Canadian Heritage
Response to the Report of the Standing Senate Committee on Transport and Communications:

Final report on the Canadian News Media

November 2006
The Honourable Lise Bacon  
Chair  
Senate Standing Committee on Transport and Communications  
The Senate  
Ottawa, Ontario  
K1A 0A6

Dear Ms. Bacon:


I would like to thank the Senate Committee for its work on the Canadian news media through its analysis of relevant issues and the consultations that took place with Canadians across the country.

The Government recognizes the importance of news and information in sustaining and strengthening the Canadian democratic system, as well as in reflecting Canada's linguistic duality and cultural diversity. Having access to independent news and information from a diversity of sources enables Canadians to be connected to one another and to the world, while enabling them to make informed decisions and contribute to their ability to exercise their citizenship. That said, the media environment is undergoing rapid change due to technological evolution. The challenge is therefore to define the balance between ensuring independent and diverse sources of news and information, adapting to new technologies, and encouraging a healthy and competitive marketplace.

In formulating this response, the recommendations put forward by the Senate Committee in its report on Canadian news media were addressed under four themes: News and Information; Cross-Media Ownership and Consolidation; the CBC/SRC; and Related Federal Policies.

Furthermore, the recommendations are addressed in the context of the need to better understand the impact of technology on the media environment. This response confirms the Government’s commitment to encouraging and supporting the Canadian media sector, while ensuring that the Government’s legislative, regulatory, and policy frameworks have the flexibility required to
adapt to economic, social, and cultural change. The Senate Committee's report will assist the Government in its ongoing policy deliberations as the Canadian media environment moves forward in the information era.

The Government is committed to continuing to build a strong framework of support for the Canadian media sector, and providing this response is helping us to move forward to achieve that goal. I would like to thank the Senate Committee for this opportunity.

Yours sincerely,

[Signature]

Bev Oda, P.C., M.P.

Enclosure
RESPONSE TO THE REPORT OF THE STANDING SENATE COMMITTEE ON TRANSPORT AND COMMUNICATIONS:  
FINAL REPORT ON THE CANADIAN NEWS MEDIA

1.0 Introduction

Canadians have access to a well-developed and diverse news media environment, with quality newspapers and periodicals, a dynamic broadcasting system made up of public, private, and community elements, and one of the highest Internet penetration rates in the world. Community newspapers, private radio stations, direct-to-home satellite television services, and the Internet are just a few examples of the varied and evolving platforms providing news and information content. In a country with a territory that spans thousands of square kilometres, news and information content plays an important role in the daily lives of Canadians. An informed citizenry, coupled with an independent and diverse news media, encourage sound and accountable governance. Canadians can therefore be proud of a homegrown media sector that has evolved to become a vital component of Canadian society.

The media sector has always been confronted with new technologies. The current technological changes and the subsequent impact on consumption habits have made access to sources of news and information less expensive. They have also enabled consumers to increasingly become primary sources of information, opinion, and content, e.g. blogs, podcasts. This has the potential to further democratize the provision of information. These changes have stimulated media organizations to innovate and modify their business models. Media mergers have become a reaction to an unpredictable marketplace. Convergence has become a business strategy in the information era. Accordingly, Canadian media organizations are better positioned to compete both within Canada and internationally.

As the media environment evolves, the challenge is to find a balance between continued access to independent and diverse sources of news and information and conditions that support a healthy and competitive marketplace. This balance requires a degree of legislative, regulatory, policy, and program flexibility to allow Canadian media organizations to remain economically viable in a global market. Media organizations must adapt to new technologies and seize new business opportunities in a rapidly changing digital environment.

The core objective of the Senate Committee's Report, Final Report on the Canadian News Media, of June 21, 2006, was to review how federal policies could further encourage the development of a vibrant news media. The Government welcomes the Senate Committee's report and appreciates the long and diligent work of the Committee's current and former Chairs, the Honourable Lise Bacon, the Honourable Joan Fraser, respectively, and the Committee's members.

The Government's response will begin with an overview of the impact that technology is having on the media environment. The recommendations contained in the Senate Committee's report will then be addressed under the following themes: News and Information; Cross-Media Ownership and Consolidation; the Canadian Broadcasting Corporation; and Related Federal Policies. The response concludes by stating that the Government's consideration of the Senate
Committee's report will continue as part of its ongoing analysis of the numerous issues challenging the Canadian media environment, now and in the future.

