) (2007), p. 74 (hereafter, O'Neill, "Digital Audio Broadcasting in Canada").

area of the spectrum was set aside for military use in the United States; therefore Canada was unlikely to be able to use electrical equipment made for the U.S. market.

The result was a failure for the new broadcasting technology. As noted in a 2007 study by Brian O'Neill: "DAB receivers were still not readily available whether for home, portable, or car use. Industry professionals expressed disillusionment and regarded the years since 1995 as an unproductive, stalled, or even failed period of development."[264] The initial costs of a high-end DAB receiver in Canada was over CAD 2,000 (US$ 1,800), and consumers indicated the increase in audio quality was not worth the expense. Digital radio proved an expensive lesson in Canada's weak position in the economy for communication hardware.

5.2.2   Gatekeepers

Television distribution (BDUs) is still largely an oligopoly, with the companies Rogers, Bell, Shaw, and Vidéotron dominant in this sector. Since OTA television is limited in much of the country, distributors play a prominent gatekeeping role, as many viewers must subscribe to a service to receive television. Canadian BDUs are often broadcasters as well, so there are legitimate concerns that carriage arrangements may favor other vertically integrated BDU properties.

Canadian communication lawyer Bram Abramson describes the place of regulation in this sector: "BDUs are regulated, among other reasons, to ensure that they do not take advantage of their position as access providers in a way that prefers the content they themselves own (to the detriment of their content competitors) and to ensure that programming created by Canadians can make it to the air notwithstanding the substantial cost advantage enjoyed by U.S. programming."[265]

The Broadcasting Act tries to limit the gatekeeping potential of distributors by legislating that they

- should give priority to the carriage of Canadian programming services and, in particular, to the carriage of local Canadian stations;

- should provide efficient delivery of programming at affordable rates, using the most effective technologies available at reasonable cost;

- should, where programming services are supplied to them by broadcasting undertakings pursuant to contractual arrangements, provide reasonable terms for the carriage, packaging, and retailing of those programming services, and may, where the Commission considers it appropriate, originate programming, including local programming, on such terms as are conducive to the achievement of the objectives of the broadcasting policy set out in this subsection, and in particular provide access for underserved linguistic and cultural minority communities.[266]

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264. O'Neill, "Digital Audio Broadcasting in Canada," p. 76.

265. Bram Abramson, "Open and Closed: Looking Ahead to the CRTC's New Media Broadcast Hearings," McCarthy Tétrault, at http://www.mccarthy.ca/article_detail.aspx?id=4428 (accessed 16 July 2013).

266. Canada, Broadcasting Act, 1991, 3(1)(t).

The CRTC imposes certain must-carry rules on distributors to make sure that they are limited in their powers, and that they include stations deemed of national importance and local stations. Direct-to-home (DTH) satellite networks pose a unique problem, since their must-carry obligations are different from those imposed on cable. Given that the satellite footprint is national, it is not feasible for DTH providers to carry every local channel across the country. As a compromise, the CRTC requires distribution, on the basic service within each province, of a selection of local television stations, including educational services. Specifically, DTH undertakings are required to distribute one television station per province, where such a station exists, from each of the major broadcast ownership groups: CBC English, CBC French, Canwest, CTV, Rogers, TQS, and TVA.[267]

The distribution sector plays a clear gatekeeping role for broadcasters who receive Category B licenses. These licenses come with no assurance of carriage on a distributor. BDUs are under no obligation to distribute Category B digital channels.[268] After receiving CRTC approval, the licensee has to negotiate its own carriage agreement with a BDU. There is no policy support for Category B licenses; many are unable to reach distribution agreements and never launch.

The distribution sector has great gatekeeping power in the media; however, policy and an engaged regulator have historically limited the ability of distributors to fully determine the content available to viewers.

5.2.3   Transmission Networks

Canada's dominant media companies offer television, internet, and mobile phone services. A notable exception is Shaw Media that purchased spectrum in Western Canada in a 2008 spectrum auction but chose not to launch a wireless network. In June 2013, the government announced new spectrum transfer rules, which stated that the federal government would review all deals involving the transfer of wireless spectrum before they were final.[269] In the 2008 AWS auction, the government set aside a portion of the spectrum in an effort to introduce more competition in the wireless sector. This approach led to the introduction of three new carriers (Wind, Public Mobile, and Mobilicity), which have struggled financially since their launch. The government has publicly stated its intention to bring more choice to the wireless sector.

5.3   Telecommunications

5.3.1   Telecoms and News

The vast majority of Canadians (over 90 percent of households) access television news through a television distribution service rather than by directly tuning into over-the-air broadcast signals. About 70 percent of Canadian households get their television from a cable company, close to 25 percent subscribe to wireless or satellite services, and about 6 percent use IPTV.[270]

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267. CRTC Public Notice 2008-100, at http://www.crtc.gc.ca/eng/archive/2008/pb2008-100.htm (accessed 27 August 2013).

268. Category B channels are specialty television channels that are generally carried by digital cable or satellite providers.

269. Christine Dobby, "Ottawa publishes rules on cellular spectrum transfers as industry prepares for shakeup," *Financial Post*, 28 June 2013.

270. CRTC, "Communications Monitoring Report 2012."

There is much vertical integration in Canada's telecommunications and media content industries, with many of the distribution companies that provide television services also owning television broadcasters and newspapers and operating as ISPs. For instance, the telecommunications and ISP company, Bell, offers a television distribution service using satellite and IPTV. Bell's parent company also owns CTV, described as "Canada's #1 [television] network for a record 11 years,"[271] and holds a 15 percent stake in *The Globe and Mail* newspaper. The cable company and ISP Rogers owns City Television, a network that reaches 80 percent of Canadian households.[272] Shaw Communications, also a cable company and ISP, operates "the second largest conventional television network in Canada, Global Television,"[273] and the media company Quebecor owns the cable company and ISP Vidéotron as well as Sun Media, a major print newspaper publisher and online media source.

The CRTC's vertical integration policy, set out in 2011,[274] established rules to ensure that Canadians have access to content regardless of their choice of distributor, prohibiting content owners from offering exclusive access to their content via their own internet or mobile customers. Additionally, section 9 (1) (h) of the Broadcasting Act empowers the CRTC to impose mandatory carriage (must-carry) requirements on television distributors. Criteria for assessing applications from content providers to gain must-carry status were outlined in Broadcasting Regulatory Policy CRTC 2010-629.[275]

None of Canada's vertically integrated mobile providers makes their television programming available to mobile devices by means of over-the-air broadcast signals.[276] Instead, Bell, Rogers, and Vidéotron offer mobile television as an add-on to their mobile telephone services.

5.3.2   Pressure of Telecoms on News Providers

There have been two standout examples of network management practices influencing Canadians' ability to access news and information. The first occurred in 2005, when Telus blocked subscribers from accessing the website Voices for Change, a site being run by the Telecommunications Workers Union, whose members were striking at the time. Telus said that the site encouraged workers to jam Telus phone lines, and had pictures posted of employees who were crossing picket lines. A Telus spokesman said that jamming lines hurt

271. Bell Canada Enterprises (BCE Inc), *2012 Annual Report*, p. 12, at http://www.bce.ca/assets/investors/AR-2012/BCE_2012_AnnualReport_accessible.pdf (accessed 30 November 2013).

272. Rogers Communications, *2012 Annual Report*, p. 3, at http://www.rogers.com/cms/investor_relations/pdfs/2012_Annual-Report.pdf (accessed 30 November 2013).

273. Shaw Communications, *2012 Annual Report*, p. 6, at http://www.shaw.ca/uploadedFiles/Corporate/Investors/Financial_Reports/SCIAnnualReport2012.pdf (accessed 30 November 2013).

274. CRTC, "Broadcasting Regulatory Policy CRTC 2011-601: Regulatory Framework Relating to Vertical Integration," 21 September 2011, at http://www.crtc.gc.ca/eng/archive/2011/2011-601.htm (accessed 30 November 2013).

275. Broadcasting Regulatory Policy CRTC 2010-629, 27 August 2010, at http://www.crtc.gc.ca/eng/archive/2010/2010-629.htm (accessed 30 November 2013).

276. S.J. May and C. Middleton, "The Other Mobile TV: ATSC MDTV Broadcasting in Canada," *Canadian Journal of Communication*, 38 (2013), pp. 663–672.

the company, and that the pictures threatened privacy rights.[277] After an Alberta court granted an injunction forcing the removal of the material concerning Telus, the site block was removed.[278]

Another example of this practice was in 2008, when the CRTC received a request from the Canadian Association of Internet Providers that Bell Canada stop their traffic-shaping practices (i.e. throttling, choking, or slowing down services).[279] With concerns about the rise of p2p traffic, especially via the controversial application BitTorrent, there was evidence that Bell and other ISPs were slowing down the internet services of its customers because of network congestion, admitting that "throttling is necessary because a small percentage of subscribers are causing congestion on their networks by using file-sharing programs."[280] In the face of considerable pressure from the general public, a variety of civil society organizations (including Openmedia.ca and the Canadian Internet Policy and Public Interest Clinic (CIPPIC)) and companies including Skype and Google, in 2008, the CRTC ruled that Bell was not breaking any laws and would not attempt to stop them from throttling.[281] In 2009 the CRTC issued internet traffic management (i.e. network neutrality) rules and made efforts to enforce them (see section *7.1.2*).[282]

5.4   Assessments

Canadian spectrum policy is influenced by decisions made in the United States. Very few decisions on the governance of Canadian frequencies are made independently of American regulators. Much of this is the obvious coordination of radio waves involving such a long border region between friendly countries, but it also is a product of the dependence of Canadian broadcasting on American programming and device ecosystems that are designed for the American marketplace. This connection to American spectrum decisions is reflected in Canadians' daily use of wireless communications. The 2008 new entrant companies (Wind, Mobilicity, and Public Mobile) purchased spectrum which at the time could not support high-end devices such as the iPhone, placing them in a decidedly difficult market position.

Canadian mobile users often seek roaming agreements when traveling in the United States. In the 700 MHz auction, it is expected that Rogers will make a strong bid to secure alignment with AT&T's Lower B and

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277. CBC, "Telus cuts subscriber access to pro-union website," CBC News (online), 24 July 2005, at http://www.cbc.ca/news/canada/story/2005/07/24/telus-sites050724.html (accessed 30 November 2013) (hereafter, CBC, "Telus cuts subscriber access to pro-union website").

278. Telus, "Alberta court grants interim injunction against posting TELUS employee photos," 28 July 2005, at http://about.telus.com/community/english/news_centre/news_releases/blog/2005/07/28/alberta-court-grants-interim-injunction-against-posting-telus-employee-photos (accessed 30 November 2013) (hereafter, Telus, "Alberta court grants interim injunction against posting TELUS employee photos").

