



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

# **THE ROGERS-SHAW MERGER: BAD NEWS FOR LOCAL NEWS**

**Report of the Standing Committee on Canadian Heritage**

**Hon. Hedy Fry, Chair**

**MAY 2022  
44th PARLIAMENT, 1st SESSION**

---

Published under the authority of the Speaker of the House of Commons

**SPEAKER'S PERMISSION**

The proceedings of the House of Commons and its Committees are hereby made available to provide greater public access. The parliamentary privilege of the House of Commons to control the publication and broadcast of the proceedings of the House of Commons and its Committees is nonetheless reserved. All copyrights therein are also reserved.

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Standing Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Also available on the House of Commons website  
at the following address: [www.ourcommons.ca](http://www.ourcommons.ca)

**THE ROGERS-SHAW MERGER: BAD NEWS FOR  
LOCAL NEWS**

**Report of the Standing Committee on  
Canadian Heritage**

**Hon. Hedy Fry  
Chair**

**MAY 2022**

**44th PARLIAMENT, 1st SESSION**



## **NOTICE TO READER**

### **Reports from committees presented to the House of Commons**

Presenting a report to the House is the way a committee makes public its findings and recommendations on a particular topic. Substantive reports on a subject-matter study usually contain a synopsis of the testimony heard, the recommendations made by the committee, as well as the reasons for those recommendations.

# **STANDING COMMITTEE ON CANADIAN HERITAGE**

## **CHAIR**

Hon. Hedy Fry

## **VICE-CHAIRS**

John Nater

Martin Champoux

## **MEMBERS**

Chris Bittle

Michael Coteau

Lisa Hepfner

Anthony Housefather

Peter Julian

Tim Louis

Rachael Thomas

Hon. Tim Uppal

Kevin Waugh

## **OTHER MEMBERS OF PARLIAMENT WHO PARTICIPATED**

Richard Cannings

Frank Caputo

G rard Deltell

S bastien Lemire

Leslyn Lewis

Jeremy Patzer

Corey Tochor

## **CLERK OF THE COMMITTEE**

Aim e Belmore

**LIBRARY OF PARLIAMENT**

**Parliamentary Information, Education and Research Services**

Gabrielle de Billy Brown, Analyst

Marion Ménard, Analyst

# **THE STANDING COMMITTEE ON CANADIAN HERITAGE**

has the honour to present its

## **FIRST REPORT**

Pursuant to its mandate under Standing Order 108(2), the committee has studied the impact on local news of Rogers Communications Inc.'s takeover of Shaw Communications Inc. and has agreed to report the following:





# TABLE OF CONTENTS

---

LIST OF RECOMMENDATIONS .....	1
THE ROGERS-SHAW MERGER: BAD NEWS FOR LOCAL NEWS .....	5
Context of the Study .....	5
Witnesses' Views .....	5
Rogers Communications Inc. ....	5
Other Witnesses.....	7
Conclusion and Recommendations .....	9
List of Recommendations.....	10
APPENDIX A LIST OF WITNESSES .....	13
REQUEST FOR GOVERNMENT RESPONSE .....	15
DISSENTING OPINION OF THE NEW DEMOCRATIC PARTY OF CANADA.....	17



# LIST OF RECOMMENDATIONS

---

*As a result of their deliberations committees may make recommendations which they include in their reports for the consideration of the House of Commons or the Government. Recommendations related to this study are listed below.*

The Committee therefore makes the following recommendations:

## **Recommendation 1**

**That the Government of Canada reject the Rogers-Shaw proposed merger..... 10**

While the Committee believes the merger should not proceed, if it is allowed, the Committee recommends:

## **Recommendation 2**

**That, in reviewing the proposed merger, the Government of Canada take measures to ensure the preservation of local news in small and medium sized markets is made a priority. .... 10**

## **Recommendation 3**

**That, while the Committee believes the merger should not proceed, if it does, the Government of Canada should ensure that, in implementing its decision, it includes conditions to ensure the continuation of local news services that would be impacted by the Rogers-Shaw merger in Kelowna, Lethbridge, Saskatoon, Regina, Peterborough, Kingston, Saint John, and Halifax, and that all conditions attached to the merger approval are fully enforceable and that resources are available to enforce them. .... 11**

## **Recommendation 4**

**That the Government of Canada take steps to mitigate the impact of Rogers' acquisition of Shaw. .... 11**

More broadly, the Committee offers the following recommendations:

**Recommendation 5**

**That the Government of Canada approves the application by Canadian Association of Community Television Users and Stations and the Fédération des télévisions communautaires autonomes du Québec for a Community Access Media Fund. .... 11**