2.0 The Impact of Technology on the Media

As noted in the Senate Committee's report, the media environment has undergone rapid changes in recent years with the introduction of new technologies. Whereas Canadians once turned to traditional media for their news and information, they are now confronted with a myriad of new technologies and platforms from which to access sources of information. Younger Canadians are increasingly embracing these new technologies, the countless choices and the mobility they offer. As a result, Canadians are turning away from traditional media, to the extent that the primary sources of news and information for young users may no longer be newspapers and broadcast undertakings but the Internet.

The advent of the Internet and subsequent high levels of usage by Canadians — Canada has the second highest Internet penetration rate in the world — has had an important impact on news media. Most major newspapers now offer online editions. The Internet has also led to personal Web logs (blogs). This unlimited source of news and information can be personalized through cellphones and other portable digital devices. The consumption habits of Canadians have been permanently altered. Canadians are now more active participants in the news media environment with the resources and platform, i.e. Internet, necessary to interact, shape, and create news and information content that can be accessed on an increasing number of electronic devices.

The news media environment is undergoing significant change with the introduction of new technologies which have altered the economic environment in which media organizations operate. It is within this context that the Committee's report and recommendations must be considered. The media environment will continue to evolve at a rapid, unpredictable pace. The Government's task is to balance its policy objectives with technological evolution, the economic interests of the media industry, and the interests of Canadians. The Government recognizes the need to better understand the impact that technology has and will have on the media environment. As a first step, the Government asked the Canadian Radio-television and Telecommunications Commission (CRTC) in June 2006, to undertake a study examining the future environment facing the Canadian broadcasting system. The purpose of the Government's request is to gain insight on how changing technologies and usage patterns will affect all elements of the broadcasting sector, from public and private broadcasters to independent producers, from advertisers to distributors, and from creators to Canadian audiences. The CRTC's report will provide the necessary information to help the Government make needed policy decisions and formulate the framework in which the media, broadcasting, and electronic cultural content will move forward. The Government asked the CRTC to complete its report by December 14, 2006.

3.0 News and information

The Government agrees with the Senate Committee that news and information from a variety of Canadian sources is essential to the well-being of the Canadian society. The Government also recognizes that Canadian news media must continue to be independent and autonomous, thereby
ensuring freedom of expression, a cornerstone of our democratic system.

Recommendation 4
That Section 3(d) of the Broadcasting Act be amended to give a clear priority to news and information programming within the Canadian broadcasting system.

Recommendation 5
That Section 5(2) of the Broadcasting Act, which deals with the powers of the CRTC, be amended. The amendment should state that the Canadian broadcasting system “gives a high priority to news and information programming within the Canadian broadcasting system.”

The Broadcasting Act establishes the broadcasting policy for Canada and so that the Canadian broadcasting system serves the public interest. The Broadcasting Act balances a number of key objectives and priorities for the broadcasting system, including news and information programming, and the Government believes that this balance is important in ensuring a vibrant broadcasting system. Section 3(ii) stipulates that the broadcasting system should “encourage the development of Canadian expression by providing a wide range of programming that reflects Canadian attitudes, opinions, ideas, values...and by offering information and analysis concerning Canada and other countries from a Canadian point of view.” The Act further states that the Canadian broadcasting system should “provide a reasonable opportunity for the public to be exposed to the expression of differing views on matters of public concern.” Additionally, it requires that the programming provided by broadcasters “be varied and comprehensive, providing a balance of information, enlightenment and entertainment for men, women and children of all ages, interests and tastes,” “be drawn from local, regional, national and international sources,” and include “…educational and community programs.”

Another theme of the Senate Committee's report is that the roles, mandates, and responsibilities of federal organizations involved in media-related functions require review, including the CRTC as Canada’s broadcasting and telecommunications regulator.

Recommendation 6
That the CRTC adopt a more open approach to the benefits that may flow from competition within the provision of news and information programming.

Recommendation 7
That the CRTC not delegate important matters related to media mergers and conditions of licence to the Canadian Broadcast Standards Council (CBSC) or any other body.