279. CRTC, Telecom Decision CRTC 2008-108, 20 November 2008, at http://www.crtc.gc.ca/eng/archive/2008/dt2008-108.htm#n1back (accessed 30 November 2013).

280. CBC, "New BitTorrent software sparks throttling debate," CBC (online), 2 December 2008, at http://www.cbc.ca/news/technology/story/2008/12/02/tech-torrent.html (accessed 30 November 2013) (hereafter, CBC, "New BitTorrent software").

281. CBC, "CRTC allows Bell to continue internet throttling," CBC (online), 20 November 2008, at http://www.cbc.ca/news/story/2008/11/20/tech-bell.html (accessed 30 November 2013) (hereafter, CBC, "CRTC allows Bell to continue internet throttling").

282. CRTC, Telecom Regulatory Policy CRTC 2009-657, 21 October 2009, at http://www.crtc.gc.ca/eng/archive/2009/2009-657.htm (accessed 30 November 2013); CBC, "CRTC ruling: Rogers violating federal net neutrality rules, CRTC says," CBC (online), 23 January 2012, at http://www.cbc.ca/news/technology/story/2012/01/23/tech-crtc-rogers-throttling.html (accessed 30 November 2013) (hereafter, CBC, "CRTC ruling: Rogers violating federal net neutrality rules, CRTC says").

C blocks given their mutual GSM/HSPA heritage. Bell and Telus, which employ CDMA technology, will likely seek to align themselves with Verizon's Upper C block in the 700 MHz.[283] For LTE networks, there is equipment available to support the Lower B and C blocks (the AT&T band) as well as the Upper C1 and C2 blocks (the Verizon band). This alignment with U.S. carriers and their device ecosystems furthers Canada's interconnection with U.S. communications.

Public interest in Canadian spectrum policy is generally viewed as synonymous with a competitive market-place. The "Spectrum Policy Framework for Canada" is guided by one policy objective: "to maximize the economic and social benefits that Canadians derive from the use of the radio frequency spectrum resource."[284]

To this end the government has made efforts to promote new entrants in the mobile wireless sector. The first key policy decision was the spectrum set aside in the 2008 AWS auction. In 2012, the government announced the relaxation of telecommunications foreign investment restrictions for carriers with less than 10 percent market share, and explicitly stated its goal of having four or more service providers for each region of the country.[285] This further emphasizes the government's emphasis on competition, and perhaps less directly on other normative regulatory concerns linked to the public interest. This emphasis may also contribute to the lackluster approach to network management practices of Canadian ISPs. A commitment to network neutrality and a more open internet in an eventual digital strategy would suggest a shift away from what appears to be a persistent neo-liberal agenda.

Canada's broadcasting spectrum was reorganized following the digital television transition in 2011 that moved OTA broadcasters from regions of the 700 MHz spectrum previously occupied by television channels 52–69. The 700 MHz spectrum auction, scheduled for 2013, will see up to 84 MHz of previous television spectrum assigned to commercial mobile providers, though this number may be reduced if further spectrum in this band is allotted for public safety. Spectrum in the Broadband Radio Services (BRS), the 2,500–2,690 MHz band, is also scheduled for auction across Canada, with the exact timing yet to be determined.

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283. Cartt.ca, "700 MHz auction: Big three are the likely winners; will align blocks with U.S. carriers," 20 December 2012, at https://cartt.ca/headlines?title=eastlink&page=4 (subscription only).

284. Industry Canada, "Spectrum Policy Framework for Canada," 2007, at http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf08776.html (accessed 30 November 2013).

285. Industry Canada, "Policy and Technical Framework: Mobile Broadband Services (MBS)—700 MHz Band, Broadband Radio Service (BRS)—2500 MHz Band," 2012, at http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf10121.html (accessed 30 November 2013).

6. Digital Business

6.1 Ownership

6.1.1 Legal Developments in Media Ownership

In 2011, the government released a report acknowledging the challenges to the broadcasting industry associated with digitization.[286] The report noted: "Digitization and convergence have resulted in two major changes in the broadcasting environment—fragmentation and corporate consolidation."[287] Digitization and convergence blur the distinctions between broadcasting and telecommunications, which creates considerable regulatory difficulties because these two areas of communications are governed by different laws, the Broadcasting Act and the Telecommunications Act.

One of the central challenges raised by convergence in this regard is whether ISPs should be regulated as broadcasters, especially as their digital video offerings increase, and as corporate consolidation increases access to content. As noted in the report: "While ISPs argue that they provide a content-neutral service, cultural groups maintain that they operate as broadcasting undertakings and as such should be subject to the Act. Such groups also insist that ISPs should contribute to a fund to support the creation of Canadian content."[288] In 2010, the Federal Court of Appeal ruled that ISPs do provide access to broadcasting; however, because they are considered content-neutral service providers, they should not be considered broadcasting undertakings. In 2012, the Supreme Court upheld the decision:[289]

> The terms "broadcasting" and "broadcasting undertaking", interpreted in the context of the language and purposes of the Broadcasting Act, are not meant to capture entities which merely provide the mode of transmission. The Broadcasting Act makes it clear that "broadcasting undertakings" are assumed to have some measure of control over programming … When providing access to the internet, which is the only function of ISPs placed in issue by the reference question, they take no part in the selection, origination, or packaging of content.

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286. See http://www.parl.gc.ca/content/lop/researchpublications/2011-39-e.htm (accessed 30 November 2013).

287. See http://www.parl.gc.ca/content/lop/researchpublications/2011-39-e.htm (accessed 30 November 2013).

288. See http://www.parl.gc.ca/content/lop/researchpublications/2011-39-e.htm (accessed 30 November 2013).

289. See http://www.parl.gc.ca/content/lop/researchpublications/2011-39-e.htm (accessed 30 November 2013).

The term "broadcasting undertaking" does not contemplate an entity with no role to play in contributing to the Act's policy objectives. Accordingly, ISPs do not carry on "broadcasting undertakings" under the Broadcasting Act when they provide access through the internet to "broadcasting" requested by end-users.[290]

The CRTC has expressed concern, however, that traditional and digital media will soon be inseparable, and that current policy may not be up to the task of ensuring protection. It stated:

> Increasing horizontal and vertical integration in the communications industry has occurred both organically through the re-purposing of communications networks to deliver a range of services and through mergers and acquisitions activity. It likely occurred as a result of corporate desire to maximize profit by better controlling costs and attempting to share in the rewards if any new product line takes off. However, looking forward, it is likely that further consolidation may occur increasingly in response to fragmentation. A strong domestic base may become critical for both broadcasting and telecommunications companies as they face an increasing array of over-the-top services, applications and content. The largest communications companies will continue to offer bundles of services at reduced prices in return for contractual loyalty. There will continue to be pressure on both cable and telecommunications entities to seek further mergers to take advantage of efficiencies.[291]

Ownership concentration in general, and vertical integration in particular, is favored by media companies because of the belief that convergence, resource-sharing, cross-promotion, etc. contribute both to cost reduction and the possibility of stronger brand management and resulting revenues.[292] As will be discussed in section *6.1.3*, the media and telecommunications industries are highly concentrated. As a result, in 2010, the CRTC decided to implement a group-based approach to reviewing the subsequent licensing of large television ownership groups.[293]

In 2011, to address concerns about vertically integrated entities favoring their own content and services over those provided by competitors, the CRTC introduced a new regulatory plan aimed at prohibiting entities from offering content to their mobile and internet subscribers on an exclusive basis. The commission also adopted a code of conduct aimed at preventing anti-competitive behaviors that emphasized a more equitable treatment of independent providers.[294] Indeed, the CRTC expressed its concerns about the difficulties faced in trying to ensure that industry can remain competitive, while at the same time protecting the interests of all Canadians.

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290. See http://scc.lexum.org/decisia-scc-csc/scc-csc/scc-csc/en/item/7989/index.do (accessed 30 November 2013).

291. See http://www.crtc.gc.ca/eng/publications/reports/rp1002.htm (accessed 30 November 2013).

292. See http://www.parl.gc.ca/content/lop/researchpublications/2011-39-e.htm (accessed 30 November 2013).

293. A group-based approach is described by the CRTC as follows, "Consolidation in the industry has resulted in large groups controlling both conventional television stations and specialty services. The CRTC's approach will take into account a group's total revenues when setting obligations related to the objectives of the *Broadcasting Act*." See http://www.crtc.gc.ca/eng/com100/2010/r100322.htm (accessed 30 November 2013); http://www.crtc.gc.ca/eng/archive/2010/2010-167.htm (accessed 30 November 2013).

294. See http://www.parl.gc.ca/content/lop/researchpublications/2011-39-e.htm (accessed 30 November 2013).

The Commission should continue to monitor the state of communications competition in Canada, paying close attention to rate increases, barriers for consumers, quality of service for resale-based competitors, the barriers to entry for competitors and the comparisons to other countries in terms of price parity and service innovation. Similar to the implications of fragmentation, the Commission faces a balancing act—in order to survive, corporations must be allowed to make business decisions that enable them to remain competitive and profitable. However, this cannot be at the expense of Canadians who live (physically or socially) outside of profitable markets, or at the expense of a Canadian communications industry that serves local, regional and national cultural interests.[295]

To address these concerns, the Commission reiterated the need to develop a definitive digital strategy that will allow regulators to address current challenges, design a plan for a Canadian system, and prepare for and shape the resulting digital future.

6.1.2 New Entrants in the News Market

In recent years only a few new organizations have entered the Canadian news market. Online investigative journalism is beginning to take form as the political and economic realities of news are changing. Two of the most prominent players are The Huffington Post and iPolitics.ca. The Huffington Post Canada, owned by AOL, launched its digital newsroom in 2011, functioning mostly as a news aggregator and blog. iPolitics. ca arrived in 2010 and features work of a string of veteran investigative reporters and columnists (see section *4.2.3*).

Another entrant has been The Tyee, which defines itself as "a distinctly regional response to both the reduction of local coverage and its perceived homogenization by the corporate owners of the media chains that service those areas."[296]

6.1.3 Ownership Consolidation

Much has been written in recent years about the structure of the Canadian media and telecommunications industries.[297] A recent report by the Boston-based Analysis Group suggests that Canada has the most concentrated television industry and the second-most concentrated television audience in the G8. According to its study, 81.4 percent of the value of Canada's television distribution market (cable and satellite) is

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295. See http://www.crtc.gc.ca/eng/publications/reports/rp1002.htm (accessed 30 November 2013).

296. J.R. Compton and P. Benedetti, "Labour, new media and the institutional restructuring of journalism," *Journalism Studies* 11(4), 2010, p. 495.