**Recommendation 6**

**That the Government of Canada requires as a condition of license that a percentage of “local expression” financing collected through Rogers and Shaw license areas should be directed to this new fund, to support not-for-profit community media organizations to fill the voids in local coverage created by Rogers’ and Shaw’s closures of their own community TV stations. .... 11**

**Recommendation 7**

**That the Canadian Radio-television and Telecommunications increase contributions to the Independent Local News Fund to ensure local news remains economically viable and receives sustainable and appropriate support to continue local programming and the production of Canadian content in the face of media concentration and consolidation. .... 11**

**Recommendation 8**

**That the Government of Canada increase funding to the Local Journalism Initiative to support the diverse needs of underserved communities across Canada to best ensure the creation of original, independent civic journalism. .... 12**

**Recommendation 9**

**That the Government of Canada prioritizes in the Canada Media Fund the funding of small-market and local independent media outlets. .... 12**

**Recommendation 10**

**That the Government of Canada support community media, ensure a diversity of news sources and guarantee access to local news and information for all Canadians. .... 12**

**Recommendation 11**

**That the Government of Canada expand the labour tax credit to also apply to broadcast journalists engaged in local news reporting. .... 12**





# THE ROGERS-SHAW MERGER: BAD NEWS FOR LOCAL NEWS

---

## CONTEXT OF THE STUDY

On 31 January 2022, the House of Commons Standing Committee on Canadian Heritage (the Committee) adopted a motion to consider the deal's impact on local news:

That, pursuant to Standing Order 108(2), the committee undertake a study on Rogers Communications Inc.'s takeover of Shaw Communications to consider the deal's impact on local news; that the committee hear from relevant experts and stakeholders; and that the committee schedule at least one meeting and report its findings and recommendations to the House.<sup>1</sup>

Pursuant to this motion, the Committee held two meetings and heard from 10 witnesses, including media and community group representatives and communications company executives.

## WITNESSES' VIEWS

### Rogers Communications Inc.

On 15 March 2021, Rogers Communications Inc. (Rogers) announced its intention to acquire Shaw Communications Inc. (Shaw) for \$26 billion. The deal was reviewed or is currently undergoing separate reviews by Innovation, Science and Economic Development Canada, the Competition Bureau and the Canadian Radio-television and Telecommunications Commission (CRTC).

In order to comply with the CRTC's tangible benefits policy, Rogers proposes to distribute \$26.6 million to improve the Canadian broadcasting system. Rogers has made a number of local news commitments, including:

- producing and airing monthly local news specials in the Vancouver, Edmonton, Calgary and Winnipeg markets;

---

1 House of Commons, Standing Committee on Canadian Heritage, [Minutes](#), 31 January 2022.





- creating 43 new local news positions in Western markets;
- positioning Citytv to increase investments in news content, which will strengthen the diversity of editorial voices in the Western provinces; and
- directing \$8.5 million to the Independent Local News Fund.<sup>2</sup>

On 2 March 2022, Colette Watson, President of Sports and Media at Rogers, said that Rogers was deeply committed to “ensuring that Canadians can continue to access significant amounts of...local news.”<sup>3</sup> She said the Shaw acquisition will not “have a material impact on the quantity or quality of local news that is being made available to Canadians today.”<sup>4</sup> She explained:

Shaw does not own any local television or radio stations, which means the transaction will neither result in any further consolidation within Canada’s television and radio industries, nor reduce competition.<sup>5</sup>

As well, Rogers’ Citytv stations in Winnipeg, Calgary, Edmonton and Vancouver will continue to broadcast news in their respective markets. Ms. Watson noted that only one change will occur as a result of the transaction:

Corus’s Global TV stations will no longer be vertically integrated with Shaw. As a result of that change in status, Global will become independent and will no longer be able to access local expression funds from its affiliated cable business.<sup>6</sup>

It’s worth noting that \$13 million of Shaw Cable money will be redirected “to Citytv from Global TV stations.”<sup>7</sup>

---

2 Rogers Communications, *Rogers - Shaw Transaction: A Quick Review*.

3 CHPC, *Evidence*, 2 March 2022, 1620 (Colette Watson, President, Rogers Sports and Media, Rogers Communications Inc.).

4 Ibid.

5 Ibid.

6 Ibid.

7 Ibid., 1700.

According to Ms. Watson, the easiest measure to support local news across Canada would be to expand the “labour tax credit system that is currently in place for print news to include local television news.”<sup>8</sup>

On 24 March 2022, the CRTC approved, subject to a number of modifications, the application by Rogers to transfer the effective control of the broadcasting undertakings licensed to Shaw or its subsidiaries to Rogers or its subsidiaries. The CRTC concluded “that the transaction as modified by the Commission is in the public interest and advances the objectives set out for the Canadian broadcasting system in the *Broadcasting Act*.”<sup>9</sup> Sections 99 to 101 of the CRTC ruling states that the CRTC will review its Local and Community Television Policy and the Independent Local News Fund.