Recommendation 8
That the CRTC properly monitor the terms and conditions that it imposes on the news operations of companies involved in cross-media mergers.

Recommendation 9
That the Government of Canada give the CRTC the power to levy fines on broadcasters.
The CRTC is vested with the authority to regulate and supervise all aspects of the Canadian broadcasting system, as well as to regulate telecommunications common carriers and service providers that fall under federal jurisdiction. The Government recognizes that the CRTC’s role in regulating the broadcasting and telecommunications industries, ensures that Canadians continue to have access to a broad range of services that reflect their values, needs, and interests, in addition to reflecting the priorities of the Government and serving the economic interests of the industries involved.

The CRTC is examining its regulatory policy frameworks with respect to commercial radio and television. The Government expects the CRTC will give appropriate consideration to the provision of news and information in its deliberations.

Self-regulation, according to the CRTC, is effective in managing a variety of matters of public concern, such as violence on television and gender portrayal. In those cases, self-regulatory industry codes were developed as practical mechanisms for enacting the CRTC’s policy objectives for the industry. Such codes require CRTC approval, and the CBSC reports annually to the CRTC. In all cases, the CRTC remains the final arbiter with self-regulation as a meaningful first step in addressing specified matters of public concern.

The recent Telecommunications Policy Review Panel recommended that the CRTC be given the power to impose monetary penalties in the telecommunications sector. The Government has taken this recommendation under consideration and will consider if similar penalties within the broadcasting regulatory framework will serve the public interest.

Recommendation 10
That the CRTC revise its community television and radio regulations to ensure that access to the broadcasting system is encouraged and that a diversity of news and information programming is available through these services.

Recommendation 11
That the CRTC and the Department of Canadian Heritage jointly develop an information system that will provide relevant and timely information on community broadcasting.

Community broadcasters have an important role to play in providing local and regional programming, in addition to reflecting Canada's linguistic duality and cultural diversity. The CRTC's community media policies recognize the importance of local community programming and access by community groups and volunteers to community radio and television facilities. The CRTC's policy frameworks have been implemented to include minimum programming and access requirements. The Government expects the CRTC to examine, monitor, and report on the activities of community broadcasters when revising its regulatory policies.

4.0 Cross-media ownership and consolidation

Recommendation 1
That a new section, dealing with mergers of news gathering organizations, be added to the Competition Act. This new section should:
a) trigger automatic review of a proposed merger if certain thresholds are reached;
b) allow the appropriate ministers to order a review of proposed mergers;
c) set out the process that will be followed when a merger is being reviewed, including the appointment of a panel to conduct the review.

Recommendation 2
That legislation governing the CRTC be amended to require the CRTC to participate, when appropriate, in the panels established by the new section of the Competition Act.

Recommendation 3
That all news media outlets be required to state regularly in their publications or their broadcast programming, the identity of the controlling shareholder(s).

Media firms, like other commercial entities in Canada, are subject to the Competition Act, a law of general application. While the Government recognizes the importance of ensuring a diversity of sources of news and information, the Competition Act is not intended nor designed to address non-economic issues. The role of merger review under the Competition Act is to preserve competition in all industries, including the media sector. It is important to both the stakeholders and the economy as a whole that economic competition be preserved.

On the other hand, the CRTC is not only mandated to monitor and regulate the broadcasting and telecommunications systems, but in so doing, pursue social, cultural, and economic goals; this complements the Competition Bureau's application of economic criteria in reviewing mergers. Moreover, while there are no legislation or regulations prohibiting broadcasters from purchasing newspapers and vice-versa, the CRTC has imposed safeguards on a case-by-case basis by conditions of licence. It has also established maximum thresholds regarding the number of radio and television stations an owner may operate in a specific market through its radio and television policies.

5.0 Canadian Broadcasting Corporation(CBC)/Société Radio-Canada (SRC)

Recommendation 12
That the Government establish a more coherent system for refining the mandate of the CBC. This system should include commitment to a long-term planning horizon, a ten-year licence renewal and a long-term budget that provides appropriate stable funding.

Recommendation 13
That the CRTC not have the power to alter the terms of the mandate for the CBC agreed to by Parliament and the Government.