297. Dwayne Winseck, "Financialization and the 'crisis of the media:' the rise and fall of (some) media conglomerates in Canada," *Canadian Journal of Communication* 35(3), 2010; the Canadian Media Concentration Project, at http://www.cmcrp.org (accessed 30 November 2013); Standing Committee on Canadian Heritage, *Our Cultural Sovereignty: The Second Century of Canadian Broadcasting*, Government of Canada, Ottawa, 2003 (hereafter, Standing Committee on Canadian Heritage, *Our Cultural Sovereignty*); D. Skinner and M. Gasher, "So much by so few: media policy and ownership in Canada," in D. Skinner, J.R. Compton, and M. Gasher (eds.), *Converging Media, Diverging Politics: A Political Economy of News Media in the United States and Canada*, Lexington Books, Lanham MD, 2005; Monica Auer, "Is bigger really better? TV and radio ownership policy under review," *Policy Options* (September 2007), pp. 78–83; K. Goldstein, "Remarks," paper presented at the Ink and Beyond Conference of the Canadian Newspaper Association, Montreal, QC, 21 May 2009; M. Raboy, "Media," in M. Raboy and J. Shtern (eds.), *Media divides: Communication rights and the right to communicate in Canada*, UBC Press, Vancouver, 2010, pp. 91–119.

controlled by organizations that are also in the business of content creation (broadcasters and production companies). By comparison, the country with the next highest level of concentration in this area is Japan, scoring 37.5 percent; the United States is third at 23.1 percent.[298]

A study by Nordicity, an international consulting group, revealed high industry concentration in 2007[299] and again in 2011, noting with regards to the latter study, "Canada displays the highest degree of vertical integration in the broadcast distribution and broadcasting sectors, and the overall broadcasting and broadband communications industry, of any developed media market in the world."[300] Research by the Canadian government's Library of Parliament also suggests high concentration, noting, "Canada's information landscape is a place of much concentration and convergence."[301]

The most definitive evidence of industry concentration comes from Dwayne Winseck's team at Carleton University in Ottawa.[302] Data from 2012 reveal the extent of ownership concentration in the television sector. As noted in Table 8, three groups (including the CBC) dominate almost 75 percent of the market, resulting in a very high HHI score of 2,287.9.[303] Around 80 percent of the cable, satellite, and IPTV market is controlled by four groups, resulting in another high HHI score of 1,810.8. The 2012 data for radio show a market that is considerably less concentrated, but the 2011 data for the newspaper industry in Canada suggest considerable concentration, comparable with the television sector. Winseck's team has also assessed the extent of ownership concentration in Canada's mobile industry, according to which three firms controlled more than 90 percent of the market in 2011, resulting in an extremely high HHI of 2,923.67.

As noted in section *1*, the ITU reported that in 2010, Canada's mobile industry had the highest average revenue per user, per month in the world at US$61 for service. The second highest ARPU in 2010 was the United States at US$50.[304] A recent report by the OECD has also suggested that Canadian wireless prices are among the highest in the world.[305] While considerable debate persists about the accuracy of the ITU and OECD data,[306] the likely connection between Canada's concentrated wireless market and the considerable cost for service is difficult to ignore.

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298. See http://www.huffingtonpost.ca/2012/08/13/concentration-media-ownership-canada_n_1773117.html (accessed 30 November 2013).

299. See www.nordicity.com/home/work_download/id/9 (accessed 30 November 2013).

300. See http://www.nordicity.com/home/newsdetail/id/18 (accessed 30 November 2013).

301. See http://www.parl.gc.ca/content/lop/researchpublications/2012-17-e.htm (accessed 30 November 2013).

302. See http://www.cmcrp.org; http://www.cmcrp.org/2013/05/15/index-of-data-sheets (accessed 30 November 2013).

303. HHI refers to the Herfindahl-Hirschman Index, a measure of the size of firms in relation to the industry and an indicator of the amount of competition among them.

304. ITU, "Measuring the Information Society 2012." ARPU does not translate exactly to price, because revenue is derived from price and usage (voice and data). This means that increased usage could drive up ARPU and confuse comparative assessments of cost. A report by OECD also suggested that Canadian wireless prices are among the highest in the world; see M. Geist, "OECD report confirms what Canadians have long suspected: Wireless pricing among highest in the world," at http://www.michaelgeist.ca/content/view/6905/125 (accessed 30 November 2013).

305. M. Geist, "OECD report confirms what Canadians have long suspected: Wireless pricing among highest in the world," at http://www.michael-geist.ca/content/view/6905/125 (accessed 30 November 2013).

306. For example, M. Geist, "OECD report: Canada still among ten most expensive countries for broadband internet services," at http://www.michaelgeist.ca/content/view/6907/125 (accessed 30 November 2013).

Table 8.

Media markets and the level of concentration, 2011–2012

Television		Cable, satellite, and IPTV		Radio		Newspaper		Mobile	
Owner	Market share (2012) (%)	Owner	Market share (2012) (%)	Owner	Market share (2012) (%)	Owner	Market share (2011) (%)	Owner	Market share (2011) (%)
CBC/Radio-Canada	38.2	Shaw	25.1	Astral Media	16.8	Post Media	29.4	Rogers	37
Bell	22.6	Bell TV	22.3	CBC/Radio-Canada	16.3	Quebecor	22.7	Telus	28.5
Shaw	13.7	Rogers	21.1	Rogers	11.2	Power Corp/Gesca/Unimedia	11.7	Bell	27.1
Rogers	8.3	Quebecor/Vidéotron	12.5	Shaw	9.1	Torstar	11.0	SaskTel	2.1
Quebecor	7.2	Cogeco	7.5	Bell	7.9	CTV Globemedia	8.2	MTS Allstream	1.8
V Inter-actions	2.0	Bragg/Eastlink/Persona	3.8	NewCap	5.9	FP CDN Newspapers	3.4	Quebecor/Videtron	0.6
Radio Nord	1.1	Telus	3.3	Cogeco	4.8	Halifax Herald	2.9	Other	1.6
Other	6.9	SaskTel	0.9	Jim Pattison	2.0	Transcontinental	2.4	**HHI**	**2,923.67**
HHI	**2,287.9**	MTS Allstream	0.8	Rawlco	2.0	Glacier Cdn. Newspapers	2.2		
		HHI	**1,810.8**	Maritime Broadcast	1.6	Brunswick News	2.2		
				Golden West	1.5	Trinity	0.6		
				HHI	**825.3**	Independents	1.4		
						HHI	**1,742.5**		

Source: Canadian Media Concentration Research Project[307]

The government recently approved a new merger between two major communication companies, Bell Canada Enterprises (BCE) and Astral (see also section *6.1.4*).[308] Bell argued that "it needed to increase its television programming holdings in order to compete with new online global competitors such as Netflix, which currently has an estimated 2 million Canadian subscribers."[309]

307. See http://www.cmcrp.org (accessed 30 November 2013).

308. See http://www.theglobeandmail.com/report-on-business/bell-astral/article12861071/ (accessed 30 November 2013).

309. See http://www.theglobeandmail.com/report-on-business/bell-astral/article12861071/ (accessed 30 November 2013).

6.1.4   Telecoms Business and the Media

As the Canadian media business model continues to adapt to new networked digital media realities, Winseck argues that Canada's media ecology may be more prone to concentration "because digitization magnifies economies of scale and network effects in some areas."[310] He says that the more concentrated the digital media market becomes, the easier it is for dominant players to exercise market power, coordinate behavior, preserve their stakes in existing media sectors, stifle innovation, and influence prices.

In the period 2007–2012, there was a rapid acceleration towards vertical integration.[311] In 2010, the Canwest Global Communication Corporation filed for bankruptcy. Its newspapers were acquired by the newly founded Postmedia Network including the *National Post*, the *Calgary Herald*, the *Ottawa Citizen*, *The Gazette*, and many other prominent daily publications. Shaw Communications acquired all of its television assets.

In 2011, BCE purchased CTV as well as the Astral Media family of radio and television products. BCE first attempted to acquire Astral Media in 2012 but was blocked by the CRTC over concerns of potential market power after intense lobbying from its competitors as well as from media researchers and the general population alike. A revised acquisition plan was approved in 2013 with BCE committing to sell some of Astral's television and radio assets.

Winseck suggests that "consolidation has yielded a specific type of media company at the center of the network media ecology in Canada, namely the integrated media conglomerate."[312] While trends elsewhere have seen a path towards fragmentation, Canada's story is different, with trends showing increased vertical integration from 2007 to 2012.

6.1.5   Transparency of Media Ownership

The CRTC collects and publishes regular media ownership and annual returns reports including the Communications Monitoring Report, the Aggregate Annual Returns, and the Financial Summaries for the Broadcasting Sector. Additionally, public media companies have a requirement to disclose information through annual reporting tools such as annual reports to shareholders. According to Winseck, the formats under which such reports (and data) are made available are not conducive for download and analysis by independent researchers. Further, the regulated companies should, he argues, be made to be more forthcoming with data. Adding to the challenges of collecting and analyzing these data, he further notes that the CRTC publishes far too many data at odds with the data released by companies in their annual reports.[313]

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310. See http://www.cmcrp.org/wp-content/uploads/2013/10/Media-and-Internet-Concentration-in-Canada-Report.pdf (accessed 30 November 2013).

311. See http://www.cmcrp.org/wp-content/uploads/2013/10/Media-and-Internet-Concentration-in-Canada-Report.pdf (accessed 30 November 2013).

312. See http://www.cmcrp.org/wp-content/uploads/2013/10/Media-and-Internet-Concentration-in-Canada-Report.pdf (accessed 30 November 2013).

313. See http://www.cmcrp.org/wp-content/uploads/2013/10/Media-and-Internet-Concentration-in-Canada-Report.pdf (accessed 30 November 2013).

6.2 Media Funding

6.2.1 Public and Private Funding

Over the last five years, the CBC has undergone changes in its revenue streams and reliance on partnerships. As part of the Conservative federal government's austerity budget in 2012, the CBC's budget was reduced by CAD 115 million (US$ 104) over three years. For a media organization already dealing with lower advertising revenues, this led to a series of job reductions and program cancellations. In 2013, the CBC applied to the CRTC for—and gained—permission to add limited advertising to its CBC Radio 2 license. CBC Radio 2 airs mostly music programming.