## Other Witnesses

All witnesses, other than Rogers and Quebecor (which did not take a position), said that Rogers’ acquisition of Shaw increases the concentration of media ownership and decreases the diversity of voices in local news.

Catherine Edwards, Executive Director of the Canadian Association of Community Television Users and Stations (CACTUS), said that community-owned media and access to local news had been “decimated”<sup>10</sup> by communications company mergers. The process of zoning former distinct community channels into a single regional channel has contributed to the closure of several community television stations since the late 1990s.

Ms. Edwards believes that “community-owned media is the best way to serve communities with local news and to ensure that a diversity of voices continues to fill our airwaves.”<sup>11</sup> She asked the Committee to support the Local Journalism Initiative, which enables community media to produce news “for a tenth the cost of public and private sectors.”<sup>12</sup>

---

8 Ibid., 1625.

9 Canadian Radio-television and Telecommunications Commission, [\*Broadcasting Decision CRTC 2022-76\*](#), 24 March 2022.

10 CHPC, [\*Evidence\*](#), 16 February 2022, 1615 (Catherine Edwards, Executive Director, Canadian Association of Community Television Users and Stations).

11 Ibid.

12 Ibid., 1620.



Ms. Edwards also recommended the establishment of a community media access fund.<sup>13</sup> The fund would give not-for-profit community TV stations the resources to help bring back community TV to “areas of the country that cable companies have pulled out of.”<sup>14</sup>

Like Ms. Edwards, Alex Freedman, Executive Director of the Community Radio Fund of Canada, described the deal as a “gutting of local news.”<sup>15</sup> Mr. Freedman argued that “[c]orporate concentration in the media hurts Canadians’ access to local news and information.”<sup>16</sup> He believes the Rogers-Shaw transaction makes the situation worse.

Mr. Freedman suggested that Rogers contribute some of the tangible benefits associated with the transaction to the Community Radio Fund of Canada to support local news. Mr. Freedman highlighted that the commitment to contribute \$8.5 million to the independent local news fund was a one-time commitment: “After that the fund is on its own, and a significant portion, as I mentioned, will be absorbed by Global.”<sup>17</sup> Subsequently, Rogers has pledged \$27.2 million, but it is unclear whether that is one-time funding or ongoing funding. He also suggested extending the Local Journalism Initiative and broadening its eligibility criteria to enable other community broadcasters to obtain funding.

The National Ethnic Press and Media Council of Canada opposes the merger between Rogers and Shaw. President and Chief Executive Officer Thomas Saras believes the transaction will create a monopoly that will increase prices for Rogers’ various communications services.<sup>18</sup>

Like Mr. Saras, Matthew Hatfield, Campaigns Director at OpenMedia, also opposes the merger between the two companies. He fears an increase in the price of communications services, job losses and “cutbacks on the local news available.”<sup>19</sup>

---

13 Ibid.

14 Ibid., 1650.

15 CHPC, *Evidence*, 16 February 2022, 1620 (Alex Freedman, Executive Director, Community Radio Fund of Canada).

16 Ibid.

17 Ibid.

18 CHPC, *Evidence*, 16 February 2022, 1625 (Thomas Saras, President and Chief Executive Officer, National Ethnic Press and Media Council of Canada).

19 CHPC, *Evidence*, 16 February 2022, 1630 (Matthew Hatfield, Campaigns Director, OpenMedia).

Mr. Hatfield said the transaction is “a disaster for competition, diversity and innovation in our country.”<sup>20</sup>

Pierre Karl Péladeau, President and CEO of Quebecor Media Inc., did not weigh in on the impact of the Rogers-Shaw transaction on local news. However, Mr. Péladeau foresees a weakening of local news and the entire news industry if the CRTC does not ease the “regulatory burden”<sup>21</sup> on broadcasting companies.

## CONCLUSION AND RECOMMENDATIONS

In 2017, the Committee undertook a comprehensive study of media concentration and the erosion of local journalism. Five years later, media concentration and the erosion of local journalism have worsened dramatically.