Recommendation 14
That the CBC develop a plan to focus on its core mandate and that the Government of Canada enter into a review process with the CBC to develop an agreement on the budget required to provide distinctive complementary services to Canadians.

Once the mandate has been determined, the Government should make a commitment to
provide the realistic and stable funding on a long-term basis. This funding should be sufficient to allow the CBC to remove advertising from its television services.

*Recommendation 15*
That CBC television focus its efforts on providing a range of services that do not inappropriately duplicate those of the private sector. In particular, the CBC/SRC should leave coverage of professional sports and the Olympics to the private sector.

The Government is committed to the CBC/SRC, as Canada's national public broadcaster, one that remains a relevant and meaningful part of the Canadian broadcasting system. In a rapidly changing media environment, the CBC/SRC will continue to be an important source of quality news and information programming in both English and French.

As an important step towards modernizing Canadian broadcasting policy, the CRTC's forthcoming report on the state of the future environment facing the Canadian broadcasting system will help inform the Government's ongoing policy deliberations to ensure that broadcasting policy is responsive to and reflective of the changing nature of the broadcasting system and audiences.

*Recommendation 16*
That the Board of Directors of the CBC include people who have had experience as working journalists, broadcasters, or program developers.

*Recommendation 17*
That appointments to the Board of Directors be reviewed by an appropriate parliamentary committee.

*Recommendation 18*
That the appointment of the President of the CBC be made by the government from a list of candidates prepared by the Board of Directors of the Corporation.

*Recommendation 19*
That the Corporation be required to prepare annual reports that provide adequate information so that Canadians and their parliamentarians can determine what progress is being made in meeting the CBC's mandate.

The Government is committed to making qualified appointments to public office following open, transparent and competency-based selection processes. In the proposed *Federal Accountability Act*, Bill C-2, the Government proposes the establishment of a Public Appointments Commission whose mandate would be to oversee and report on the selection process for Governor in Council appointments to agencies, boards, commissions and Crown corporations. The standing orders of the House of Commons provide for parliamentary review by the respective standing committee for a significant number of Governor in Council appointments, including the CBC/SRC appointments.

The Government agrees that the CBC/SRC should improve the quality of its performance

6.0 Related federal policies

Direct Support

Recommendation 20
That the Department of Canadian Heritage develop a component within the Canada Magazine Fund that would provide support for the start-up of magazines and recognize Canadian editorial content distributed via mechanisms such as the Internet.

Recommendation 21
That realistic and stable funding be made available for the Publications Assistance Program.

Recommendation 22
That the Publications Assistance Program be amended to provide more efficient support for small and start-up publications (allowing publications to be eligible after, for example, four issues or four months rather than after one year).

Recommendation 23
That the Government of Canada continue program support to assist smaller and more remote communities to acquire broadband access to Canada's telecommunications network in areas where the private sector does not provide its services.

Online content production comes with its own distribution model, potentially requiring significant investment in technology up front, but often requiring less of an ongoing investment in mailing and production costs than a printed periodical. However, it is not clear that there is a viable business model for these magazines. The Canada Magazine Fund already assists small magazines and industry associations by supporting projects to develop the online platforms used to deliver content.

The Canada Magazine Fund currently targets direct funding to periodicals that can prove through circulation and financial audits that they can attract Canadian readers and are financially sustainable. While this approach might prove challenging for new publications, it is intended to optimize support to the industry while minimizing risk to public funds, as well as ensuring that limited resources are used to the greatest benefit of Canadians.

The Government is aware of concerns relating to the stability and operations of the Publications Assistance Program, and is continuing policy and program development.

The Government is currently reviewing the recommendations of the Telecom Policy Review Panel, including those related to broadband connectivity. Currently, broadband connectivity is supported through various federal mechanisms. Since 2002, the Government of Canada has helped bring broadband infrastructure to over 900 communities, including 137 First Nations
reserves, through the $105M Broadband for Rural and Northern Development Program. A $155M National Satellite Initiative was launched in October 2003 to complement this investment to make available affordable satellite capacity for the deployment of broadband services to communities in the far to mid-north of Canada where satellite technology is the only practical solution. In addition, the CRTC has determined that funds remaining on deferral accounts with certain incumbent telephone carriers be used, in part, "to expand broadband services to rural and remote communities" (Telecom Decision CRTC 2006-9). This decision has been petitioned to the Governor in Council while at the same time, consumer groups have been granted leave to appeal this decision, so the outcome of this issue is still to be determined at the Federal Court of Appeal.