At the time of writing, the CBC had also lost one of its historic advertising revenue generators in NHL hockey rights. Rogers Communications acquired the rights beginning in 2014 for 12 years, paying CAD 5.2 billion (US$ 4.7 billion). While the CBC will retain the rights to Hockey Night in Canada for four years, its editorial control will go also go to Rogers. According to the CBC president, Hubert Lacroix, the public broadcaster's loss of NHL hockey will force it to rely increasingly on partnerships to produce and disseminate Canadian content.[314]

Giant media conglomerates in Canada are relying on revenues from their increased vertical integration business models to support entrenched revenues.[315] By 2012, the big four vertically integrated conglomerates (BCE, Rogers, Shaw, and QMI) accounted for 56 percent of all revenues across the network media economy, rising to 71 percent by adding Telus to the mix.[316]

6.2.2 Other Sources of Funding

Content producers rely increasingly on crowd-funding and donation models to fund their projects. According to a report by the Canadian Media Fund,[317] investment models where financial investors are given shares in the content are often not feasible given the stringent reporting and regulation rules governed by provincial securities regulators. Similarly, lending models of financing face hurdles as they require coordination across regulations stemming from varying provincial securities commissions. Canada does not have a national securities regulator, although the federal finance minister has recently proposed the development of one.

There are 17 crowd-funding platforms based in Canada that complement the platforms available outside the country. These platforms have led to some innovative and creative production financing endeavors. Concerns remain, however, in connection with Canada's relatively small pool of potential donors and fear of donor

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314. See http://www.theglobeandmail.com/globe-debate/creative-partnerships-are-cbcs-new-norm/article15651925 (accessed 30 November 2013).

315. See http://www.cmcrp.org/wp-content/uploads/2013/10/Media-and-Internet-Concentration-in-Canada-Report.pdf (accessed 30 November 2013).

316. See http://www.cmcrp.org/wp-content/uploads/2013/10/Media-and-Internet-Concentration-in-Canada-Report.pdf (accessed 30 November 2013).

317. See http://www.cmf-fmc.ca/documents/files/about/publications/CMF-Crowdfunding-Study.pdf (accessed 30 November 2013).

fatigue. Others argue that Canada's culture of philanthropy is strong and that such crowd-funding models are sustainable in the long run.

As noted in section *1*, to make up for decreased circulation and advertising revenue, a number of major newspapers have implemented—or announced plans to implement—subscription models (paywalls) for online access in 2012 and 2013. These include *The Globe and Mail*, the *Toronto Star*, Sun Media papers, and several Postmedia papers (*National Post*, *Ottawa Citizen*, *Vancouver Province*, and the *Vancouver Sun*).[318] One notable exception is Montreal's *La Presse*, which has increased its roster of journalists and invested CAD40 million (US$ 36.17) in the development of a free digital tablet edition (supported by advertising), which is being positioned as a possible replacement for the print edition.[319]

While it is too soon to evaluate the effect of paywalls on online readership, print circulation, and revenue generation, publishers have expressed optimism and also noted the value of subscribers in terms of audience engagement and advertising.[320] A 2011 survey showed a very strong disinclination to pay for online content: 92 percent of respondents indicated that if their current preferred site started charging for content, they would simply shift to another free online news source. Only 4 percent said they would be willing to pay for news from their favorite online site (although that number jumps to 30 percent if no other choices are available).[321] Canadians' unwillingness to pay for news online may be changing, however: a 2012 poll showed 15 percent of respondents would now be willing to pay to access their favorite newspaper's content online.[322]

6.3   Media Business Models

6.3.1   Changes in Media Business Models

Digitization continues to affect media business models, increasing competition and reducing revenues for existing media organizations. As a result, media organizations continue to cut jobs across much of their content products. Postmedia posted a CAD 154 million (US$ 139.3 million) loss for its 2013 fiscal year, although CAD 100 million (US$ 90.4 million) of that was a write-off reflecting the declining value of its assets.[323] The Postmedia president, Paul Godfrey, stated that even after its significant past rounds of reductions,

318. J. Cruikshank, "The Star to launch digital subscription," *Toronto Star,* 29 October 2012, at http://www.thestar.com/news/2012/10/29/the_star_to_launch_digital_subscription.html (accessed 11 April 2013); S. Ladurantaye, "The Globe to roll out metered paywall as industry shifts to digital revenue," *The Globe and Mail*, 15 October 2012, at http://www.theglobeandmail.com/report-on-business/the-globe-to-roll-out-metered-paywall-as-industry-shifts-to-digital-revenue/article4612259 (accessed 12 April 2013); The Canadian Press, "Sun Media papers to move to pay-per-view model next week in major cities," *Maclean's*, 27 November 2012, at http://www2.macleans.ca/2012/11/27/sun-media-papers-to-move-to-pay-per-view-model-next-week-in-major-cities (accessed 12 April 2013).

319. S. Ladurantaye, "*La Presse* makes big bet on the future of news," *The Globe and Mail,* 18 April 2013, at http://www.theglobeandmail.com/report-on-business/la-presse-makes-a-big-bet-on-the-future-of-news/article11360785 (accessed 19 April 2013).

320. The Canadian Press, "If you build it, will they pay?"

321. CMRC, "Canadian Consumers Unwilling to Pay for News Online," 2011, at http://www.visioncritical.com/wp-content/uploads/2011/03/CMRC_Paywall_Release1.pdf (accessed 23 March 2013).

322. The Canadian Press, "If you build it, will they pay?"

323. See http://www.theglobeandmail.com/report-on-business/postmedias-godrey-saw-total-pay-rise-50-per-cent-last-year/article15650400 (accessed 30 November 2013).

it intends to cut an additional CAD 180 million (US$ 162.7 million) from its operating budget. Postmedia is not alone in its cost-cutting drives, as Sun Media, the CBC, and others have also engaged in significant lay-offs and cuts.

Nevertheless, independent media organizations are relying on crowd-funding to support their work. The online media outlet The Tyee/Countercurrent Media, an independent for-profit organization based in British Columbia, relies on donations to support up to half of its budget. After raising CAD 102,000 (US$ 93,000) in its 2013 crowd-funding drive, it plans to ramp up its expansion to meet the demands of a national audience.[324]

Following the crash of the dot.com bubble, mergers and acquisitions slowed down, eventually coming to a halt caused by the global financial crisis of 2007/2008.[325] According to Winseck, the Canadian network media economy trends "parallel the state of the economy in near lockstep fashion; they also closely track those in the US and globally,"[326] speaking to the industry's susceptibility to the global economy.

The story of Research In Motion's (now BlackBerry) success and current struggles demonstrates another unique aspect of Canada's shift towards digital media. The Canadian company was originally a dominant player in the smartphone market, reaching a 55 percent U.S. market share in 2009.[327] BlackBerry's "push technology" for accessing email from your smartphone and unique keyboard design were among the features that originally made the company successful. With the growth in popularity of touch-screen smartphone technology, the company has struggled to compete with Apple's iPhone and Google's Android, dropping to less than 3 percent of U.S. market share in 2013.[328]

6.4   Assessments

The government has acknowledged the considerable challenge of balancing the need for media and telecommunications companies to do what they believe needs to be done to remain competitive, especially in the evolving global media marketplace, with the needs of Canadians in general and Canadian democracy in particular. The answer to this balancing act remains unclear. What is clear, however, is that the Canadian communication system is highly concentrated, and levels of concentration are only increasing. As noted, the government has approved a new merger between two major communication companies Bell and Astral.[329]

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324. See http://j-source.ca/article/tyee-embarks-its-campaign-go-national (accessed 30 November 2013).

325. See http://www.cmcrp.org/wp-content/uploads/2013/10/Media-and-Internet-Concentration-in-Canada-Report.pdf (accessed 30 November 2013).

326. See http://www.cmcrp.org/wp-content/uploads/2013/10/Media-and-Internet-Concentration-in-Canada-Report.pdf (accessed 30 November 2013).

327. See http://www.nytimes.com/2010/07/26/business/26views.html (accessed 30 November 2013).

328. See http://www.theguardian.com/technology/2013/aug/12/blackberry-for-sale-smartphone-market (accessed 30 November 2013).

329. See http://www.theglobeandmail.com/report-on-business/bell-astral/article12861071 (accessed 30 November 2013).

Edwin Baker wrote, "In any large society, the mass media constitute probably the most crucial institutional structure of the public sphere … For this reason, a country is democratic only to the extent that the media, as well as elections, are structurally egalitarian and politically salient."[330] Even though digital technologies raise new challenges for many of Canada's media and telecommunications companies, extreme concentration of ownership is not the answer. Consolidation of ownership leads to considerable barriers to market entry, a narrowing of the marketplace of ideas, and other issues of consumer access and choice.

The ITU and OECD reports highlighting Canada's high wireless prices are only one (likely) manifestation of industry concentration to be concerned about. As the number of voices represented in the media and telecommunications landscape diminishes, so too will its democratic function. The government must do more to protect the diversity and plurality of the communication system by championing the dispersal of ownership.

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330. E. Baker, *Media concentration and democracy: Why ownership matters*, Cambridge University Press, New York, 2007, p. 7.

7. Policies, Laws, and Regulators

7.1   Policies and Laws

7.1.1   Digital Switch-over of Terrestrial Transmission

7.1.1.1 Access and Affordability

In the transition to digital OTA television, the Canadian government repeatedly refused any plan to provide set-top digital receivers for people or offer subsidies in form of coupons as was done in the United States.[331] In 2010, the CRTC noted: "Given that in 2009 approximately 7.3 percent of Canadian households relied solely on over-the-air reception, approximately 826,000 to 857,500 households may require over-the-air digital converter boxes to ensure that viewers in these households maintain access to over-the-air services using older television sets."[332] Converter boxes were available at electronics stores prior to the 31 August 2011 transition, but the government provided no subsidy.

7.1.1.2 Subsidies for Equipment

The CRTC has made efforts to ensure access for all Canadians. In 2010, following Shaw's purchase of Canwest Global for just over CAD2 billion (US$ 1.8 billion), the CRTC introduced a public benefits package which required that Shaw direct CAD15 million (US$ 13.6 million) "towards providing a satellite receiver and dish, and associated installation, to households that had relied solely on OTA reception to access at least one local and/or regional television station that was operating on channels 52 to 69 outside mandatory markets, and that had ceased OTA transmission due to the transition."[333] The program did not evoke a large response, as most Canadians were unaware of this option. A November 2011 letter from the CRTC's secretary-general to Shaw noted that "public awareness of the program has been limited."[334] Shaw requested permission to redirect CAD10 million (US$9 million) of the CAD15 million (US$ 13.6 million) required in the benefit

331. M. Geist, "Digital TV transition could lead to new digital divide," 29 July 2010, at http://www.michaelgeist.ca/content/view/5236/135 (accessed 30 November 2013).

332. CRTC, "Broadcasting Regulatory Policy CRTC 2010-485," at 16 July 2010, at http://www.crtc.gc.ca/eng/archive/2010/2010-485.htm (accessed 30 November 2013).

333. CRTC, "Broadcasting Decision CRTC 2010-782," 22 October 2010, at http://www.crtc.gc.ca/eng/archive/2010/2010-782.htm (accessed 30 November 2013).