An appropriate tax regime

Recommendation 24
That the Ministers of Finance and Canadian Heritage enable the use of charitable foundations to support independent not-for-profit Canadian media and media research centres.

The definition of charitable purposes has been established through the common law rather than through statute. The principles regarding charitable activities have evolved over time in response to societal values and specific issues arising in the charitable sector. The Canada Revenue Agency (CRA) applies these principles to specific circumstances to determine whether an organization is eligible for registered charity status. Certain publications involving the advancement of education may be eligible for charitable status in very specific circumstances. However, it would not be appropriate to abandon a well-established body of common law to make general support to not-for-profit media a charitable purpose.

The Government already provides direct financial support for media publications. For example, the Canadian Magazine Fund contributes toward the production of high-quality magazines showcasing the work of a wide cross-section of Canadian creators. It is not clear that the tax system would offer a more effective means of providing this support.

Recommendation 25
That the CRA strengthen its procedures for determining whether a periodical is Canadian.

While the Government does not keep a registry of all periodicals circulating in Canada and their level of Canadian content, the Department of Canadian Heritage does review the content of many magazines and community newspapers regularly to determine funding eligibility. The CRA can also consult with the Department of Canadian Heritage, which acts as an advisor on a case-by-case basis on issues of Canadian content.

Recommendation 26
That the Minister of Finance defer capital gains taxes paid on the transfer of family-owned newspapers from generation to generation.
The Government recognizes the importance of entrepreneurship to innovation and economic growth through a number of different tax measures. Moving forward, the Government will examine ways to improve the tax treatment of personal savings and investments, including capital gains.

*Protecting freedom of the press*

The Government firmly agrees that freedom of the press is an essential component of a healthy and credible media in a democratic society. The Senate Committee states that citizens have a right to information, albeit this right is tempered by privacy considerations and national security, a view shared by the Government.

*Recommendation 27*

That the *Security of Information Act* be amended to provide for a public interest defence in Section 4.

Section 4 of the *Security of Information Act* (SOIA) is currently being examined as part of the parliamentary review of the *Anti-Terrorism Act* (ATA). The final reports of the Special Senate Committee and the House of Commons subcommittee conducting the ATA review are scheduled to be released no later than December 22, 2006.

The Government will wait to receive these reports, and will consider any recommendations concerning section 4 of the SOIA, including Recommendation 27 of the Senate Committee's Final Report on the Canadian News Media, at that time.

*Recommendation 28*

That applications to judges for search warrants for journalists's notes and similar material have a higher level of accountability; they should be signed personally by a minister.

The Supreme Court of Canada has expressly pronounced on the conditions under which it is appropriate to execute a search and seizure against members of the media. The factors identified by the Supreme Court of Canada provide the issuing judge with all of the necessary information to allow him or her to consider whether it is justified, in any particular circumstances, to search media premises. The decision of the issuing judge in these matters is also subject to judicial review. It has not been demonstrated to date that the intervention of a Minister of the Crown in this process would in any way result in a more appropriate treatment of the media in circumstances where the police are able to satisfy the judiciary that the search and seizure in question is both justified and appropriate.

*Recommendation 29*

That the access to information system be:

a) simplified to be more transparent and accessible;
b) expanded to include crown corporations; and
c) monitored so that costs for searches are reasonable and searches are conducted with reasonable dispatch.
The Government is committed to wide-ranging access to information reform. In this regard, the Federal Accountability Act (Bill C-2) brings forward significant reforms to the Access to Information Act, including the extension of coverage to a number of Officers and Agents of Parliament, parent Crown corporations and their wholly-owned subsidiaries, some foundations and to the Canadian Wheat Board. When passed, Bill C-2 will result in significant reforms to the Access to Information Act. The Government is committed to strengthening the Access to Information Act, and considers it appropriate to hear a wide range of views on reform proposals.