334. John Traversy, CRTC, "Commission Letter: Mr Jean Brazeau, Senior Vice President, Regulatory Affairs, Shaw Communications Inc," 29 November 2011.

package to convert its transmitters to MPEG-4 compression technology. The CRTC ruled the conversion did not qualify as a public benefit and denied the request.

The government also denied requests from the CBC (supported by the CRTC) for a one-time infusion of funds to complete the OTA digital transition.

7.1.1.3 Legal Provisions on Public Interest

The policy goal and key public interest objective of equality between citizens was not realized in the digital television switch-over.[335] In 2013, the over-the-air sector remains an analog-digital patchwork in much of the country. City viewers can enjoy a limited number of high-quality HD signals with a simple antenna, while rural viewers must pay for a distribution service even to access public television. Analog signals have continued in some regions with no set shut-off date. The broadcasting industry was given great regulatory independence in the digital television transition, with the support of the CRTC and the government, yet did not generate a comprehensive, progressive agenda for the country.

7.1.1.4 Public Consultation

As noted by Taylor, "the public was rarely consulted during the formative first years of the process and so digital television has never really undergone rigorous democratic scrutiny."[336] Gregory Taylor has chronicled the task forces and industry groups that were key players in developing the digital television transition, overwhelmingly free from public engagement. The digital television transition was an industry-led process. Taylor writes, "when it comes to the contemporary essential question of public interest obligations in digital television, the debate within the U.S. has been far more robust."[337]

In response to the problem of public participation in hearings, in 2011 the CRTC created the Canadian Broadcasting Participation Fund, "to represent non-commercial user interests before the Commission in its broadcasting proceedings."[338] Under this program, public groups and citizens may apply for funding to compensate for travel expenses incurred while participating in public hearings.

7.1.2 The Internet

As noted earlier, the government does not have an official plan for a digital Canada. Although Canada lags behind the European Union, the United States, and a variety of other countries that have set clear agendas and goals for a digital future, there are signs that the government will eventually set out an official mandate. For example, in the Governor General's annual Speech from the Throne in 2010 and again in 2011, interest

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335. Taylor, *Shut Off*.

336. Taylor, *Shut Off*, p. 55.

337. Taylor, *Shut Off*, p. 57.

338. CRTC, "Broadcasting decision CRTC 2011-163," 7 March 2011, at http://www.crtc.gc.ca/eng/archive/2011/2011-163.htm (accessed 30 November 2013).

in a comprehensive digital plan for Canada was noted.[339] Since that time, the Minister of Industry has maintained a website to involve the public in a discussion about the future of Canada's digital economy.[340]

The government's Social Sciences and Humanities Research Council has also allocated funds for academic research to increase understanding of the digital economy.[341] In 2010, the Standing Senate Committee on Transport and Communications released a set of 18 recommendations that they believe should direct an eventual comprehensive digital plan.[342] While these efforts seem promising, the government continues to procrastinate and has yet to release an official, comprehensive digital strategy, a problem that some now refer to as a "broken promise."[343]

Steps have been taken by the government to achieve what is often one of the primary goals of a country's digital strategy: connecting all citizens to a powerful broadband network. "Broadband Canada: Connecting Rural Canadians" was a program announced in July 2009 that began drawing from a fund of CAD 225 million (US$ 205 million) to provide broadband services (defined by the program as 1.5 Mbps) "to as many communities as possible that had been identified as unserved."[344] The three-year program funded 84 projects and provided new services to 218,000 Canadians.[345]

Of the various internet policy issues relevant to the Canadian context, none other has been more contentious in recent years than the issue of cyber-surveillance. In February 2012, Canada's Conservative government introduced Bill C-30,[346] commonly referred to as the Lawful Access Bill. This was an attempt to expand upon the search and seizure, interception, surveillance, collection, and decryption capabilities of the government and law enforcement agencies, with the primary goal of removing the legal and technical barriers inhibiting the seamless, consistent access to information held in private internet and mobile accounts. Specific provisions included the following points:

- The Canadian government would be authorized to force telecommunication companies to install surveillance equipment (hardware and software) to enable a constant flow of data between the providers and law enforcement agencies. The companies would be required to cover the cost of these installations (which would likely be passed to the consumer).

339. Speech from the Throne, 3 March 2010, at http://www.speech.gc.ca/eng/media.asp?id=1388 (accessed 30 November 2013); Speech from the Throne, 3 June 2011, at http://www.speech.gc.ca/eng/media.asp?id=1390 (accessed 30 November 2013).

340. See http://www.ic.gc.ca/eic/site/028.nsf/eng/home (accessed 30 November 2013).

341. See http://www.sshrc-crsh.gc.ca/funding-financement/programs-programmes/priority_areas-domaines_prioritaires/digital_research-recherche_numerique-eng.aspx (accessed 30 November 2013).

342. Standing Senate Committee on Transport and Communications, "Plan for a digital Canada," June 2010, at http://www.parl.gc.ca/Content/SEN/Committee/403/tran/rep/rep04jun10-e.pdf (accessed 30 November 2013).

343. L. Pinto, "The government's broken promise of a digital strategy for Canada," 16 January 2013, at http://openmedia.ca/blog/government's-broken-promise-digital-strategy-canad (accessed 30 November 2013); M. Geist, "Canada can't afford to wait any longer for digital economy strategy," *Toronto Star* (online), 2 September 2012, at http://www.thestar.com/business/2012/09/02/canada_cant_afford_to_wait_any_longer_for_digital_economy_strategy.html (accessed 30 November 2013).

344. Standing Senate Committee on Transport and Communications, "Plan for a digital Canada," 2010, p. 15.

345. See http://www.ic.gc.ca/eic/site/719.nsf/eng/h_00001.html (accessed 30 November 2013).

346. See http://www.parl.gc.ca/HousePublications/Publication.aspx?DocId=5380965 (accessed 30 November 2013).

- The mandating of warrantless disclosures of subscriber information and data.

- An enhanced ability to obtain transmission data warrants granting real-time access to all information generated during the creation, transmission, or reception of a communication, and preservation orders requiring providers to preserve that information.

- The granting of these capabilities to law enforcement agencies, the Canadian Security Intelligence Service (CSIS), the Competition Bureau of Canada as well as any "public officer" who has been "appointed or designated to administer or enforce a federal or provincial law".

- A "gag order" that limits privacy protections provided in PIPEDA (Canadian privacy legislation) prohibiting telecommunication providers from informing users that they are the subject of a lawful access investigation.

- In the event that the Canadian government finds itself limited by the changes made by this Bill at some point in the future, it includes a catch-all providing additional regulatory power "generally, for carrying out the purposes and provisions of this Act."[347]

In February 2013, after a considerable public outcry (see section *3*), the Canadian government announced "we've listened to the concerns of Canadians" and decided to cancel efforts to pass the bill.[348]

Recent efforts to address the digitally-mediated surveillance apparatus in Canada have been varied. They include scholarly research into a range of surveillance concerns, such as the "boomerang routing" of Canadian data packets, which subjects Canadian—Canadian transmissions to possible U.S. surveillance,[349] the use of deep packet inspection,[350] and the prevalence of illegal video surveillance devices in public spaces.[351] Recent calls for Canadian network sovereignty,[352] and initiatives by civil society organizations[353] and government[354] provide other examples.

347. J.A. Obar, L. Shade, and A. Clement, *The Strength of a Broad-Based Coalition: How Canadian Media Reformists Defeated Bill C-30*, 2014, at http://papers.ssrn.com/sol3/papers.cfm?abstract_id=2387615 (accessed 30 November 2013); M. Geist, "How to fix Canada's online surveillance bill: A 12 step to-do list," at http://www.michaelgeist.ca/content/view/6339/125 (accessed 30 November 2013); Canadian privacy law blog, "The hidden gag order in Bill C-30 (a.k.a. the lawful access bill)," at http://blog.privacylawyer.ca/2012/02/hidden-gag-order-in-bill-c-30-aka.html (accessed 30 November 2013).

348. L. Payton (11 February 2013), "Government killing online surveillance bill," CBC news, at http://www.cbc.ca/news/politics/government-killing-online-surveillance-bill-1.1336384 (accessed 30 November 2013).

349. J.A. Obar and A. Clement, "Internet surveillance and boomerang routing: A call for Canadian network sovereignty," IXmaps.ca, 1 July 2013.

350. C. Parsons, "Deep packet inspection in perspective: Tracing its lineage and surveillance potentials," Working Paper, at http://www.sscqueens.org/resources/online-reports (accessed 30 November 2013).

351. See http://surveillancerights.ca; for additional examples of surveillance studies research in Canada, see "The new transparency: Surveillance and society sorting," at http://www.sscqueens.org/projects/the-new-transparency (accessed 30 November 2013); The Citizen Lab, at https://citizenlab.org (accessed 30 November 2013).

352. B. Holland "PRISM, internet exchange points and Canada," public domain blog, at http://blog.cira.ca/2013/06/prism-internet-exchange-points-and-canada (accessed 30 November 2013); J. A. Obar and A. Clement, "Internet surveillance and boomerang routing: A call for Canadian network sovereignty," 1 July 2013, at http://ssrn.com/abstract=2311792 (accessed 8 October 2013).

353. See, for example, https://openmedia.ca/StopSpying (accessed 30 November 2013).

354. See, for example, the Office of the Privacy Commissioner of Canada "The case for reforming the Personal Information Protection and Electronic Documents Act," 2013, at http://www.priv.gc.ca/parl/2013/pipeda_r_201305_e.asp (accessed 30 November 2013).

Canada's ability to address cyber-surveillance questions is fairly unique because of its Federal Privacy Commissioner, who serves as an Officer of Parliament and reports directly to the House of Commons and the Senate. An advocate for the privacy rights of Canadians, the Commissioner has the power to:

- investigate complaints, conduct audits, and pursue court action under the Privacy Act and the Personal Information Protection and Electronic Documents Act;

- report publicly on the personal information-handling practices of public and private-sector organizations;

- support, advance, and publish privacy research; and

- promote public awareness of privacy issues.

The Office of the Privacy Commissioner addresses a variety of issues related to digital media, and has issued guidelines and reports addressing topics including (among others) online surveillance, online data collection, online behavioral advertising, mobile privacy, and youth privacy online.

In 2009, responding to a privacy complaint from the CIPPIC, the Privacy Commissioner conducted an investigation into Facebook's privacy practices in Canada. In August 2009, Facebook agreed to implement the Commissioner's recommendations.[355]

7.1.2.1 Regulation of News Content on the Internet

The network neutrality debate (referred to in Canada as the internet traffic management debate) has been far more relevant than the specific debates over news regulation. Controversial network management practices by Canadian telecommunications companies including Telus, Bell, Rogers, and others contributed to the development of a fierce network neutrality debate.[356] This led the CRTC to issue a set of network neutrality rules in October 2009.[357] The rules, in general, set modest limits on network management practices, beginning with the requirement of greater transparency. The rules do not prohibit network management, but require that these practices be imposed for a specific purpose such as the reduction of network congestion,[358] and not be "unjustly discriminatory nor unduly preferential."[359] Furthermore, "For retail services, ISPs may continue to employ (network management) … without prior Commission approval. The Commission will review such practices, assessing them against the framework, based upon concerns arising primarily through complaints by consumers."[360]

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355. Office of the Privacy Commissioner of Canada, "Facebook agrees to address Privacy Commissioner's concerns," 27 August 2009, at http://www.priv.gc.ca/media/nr-c/2009/nr-c_090827_e.asp (accessed 8 October 2013).

356. CBC, "Telus cuts subscriber access to pro-union website"; Telus, "Alberta court grants interim injunction against posting TELUS employee photos"; CBC, "New BitTorrent software"; CBC, "CRTC allows Bell to continue internet throttling"; CBC, "CRTC ruling: Rogers violating federal net neutrality rules, CRTC says."

357. CRTC, Telecom regulatory policy CRTC 2009-657, 21 October 2009, at http://www.crtc.gc.ca/eng/archive/2009/2009-657.htm (accessed 30 November 2013) (hereafter, CRTC, Telecom regulatory policy CRTC 2009-657).

358. CRTC, Telecom regulatory policy CRTC 2009-657.

359. CRTC, Telecom regulatory policy CRTC 2009-657.

360. CRTC, Telecom regulatory policy CRTC 2009-657.

While the creation of these rules appears to be a step toward network neutrality, critics have suggested that more work is to be done. Michael Geist noted, "Even when the CRTC pursues a complaint, there is little actual investigation. Most activity is limited to exchanging correspondence or prodding internet providers to respond. This typically leads to revised disclosures, rather than real changes."[361] To enhance public awareness of the CRTC's network management review process, Geist also posted a full list of all complaints and resolutions handled by the CRTC from December 2009 to June 2011 (see Table 9).[362]

Table 9.

List of all network management complaints and resolutions in Canada

(obtained through Access to Information from the CRTC), 2009–2011[363]

ISP	Date	Complaint	Resolution
Shaw	June 2011	Intercepting failed domain name requests and redirecting to company pages.	Ongoing.
Rogers	May 2011	Degrading Skype, Net2Phone.	Ongoing.
Vidéotron	May 2011	Calculation of bandwidth usage. Monthly usage not charged fairly.	Denied.
Bell Canada, TekSavvy	May 2011	Throttling applications even when no network congestion.	Denied.
Rogers	May 2011	Throttling of peer-to-peer applications.	Denied. Rogers discloses this practice.
Shaw	May 2011	Inability to see monthly internet usage.	Shaw deactivated feature when it dropped usage-based billing.
Rogers	April 2011	Throttling of World of Warcraft online game. Leads to regular disconnection.	Admits problem and promises to fix.
Rogers	April 2011	Traffic management has dramatic effect on services.	Admits problem and promises to fix.
Rogers	March 2011	Throttling of World of Warcraft online game. Leads to regular disconnection.	Admits problem and promises to fix.
Rogers	March 2011	Throttling of World of Warcraft online game. Leads to regular disconnection.	Admits problem and promises to fix. "Problem is not due to a Rogers' policy but rather due to a software problem which we will fix as soon as possible."
Rogers	March 2011	Advertising of Speed Boost inconsistent with World of Warcraft throttling.	Denied. Marketing outside of policy. No evidence of violation provided.
Telus	March 2011	General throttling concerns.	Telus works with customer to address speed problems.

361. M. Geist, "Canada's net neutrality enforcement failure," 8 July 2011, at http://www.michaelgeist.ca/content/view/5918/135 (accessed 8 October 2013) (hereafter, Geist, "Canada's net neutrality failure").

362. Geist, "Canada's net neutrality failure."

363. A longer version originally appeared on the M. Geist blog, current to June 2011.

Table 9. (continued)

ISP	Date	Complaint	Resolution
Bell	March 2011	Limiting HTTP upload rates.	Unknown.
Rogers	February 2011	Disclosure of throttling practices inadequate as effect of upload throttling not fully discussed.	Agrees to amend disclosure page.
Rogers	February 2011	Disclosure of throttling practices inadequate as effect of upload throttling not fully discussed.	Agrees to amend disclosure page.
Rogers	February 2011	Disclosure of throttling practices inadequate as effect of upload throttling not fully discussed.	Agrees to amend disclosure page.
Rogers	February 2011	Disclosure of throttling practices inadequate as effect of upload throttling not fully discussed.	Agrees to amend disclosure page.
Rogers	February 2011	Throttling renders service useless.	Denied.
Rogers	February 2011	Throttling of World of Warcraft online game. Leads to regular disconnection.	Denied. Rogers says throttling practices have no effect on online gaming (later reverse).
Barrett Xplore	February 2011	Traffic management dramatic effect on services.	Denied. No evidence of violation.
Uniserve	January 2011	Traffic shaping hurts some applications. Flash video very slow.	Agrees to amend disclosure page.
Rogers	December 2010	Rogers customer service providing conflicting information about throttling practices.	Acknowledges incorrect information provided by one representative.
Bell	November 2010	Throttling speeds for downloads from Hotfile.com.	Admits error.
Telco Quadro	October 2010	Change in traffic management practices.	Denied.
Wind Mobile	September 2010	Port blocking restricts some uses and not properly disclosed.	CRTC says disclosure inadequate. Agrees to amend disclosure page.
Wind Mobile	August 2010	Speed slowed after 5 GB of usage on all internet traffic. Lack of disclosure on Fair Use Policy.	CRTC says slowing usage of any time-sensitive traffic would be a violation of ITMP rules or require CRTC approval. Says disclosure inadequate.
Rogers	August 2010	Claim of throttling speeds on Xbox usage.	Rogers denies the claim.
Bruce Street Technologies	July 2010	Throttling traffic without disclosure.	Dropped throttling practices.
Rogers	July 2010	Problems with SIP (session initiation protocol) on Port 5060.	Admits problem but argues it is not a traffic management issue.
Bell	July 2010	Traffic management policy overbroad.	Denied.
Barrett Xplore	June 2010	Bad service with slow speeds.	Outside the scope of ITMP policy.
Cogeco	March 2010	Traffic management policy involves throttling 24/7.	Denied. CRTC asks complainant for more evidence of policy and harm.

Table 9. (continued)

ISP	Date	Complaint	Resolution
Rogers	March 2010	Throttling affecting corporate VPN connection.	Rogers' policy says it does not affect VPN. Contact Rogers. If unsatisfied and you have evidence of rule violation, provide evidence for further consideration.
Barrett Xplore	January 2010	Barrett Xplore throttling renders internet telephony unusable, creating an unfair advantage.	CRTC rules not an undue preference.
Bell	December 2009	Bell throttling access to MediaMonkey.com.	Denied. CRTC says Bell's disclosure page does not reference site, so problem may lie with the site itself.
Shaw	December 2009	Blocking Skype users from accessing BC numbers.	Require Shaw account information before proceeding.

Source: M. Geist blog

7.1.2.2 Legal Liability for Internet Content

On 19 October 2011, the Supreme Court of Canada ruled on Crookes v. Newton, relating to legal liability for internet content.[364] The case dealt with liability for linking to allegedly defamatory material online, and the Court ruled that hyperlinking should be protected as a form of freedom of expression.[365] As noted by Justice Abella, "I would conclude that a hyperlink, by itself, should never be seen as 'publication' of the content to which it refers."[366]

Legal scholar Michael Geist hailed the significance of this decision: "This decision is amongst the most important the Supreme Court has issued involving the Internet. The court again demonstrates that it recognizes the importance of the Internet for freedom of expression and for the need to promote the ability to use the technology to disseminate information."[367]

Geist emphasized where responsibility for defamatory speech online belongs (in a Canadian context): "The decision rightly places responsibility for defamatory speech where it belongs—with the person who posted the content. There is still the ability to commence legal action against that person, but subjecting anyone that links to allegedly defamatory content to potential liability would have been very dangerous."[368]

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364. See http://scc-csc.lexum.com/decisia-scc-csc/scc-csc/scc-csc/en/item/7963/index.do (accessed 30 November 2013).

365. See http://www.michaelgeist.ca/content/view/6069/125 (accessed 30 November 2013).

366. See http://scc-csc.lexum.com/decisia-scc-csc/scc-csc/scc-csc/en/item/7963/index.do (accessed 30 November 2013).

367. See http://www.michaelgeist.ca/content/view/6069/125 (accessed 30 November 2013).

368. See http://www.michaelgeist.ca/content/view/6069/125 (accessed 30 November 2013).

7.2 Regulators

The CRTC regulates radio, television, broadcast distribution undertakings (cable, satellite, and IPTV television services) and most telecommunications services, wireless services, and ISPs. The mandate and powers of the CRTC are broad. The last two Canadian Broadcasting Acts, 1968 and 1991, are consistent with regards to the CRTC: "the Commission shall regulate and supervise all aspects of the Canadian broadcasting system" (II)(5)(1).

The change in spectrum responsibility from the Department of Communications to Industry Canada in 1993 was a pivotal event for the development of wireless media. The Department of Communications had been resistant to auctions as a tool for spectrum assignment, and it was clear that Industry Canada would take a different approach.

In 1996, the federal government announced that amendments would be made to the Radiocommunication Act to give the Minister of Industry the authority to conduct an auction. The Budget Act of 1996 amended the Radiocommunication Act with just a few paragraphs to give the minister that authority.

7.2.1 Changes in Content Regulation

In 1959, the government imposed Canadian content regulations on all broadcast licensees.[369] Although Canadian content regulations are often under threat from those supportive of U.S. interests,[370] and strong consumer demand for U.S. programming (coupled with the CRTC's recent decision to amend its Canadian content policy for radio broadcasters with total revenues less than $1.25 million),[371] content regulations remain a cornerstone of Canadian broadcasting policy.

7.2.2 Regulatory Independence

There has been no significant change in the regulatory structure of the media during the transition from analog to digital. The responsibilities for spectrum remain split between Industry Canada, under the Radiocommunication Act, and the CRTC, under the Broadcasting Act and Telecommunications Act. The CRTC is an arm's-length media regulator, whereas Industry Canada is a branch of the government.

In a 2006 report, the Telecommunications Policy Review Panel argued that spectrum regulation and management functions should be transferred to the CRTC.[372] This position was endorsed by the former CRTC chair, Konrad von Finckenstein,[373] but there has been no change in the regulatory structure.

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369. Rowland Lorimer and Jean McNulty, *Mass Communication in Canada*, 3rd edn, Oxford University Press, Toronto, 1996.