To this end, in April 2006, the Minister of Justice tabled in the House of Commons a discussion paper outlining the main issues regarding access reform, and a package of legislative proposals developed by the Office of the Information Commissioner, who is the Agent of Parliament responsible for monitoring compliance with the Access to Information Act. The Minister also asked the Standing Committee on Access to Information, Privacy, and Ethics (ETHI) to undertake a review of these issues in consultation with key stakeholders. It is the Government's hope that the ETHI Committee will take on this task and study these important issues, including the question of fees and timeframes. The Government looks forward to receiving the Committee's recommendations once it has completed this important work.

Recommendation 30
That all departments and agencies ensure that their employees are made aware of the existence of any whistleblower legislation and its provisions.

The Public Servants Disclosure Protection Act (PSDPA) was enacted and received royal assent in November 2005 but has not been brought into force. Amendments to the PSDPA, contained in Bill C-2, are currently being examined by the Senate. Successful implementation of the Public Servants Disclosure Protection Act, once amended and brought into force, will require that employees across the public sector who are covered by the Act know about it and understand how they can use the mechanisms provided in the Act to make disclosures of alleged public sector wrongdoing that will be protected from reprisals. The Government will work to ensure that all employees in the public sector, including chief executives, senior officers and supervisors, are informed about the Act and understand their roles and their rights and responsibilities in relation to it.

Recommendation 31
That the Competition Bureau examine universal contracts with freelance journalists to determine whether they involve an abuse of dominance by one of the parties to the contract.

Parties are currently free to ask the Competition Bureau to determine if a specific contract or contracts imposed on freelance journalists raises an issue under the abuse of dominance provisions of the Competition Act. In such cases, the Competition Bureau would apply the tests set out by the Competition Tribunal, the Federal Court of Appeal, and the Bureau's Abuse of Dominance Guidelines to determine whether the contracts represent a practice of anti-competitive acts entered into by a dominant firm or group of firms that prevents or lessens competition substantially in a relevant news market.
Recommendation 32
That the Minister of Canadian Heritage examine whether there is any abuse of author's rights in the requirements imposed by universal contracts and, if so, explore amendments to the Copyright Act.

The issue of freelance journalists' rights and the re-use of their works is complex. Since it is common practice for journalists to licence their copyright by contract to newspapers and magazines, this issue goes beyond the copyright framework to include contract law, which falls under provincial jurisdiction. That said, the Government does not intend to consider this issue at this time.

Diversity

Recommendation 33
That the CRTC require cable and satellite systems, as technology permits, to expand the offering of official minority language programming, phasing in the requirements for the smaller distribution systems.

Recommendation 34
That, as technology permits, the CRTC encourage the national distribution of English and French provincial educational broadcasters.

The Government agrees that the Canadian broadcasting system must reflect the particular needs of Canada's official language minority communities. The Broadcasting Act stipulates that the Canadian broadcasting system operates “...primarily in the English and French languages...” and that a “...range of broadcasting services in English and in French shall be extended to all Canadians as resources become available.”

The CRTC is subject to section 41 of the Official Languages Act and is required to develop an annual Action Plan on Official Languages that takes into account the priorities of official-language minority communities and to include appropriate measures in planning its activities. The CRTC’s regulatory framework for the distribution of services also requires licensees to make use of digital technology for the distribution of English and French programming services.

The CRTC’s Broadcasting Distribution Regulations permit the distribution of all educational services on a discretionary basis. That said, extra-provincial carriage of these services has raised important program rights, subscriber fee, and federal-provincial issues. Consequently, the Government believes that the current approach is appropriate.

Recommendation 35
That all federal departments be ordered to comply with the law relating to advertising in both official languages.

Recommendation 36
That the Treasury Board ensure that the system for handling complaints with respect to government advertising in both official languages be streamlined.
Recommendation 37
That the system of government advertising in the media be modified to ensure that:

a) criteria for placing advertising are transparent and
b) ethnic media have the criteria for the placement of advertising in their media explained to them. Government departments dealing with Canada's ethnic community should examine whether the increased use of ethnic periodicals would be a more efficient way of reaching this audience.