370. For example, see http://www.huffingtonpost.ca/2012/10/04/trans-pacific-partnership-cancon_n_1940312.html (accessed 30 November 2013).

371. See http://crtc.gc.ca/eng/archive/2013/2013-476.htm (accessed 30 November 2013).

372. Telecommunications Policy Review Panel (G. Sinclair, A. Tremblay, and H. Intven), "Final Report," 2006, at http://epe.lac-bac.gc.ca/100/200/301/ic/telecommunications_policy_review-e/Iu4-77-2005E.pdf (accessed 17 November 2013).

373. Konrad von Finckenstein, "Speaking Notes to the Spectrum Roundtable panel on 'The Institutions of Spectrum Management: Time for a Change?'," 22 April 2010, at http://www.crtc.gc.ca/eng/com200/2010/s100422.htm (accessed 17 November 2013).

Table 10.

Division of responsibilities for spectrum[374]

Activity	CRTC spectrum management responsibilities	Industry Canada spectrum management responsibilities
National spectrum policy		✓
International coordination		✓
Allocation of spectrum		✓
Assignment of broadcasting spectrum		✓
Assignment of telecom spectrum (auctions)		✓
Assignment of other spectrum	✓	✓
Enforcement, field testing		✓
Technical standards		✓
Equipment certification		✓
Dispute resolution		✓
Foreign ownership review (under Radiocomm. Act)		✓
Licensing radio and television broadcasters	✓	
Foreign ownership review (under Telecom Act and Broadcasting Act)	✓	

7.2.3   Digital Licensing

There have been some changes to digital licensing in recent years. In 2010, Industry Canada announced license terms for the 700 MHz auction would be for 20 years, up from license terms of 10 years in the previous 2008 AWS auction. There have also been some changes to the previous policy of not allowing foreign ownership of licenses. As of 2012, foreign entities may own companies that have less than 10 percent of the total Canadian telecommunications market, based on revenue.

As with many jurisdictions around the world, Canada has embraced auctions as a tool for granting licenses. In 2002, Industry Canada revised the "Spectrum Policy Framework for Canada" and made auctions, not the traditional comparative process, the primary method of obtaining spectrum licenses: "The Department has adopted a number of changes in spectrum policy and management. One specific example is the Department's adoption of the option of using auctions as a means of determining who should be selected among multiple competing applicants for radio licenses where there is not sufficient spectrum to meet projected demand."[375]

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374. Konrad von Finckenstein, "Speaking Notes to the Spectrum Roundtable panel on 'The Institutions of Spectrum Management: Time for a Change?'," 22 April 2010, at http://www.crtc.gc.ca/eng/com200/2010/s100422.htm (accessed 17 November 2013).

375. Industry Canada, "A spectrum policy framework for Canada," 2002 revised edn, p. 2, at http://www.ic.gc.ca/eic/site/smt-gst.nsf/vwapj/spfc-eng. pdf/$FILE/spfc-eng.pdf (accessed 17 November 2013).

7.2.4   Role of Self-regulatory Mechanisms

The CRTC has encouraged industry associations to develop codes of conduct and standards pertaining to broadcasting governance. Examples include: the Canadian Association of Broadcasters' Voluntary Code Regarding Violence in Television Programming, Sex Role Portrayal Code for Television and Radio Programming, Advertising Standards Canada General Portrayal Guidelines for Advertising, Broadcast Code for Advertising to Children, and the Code for Broadcast Advertising of Alcoholic Beverages.

These codes are more accurately defined as co-regulation as the CRTC still has ultimate authority and can intervene if the codes fail to sufficiently regulate the industry. In order for co-regulatory approaches to function effectively, however, the threat of regulatory action must always be in the background.

7.3   Government Interference

7.3.1   The Market

Newspaper publishers have generally supported the lack of government intervention; in fact, the government's 1970 Davey Report noted that "newspaper publishers, in particular, repeatedly told the Committee that they sought no special favours from the Government."[376] In 1981 when the Kent Commission recommended that the government develop a system of grants to help strengthen the press, publishers declined, arguing that "if government were allowed to pay the piper, then there would be a real danger that it might end up calling the tune as well."[377]

The broadcasting industry developed along quite different lines. In 1928, noting its dissatisfaction with the ad hoc approach to licensing, the government outlined a consideration as to "whether or not it would be generally advantageous to adopt a policy of national broadcasting along the lines adopted in this respect by the British government."[378] These comments were presented in light of the ongoing debate that had persisted between the advocates of a nationalist public sector and those championing a purely commercial system. The struggle exemplified a broader debate regarding Canada's future, as it was "struggling to find its place between a British colonial past and the American dream of the future, anxious to preserve the trappings of the former without denying itself the promised pleasures of the latter"[379]

Though the BBC was highly respected, the decision to develop a national broadcasting system was inspired primarily by the desire to strengthen and protect Canadian national culture from American structural and

376.   Paul Audley, *Canada's Cultural Industries: Broadcasting, Publishing, Records and Film*, James Lorimer, Toronto, ON, 1983, p. 7 (hereafter, Audley, *Canada's Cultural Industries*).

377.   Andrew M. Osler, *News: The Evolution of Journalism in Canada*, Copp Clark Pitman, Toronto, ON, 1993, p. 164.

378.   Marc Raboy, *Missed Opportunities: The Story of Canada's Broadcasting Policy*, McGill-Queen's University Press, Montreal, QC, 1990, p. 22 (hereafter, Raboy, *Missed Opportunities*).

379.   Raboy, *Missed Opportunities*, p. 18.

cultural imperialism.[380] By the mid-1920s, American radio broadcasts could be heard in homes across Canada, and the majority of Canadians were indeed listening.[381] To make matters worse, a commission designated to evaluate the state of broadcasting in the United States and in Europe in the late 1920s (the Aird Commission) learned of the American NBC's plan to cover Canada as "part of the North American radio orbit."[382] The Canadian radio entrepreneur Graham Spry described the problem as "a choice between commercial interests and the people's interest. It is a choice between the State and the United States."[383] In the end, the decision to create a national broadcaster, the CBC, was an attempt to emulate the BBC, as well as a strategy to strengthen and protect a national identity and culture.

American imperialism continued to serve as the main impetus for Canadian broadcasting regulation after the arrival of television. In 1959, the government imposed Canadian content regulations on all broadcast licensees,[384] and in 1969 with the enactment of the Broadcasting Act and the establishment of the Canadian Radio-Television Commission,[385] limitations on foreign ownership were put in place. Indeed, various content requirements, protection from foreign ownership, and policies designed to support local programming have created protection for the media from those market pressures that many see as challenging Canadian cultural sovereignty.[386]

More recently, media production has benefitted from various government funding programs. In 2009, the government amalgamated the Canadian Television Fund and Canadian New Media Fund, two government-run funds that gave money to Canadian productions, and merged them into the Canada Media Fund (CMF). The CMF has attempted to bring Canadian video subsidies into the digital age. The CMF offers financial support to the Canadian television and digital media industries through two streams of funding: an "Experimental Stream" which encourages the development of innovative, interactive digital media content and software applications; and a "Convergent Stream"[387] which supports the creation of convergent television and digital media content for consumption by Canadians across various media platforms.[388]

The government has shown a willingness to engage in the telecommunications market. In October 2013, the Industry Minister announced that he was refusing to permit the Egyptian-controlled Accelero Capital Holding's purchase of MTS Allstream, the wireline enterprise services division of Manitoba Telecom Service, citing reasons of national security. The same year the government twice rejected the sale of struggling

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380. Taras and Raboy, "Canada"; Audley, *Canada's Cultural Industries*, p. 7.

381. Taras and Raboy, "Canada."

382. Raboy, *Missed Opportunities*, p. 23.

383. Raboy, *Missed Opportunities*, p. 40; Robert W. McChesney, "The 1997 Spry Memorial Lecture: The Mythology of Commercial Broadcasting and the Contemporary Crisis of Public Broadcasting," 2 December 1997, at http://www.ratical.com/co-globalize/RMmythCB.pdf (accessed 30 November 2013).

384. Rowland Lorimer and Jean McNulty, *Mass Communication in Canada*, 3rd edn, Oxford University Press, Toronto, 1996.

385. It became the Canadian Radio-Television and Telecommunications Commission in 1976.

386. Standing Committee on Canadian Heritage, *Our Cultural Sovereignty*.

387. See http://www.cmf-fmc.ca/funding-programs/convergent-stream/?setLocale=1 (accessed 17 November 2013).

388. Canada Media Fund, at http://www.cmf-fmc.ca/about-cmf/overview/?setLocale=1 (accessed 17 November 2013).

telecommunications provider Mobilicity to Telus. Also in 2013, the government announced that it would review all future spectrum license transfers and judge whether each case was in the best interest of Canadians. This announcement was opposed by many in the telecommunications industry who saw it as government interference in the marketplace.[389]

7.3.2   The Regulator

The divide between government and regulator remains contested terrain in Canadian media. The CRTC is an independent regulator but the federal Cabinet may issue broad policy directions to the CRTC or overturn a decision and send it back to the regulator. There have been seven directions issued to the CRTC in its 40-plus year history.

In 2006 the Industry Minister Maxime Bernier released the Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives which required the CRTC to rely increasingly on market forces in the telecommunications sector: "In creating the Policy Direction, the Government is signaling its vision for the future of telecommunications policy in advance of more substantial regulatory change by providing policy guidance on how the Commission should exercise its regulatory mandate and direct it to take a more market-based approach to implementing the Act."[390]

This Direction was based upon the 2006 Telecommunications Policy Review Report, which recommended adding the following to the Telecommunications Act:[391]

> 7.1   The following guidelines shall be applied in implementing the telecommunications policy objective
>
> (a)   market forces shall be relied upon to the maximum extent feasible as the means of achieving the telecommunications policy objectives;
>
> (b)   regulatory and other government measures shall be applied only where (i) market forces are unlikely to achieve a telecommunications policy objective within a reasonable time frame, and (ii) the costs of such measures do not outweigh the benefits; and
>
> (c)   regulatory and other government measures shall be efficient and proportionate to their purpose and shall interfere with the operation of competitive market forces to the minimum extent necessary to meet the objectives. (Recommendation 2–3)

Bernier's explicit direction has been repeatedly cited in the rationale for CRTC decisions made since 2006.

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389.   Rita Trichur, "Wireless carriers sound alarm over Ottawa's spectrum transfer plan," *The Globe and Mail*, 4 April 2013, at http://www.theglobe-andmail.com/report-on-business/wireless-carriers-sound-alarm-over-ottawas-spectrum-transfer-plan/article10766064 (accessed 30 November 2013).

390.   See "Government Issues Policy Direction to CRTC—Calls for Greater Reliance on Market Forces," *Broadcaster Magazine*, 18 December 2006, at http://www.broadcastermagazine.com/news/government-issues-policy-direction-to-crtc-calls-for-greater-reliance-on-market-forces/1000059 514/?&er=NA (accessed 30 November 2013).