The Government is committed to enhancing the vitality of the English- and French-language minority communities of Canada, and supports their development, fostering the full recognition and use of both languages in Canadian society. It recognizes the importance of ensuring that its communications, whether in advertising or publications, depict the diverse nature of Canadian society in a fair, representative, and inclusive manner. It further recognizes the need to be sensitive to the differences among and within the various regions of Canada.

The Government is committed to providing communications and services to the public in both official languages wherever there is a significant demand as evidenced by the Official Languages (Communications with and Services to the Public) Regulations. Also, Treasury Board has the responsibility for the general direction and coordination of the policies and programs relating to Parts IV, V and VI of the Official Languages Act and its Policy on the Use of Official Languages for Communications with and Services to the Public sets out requirements for advertising in both official languages. The Public Service Human Resources Management Agency of Canada monitors the implementation of Treasury Board policies related to official languages so that the President of Treasury Board can submit an annual report to Parliament on the status of official languages programs in federal institutions.

The Communications Policy of the Government of Canada ensures that communications across the Government are well-coordinated, effectively managed, and responsive to the diverse information needs of the public, including meeting the provisions of the Official Languages Act. Under this policy, the Treasury Board requires departments to ensure that inquiries from the public are responded to promptly. It also requires the public to be informed of the standards of service departments provide, including timelines for responding to inquiries, mail and complaints.

The Treasury Board Secretariat will encourage departments to review their standards and processes for responding to advertising-related official language complaints.

The Government also implemented reforms to its advertising policy framework, which have increased transparency: Two of the key objectives of the Government of Canada Advertising Reforms are to increase disclosure and transparency.

With respect to ethnic media, the Government initiated the Government of Canada Ethnic Media Summit to communicate its advertising reforms in February 2005. This initiative included the launch of an Ethnic Publication Evaluation process to ensure that all publications are offered a fair opportunity to accept government advertising. Presentations were also made to brief the
Other recommendations

Recommendation 38
That federal departments and agencies explore arm's length partnerships with recognized non-profit or professional journalists' associations to provide fellowships for mid-career journalists, with the fellows being chosen by journalists or independent third parties.

Recommendation 39
That a network of centres of excellence for research on journalism and the state of the Canadian news media be established.

Recommendation 40
That the Government of Canada require its departments and agencies to carry out timely evaluations and reviews of legislation and programs that have an impact on the health and vitality of Canada's news and information system. These studies should be conducted in an open and transparent manner and the results made publicly available.

Currently, the Government indirectly supports creators through the Canada Magazine Fund, particularly through the Support for Editorial Content components. The Government respects the independence of the press and supports the ability of journalism associations to direct and manage their professional development.

Network of centres of excellence involve both academic and industry stakeholders and are funded using a mix of public and private contributions. Presently, the Government provides support for networks of centres of excellence, primarily in the areas of medicine, engineering, and the social sciences, through the Network of Centres of Excellence program managed through Industry Canada. The Government does not intend to create a network centre of excellence for journalism and the news media at this time.

The Government consults with media industries to ensure that program delivery is improved and that changing market conditions are taken into consideration in public policy. Consultations have contributed on an ongoing basis to program adjustments and policy advice to the Government.

7.0 Conclusion

Rapid changes in technology are having a profound impact on the manner in which the media provides news and information to Canadians and how Canadians are accessing that content. The Government recognizes that convergence has become an essential business strategy for media organizations to stay competitive in a highly competitive and diverse marketplace. While the Senate Committee raises concerns about recent trends in cross-media ownership and consolidation and the potential impact that this may have on the provision of news and information content, it is important to reiterate that Canada has a highly diverse, dynamic, and economically viable news media sector, a fact recognized by the Senate Committee in its report.
The Government believes that the balance contained in the current legislative, regulatory, and policy frameworks, supported by various government programs, has served Canadians well. This balance has also ensured that media organizations remain economically viable, sustainable, and able to evolve in a rapidly changing global environment. This response confirms the Government's commitment to encouraging and supporting the Canadian media sector, while ensuring that the Government's legislative, regulatory, and policy frameworks have the flexibility required to adapt to economic, social, and cultural change. That said, the media sector has a responsibility to provide independent and diverse news and information and also to adapt their business models to today's new technologies and media environment.