391.   See http://www.ic.gc.ca/eic/site/smt-gst.nsf/vwapj/tprp-final-report-2006.pdf/$FILE/tprp-final-report-2006.pdf (accessed 30 November 2013).

The government has also used its powers to overturn CRTC decisions. The CRTC requires major ISPs BCE and Rogers to allow the smaller companies to use their internet infrastructure and regulates the price which they can charge for it. In February 2011, the government challenged a CRTC decision which allowed large ISPs such as BCE and Rogers to charge smaller providers which lease space on their networks on a per-byte, or usage, basis.[392] Following this challenge from the government, in November 2011 the CRTC changed its ruling to provide more flexibility for smaller ISPs. The CRTC ruled that established ISPs had two options for charging independents: a flat rate or a rate based on capacity and the number of users.

Another example of government interference with the arm's-length regulator occurred in December 2009, when the Industry Minister, Tony Clement, announced that the government would issue an Order in Council to overturn the CRTC decision on Globalive Communications, a telecommunications provider that the CRTC had ruled did not qualify as being Canadian-owned. The CRTC decided that since Globalive Wireless (Wind Mobile) received the majority of its investment funding from the Egyptian-based Orascom Telecom, it did not meet the criteria for Canadian ownership. The government was eager to encourage more competition in the sector and Clement argued that Globalive was indeed a Canadian company, and met Canadian ownership and control requirements under the Telecommunications Act.

The ensuing legal battle was drawn out. In February 2011, a federal court ruled against the Industry Minister's 2009 decision to overturn the CRTC ruling. The judge ruled that Clement's decision was based on "errors of law." An appeal at the Supreme Court in April 2012 overturned this decision and ruled in favor of Wind Mobile in complete compliance with the ownership rules in the Telecommunications Act.

7.4 Assessments

The government's role in digital media has been inconsistent. It has shown willingness to encourage increased competition in the provision of wireless services; however, its general approach in other areas has been one of detachment. The government took a decidedly hands-off approach to the digital television transition, resulting in an unfinished transition and a patchwork of analog and digital broadcasting across the country. The digital transition was largely market-led and areas that did not have a strong market imperative, such as OTA television, did not receive political support or the necessary market investment.

On wider questions of the place of digital communications in Canadian society and the economy, the government has also shown little guidance. Advances have been made in areas such as broadband build-out, network management and privacy online; however, much more needs to be done to meet the needs of one of the most digitally engaged populations in the world.

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392. See http://www.cbc.ca/news/politics/story/2011/11/15/pol-CRTC-ubb-decision.html (accessed 30 November 2013).

In its 2011 Budget the government announced that "Budget 2011 sets the stage for the release of Canada's Digital Economy Strategy later this spring."[393] This was not the only government declaration of a wider vision for digital media in Canada. Industry Canada's "Policy and Technical Framework for Mobile Broadband Services (MBS)—700 MHz Band Broadband Radio Service (BRS)—2500 MHz Band," issued in March 2012, made public the plan for the auction of Canada's digital dividend. It begins with the bold policy objective that: "The Government of Canada is committed, through Canada's Digital Economy Strategy, to ensuring that consumers, businesses and public institutions benefit from the availability of advanced, competitively priced telecommunications services in all regions of the country."[394]

However, as of mid-2013 the government had still not tabled a digital economy strategy. No reason has been offered for this overall lack of policy direction.

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393. See http://www.budget.gc.ca/2011/plan/chap4c-eng.html (accessed 30 November 2013).

394. Industry Canada, "Policy and Technical Framework for Mobile Broadband Services (MBS)—700 MHz Band Broadband Radio Service (BRS)—2500 MHz Band, A4," March 2012, at http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf10121.html (accessed 30 November 2013).

8. Conclusions

8.1   Media Today

Canada's communications industry is growing and changing apace. The number and type of digital products available is expanding, along with penetration rates. Canadians are taking advantage of these opportunities in numbers that far exceed international averages.

At the same time, the lack of leadership from the federal government, specifically its inability to finalize an official national digital strategy, coupled with continued industry concentration, pose considerable challenges to Canada's digital future. Perhaps as a result, Canadians pay some of the highest prices anywhere for telecommunications services (according to the ITU and the OECD). The mobile sector's average revenue per user is the highest in the world, and Canada ranks fifth in the net price of a broadband package—while ranking 12th in broadband connection speeds. Despite these government and industry roadblocks, Canadians continue to serve as exemplars in online engagement and digital activism.

The accuracy and quality of news content has been affected by the development of digital media services and tools, due mainly to their increasing use by both journalists and the public. Journalists must now operate within an increasingly complex news dissemination environment, in part due to horizontal communication networks that facilitate the publishing and distribution of content and commentary by members of the public. Another challenge introduced by Web 2.0 is that journalists and news organizations can more easily be held to account by amateurs and professionals alike with a strong online presence.

In other areas relevant to the shift towards digital media, the federal government's role has also been inconsistent. While support has been provided for the development of some wireless services, the general approach has been hands-off. The digital transition was largely market-led and areas that did not have a strong market imperative, such as over-the-air television, did not receive political support or the necessary market investment.

On wider questions of the place of digital communications in Canadian society and the economy, the government has also provided little guidance. Advances have been made in areas such as broadband build-out, network management, and privacy online; however, much more needs to be done to meet the needs of this digitally engaged population.

8.2   Media Tomorrow

In early 2011, the federal government announced that it would release a comprehensive national strategy for the digital economy later in the year. In 2012, although the government had failed to deliver on its promise, in its "Policy and Technical Framework for Mobile Broadband Services—700 MHz Band Broadband Radio Service—2500 MHz Band," Industry Canada noted:

> The Government of Canada is committed, through Canada's Digital Economy Strategy, to ensuring that consumers, businesses and public institutions benefit from the availability of advanced, competitively priced telecommunications services in all regions of the country.[395]

As of November 2013, the federal government has still failed to deliver the comprehensive, forward-thinking, digital strategy that Canadians want and deserve. No reason has been offered for this overall lack of policy direction.

This contradictory approach to digital policy development accurately reflects the government's wayward leadership in terms of the shift from traditional to digital media. Its general approach has been reactive instead of proactive, case-by-case as opposed to comprehensive, heel-dragging as opposed to leading.

Moving forward, Canada and Canadians will remain subject to the pervasive impact of digital media in all areas of society. Canadians will continue to do their part as digital media exemplars in areas including digital activism, user-content generation, and digital media consumption. As noted throughout the report however, unless government and corporate roadblocks are removed (such as industry consolidation, high prices for service, and mediocre connection speeds), and unless there is more leadership from the federal government, it is likely that Canada's potential will be stifled and not fully realized.

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395. Industry Canada, "Policy and Technical Framework for Mobile Broadband Services (MBS)—700 MHz Band Broadband Radio Service (BRS)—2500 MHz Band, A4," March 2012, at http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf10121.html (accessed 30 November 2013).

List of Abbreviations, Figures, Tables, and Companies

Acronyms and Abbreviations

APTN	Aboriginal Peoples Television Network
ARPU	Average revenue per user
ATSC	Advanced Television Systems Committee
AWS	Advanced wireless services
BCE	Bell Canada Enterprises
BDU	Broadcasting distribution undertaking
BNN	Business News Network
BRS	Broadband radio services
CAB	Canadian Association of Broadcasters
CBC	Canadian Broadcasting Corporation
CDMA	Code Division Multiple Access
CIPPIC	Canadian Internet Policy and Public Interest Clinic
CMF	Canada Media Fund
CMRC	Canadian Media Research Consortium
CRTC	Canadian Radio-television and Telecommunications Commission
CSIS	Canadian Security Intelligence Service
CWTA	Canadian Wireless Telecommunications Association
DAB	Digital audio broadcasting
DOC	Department of Communications
DTH	Direct-to-home
ESS	Earth Sciences Sector
GDP	Gross domestic product
GNI	Gross national income
GSM	Global System for Mobile Communication
HD	High definition
HHI	Herfindahl-Hirschman Index
HSPA	High Speed Packet Access

ICT	Information and communications technology
IMF	International Monetary Fund
IPTV	Internet Protocol Television
ISP	Internet service provider
ITU	International Telecommunication Union
LGBTT	Lesbian, gay, bisexual, transgender, and transsexual
LTE	Long Term Evolution
MBS	Mobile broadband services
MTM	Media Technology Monitor
NRCan	Natural Resources Canada
OECD	Organization for Economic Cooperation and Development
OTA	Over-the-air
PC	Personal computer
PCS	Personal communications services
RRBS	Remote Rural Broadband Systems
SIP	Session initiation protocol
TVO	Television Ontario
WTO	World Trade Organization

Figures

Tables

Companies

Aboriginal Peoples Television Network (APTN)	Quatre Saisons
Astral Media	Quebecor
Bell Canada Enterprises	QMI
Bragg	Research In Motion (BlackBerry)
Canwest Global Communication Corporation	Rogers Communications
Channel Zero	Sasktel
CityTV	Shaw Communications
CNW Group	Stingray Music
CTV	Sun Media
Fairchild	Télé-Québec
Global	Telus
Mobilicity	Torstar Corporation
MTS	TQS
Nordicity	TVA
OMNI	Vidéotron
Postmedia Network	Vision
Public Mobile	Wind

Mapping Digital Media: Country Reports (published in English)

1. Romania
2. Thailand
3. Mexico
4. Morocco
5. United Kingdom
6. Sweden
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49. Brazil
50. Jordan
51. Uruguay
52. Finland
53. Guatemala
54. Nicaragua

Mapping Digital Media is a project of the **Open Society Media Program** and the **Open Society Information Program.**

Open Society Media Program

The Media Program works globally to support independent and professional media as crucial players for informing citizens and allowing for their democratic participation in debate. The program provides operational and developmental support to independent media outlets and networks around the world, proposes engaging media policies, and engages in efforts towards improving media laws and creating an enabling legal environment for good, brave and enterprising journalism to flourish. In order to promote transparency and accountability, and tackle issues of organized crime and corruption the Program also fosters quality investigative journalism.

Open Society Information Program

The Open Society Information Program works to increase public access to knowledge, facilitate civil society communication, and protect civil liberties and the freedom to communicate in the digital environment. The Program pays particular attention to the information needs of disadvantaged groups and people in less developed parts of the world. The Program also uses new tools and techniques to empower civil society groups in their various international, national, and local efforts to promote open society.

Open Society Foundations

The Open Society Foundations work to build vibrant and tolerant democracies whose governments are accountable to their citizens. Working with local communities in more than 70 countries, the Open Society Foundations support justice and human rights, freedom of expression, and access to public health and education.

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