The Committee believes that it is essential that Canadians have access to local news that reflects their identity and reality. Almost all witnesses in this study said that local news is critical to a strong democracy.<sup>22</sup>

The Committee also believes that Rogers’ acquisition of Shaw should not proceed as currently proposed. The transaction will increase media concentration in some markets and decrease the diversity of voices in the Canadian broadcasting system.

However, if the Rogers proposal is accepted, the federal government should mitigate its impacts. Appropriate measures must be taken to preserve local news in small and medium-sized markets, including those affected by the merger: Kelowna, Lethbridge, Saskatoon, Regina, Peterborough, Kingston, Saint John and Halifax.

The Committee also believes that not-for-profit community media can play a greater role in local news production. They are at the heart of their communities and reflect their reality. However, not-for-profit community media should be adequately funded to carry out this role. There are a number of options to consider.

Not-for-profit community TV stations should be eligible to receive funding from the Independent Local News Fund. One way the CRTC could do this is to increase the contributions of broadcast distribution undertakings to this fund to address the local

---

20 Ibid., 1700.

21 CHPC, *Evidence*, 16 February 2022, 1635 (Pierre Karl Péladeau, President and Chief Executive Officer, Quebecor Media Inc.).

22 See: CHPC, *Evidence*, 16 February 2022, 1615 (Catherine Edwards); CHPC, *Evidence*, 16 February 2022, 1625 (Alex Freedman); and CHPC, *Evidence*, 16 February 2022, 1635 (Pierre Karl Péladeau).



news needs of underserved areas. The Canada Media Fund could also be used to achieve this goal.

The federal government should also extend and increase funding for the Local Journalism Initiative. This program supports the “creation of original civic journalism that covers the diverse needs of underserved communities across Canada.”<sup>23</sup> It’s worth noting that this initiative will end in 2023–2024 and that funding for the final year will be cut from \$15 million to \$10 million.<sup>24</sup>

The Committee also believes that the CRTC should review the conditions of licence of Rogers and Shaw regarding their financial contributions to local expression. The regulator could require them to devote a fixed percentage of their contributions to not-for-profit community media.

The Committee therefore makes the following recommendations:

## List of Recommendations

### Recommendation 1

**That the Government of Canada reject the Rogers-Shaw proposed merger.**

While the Committee believes the merger should not proceed, if it is allowed, the Committee recommends:

### Recommendation 2

**That, in reviewing the proposed merger, the Government of Canada take measures to ensure the preservation of local news in small and medium sized markets is made a priority.**

### Recommendation 3

**That, while the Committee believes the merger should not proceed, if it does, the Government of Canada should ensure that, in implementing its decision, it includes conditions to ensure the continuation of local news services that would be impacted by the Rogers-Shaw merger in Kelowna, Lethbridge, Saskatoon, Regina, Peterborough,**

---

23 Department of Canadian Heritage, [Local Journalism Initiative](#).

24 Department of Canadian Heritage, [Details on Transfer payment programs — Departmental Plan 2022-23](#).

**Kingston, Saint John, and Halifax, and that all conditions attached to the merger approval are fully enforceable and that resources are available to enforce them.**

**Recommendation 4**

**That the Government of Canada take steps to mitigate the impact of Rogers' acquisition of Shaw.**

More broadly, the Committee offers the following recommendations:

**Recommendation 5**

**That the Government of Canada approves the application by Canadian Association of Community Television Users and Stations and the Fédération des télévisions communautaires autonomes du Québec for a Community Access Media Fund.**

**Recommendation 6**

**That the Government of Canada requires as a condition of license that a percentage of "local expression" financing collected through Rogers and Shaw license areas should be directed to this new fund, to support not-for-profit community media organizations to fill the voids in local coverage created by Rogers' and Shaw's closures of their own community TV stations.**

**Recommendation 7**

**That the Canadian Radio-television and Telecommunications increase contributions to the Independent Local News Fund to ensure local news remains economically viable and receives sustainable and appropriate support to continue local programming and the production of Canadian content in the face of media concentration and consolidation.**

**Recommendation 8**

**That the Government of Canada increase funding to the Local Journalism Initiative to support the diverse needs of underserved communities across Canada to best ensure the creation of original, independent civic journalism.**

**Recommendation 9**

**That the Government of Canada prioritizes in the Canada Media Fund the funding of small-market and local independent media outlets.**



HOUSE OF COMMONS  
CHAMBRE DES COMMUNES  
CANADA

### **Recommendation 10**

**That the Government of Canada support community media, ensure a diversity of news sources and guarantee access to local news and information for all Canadians.**

### **Recommendation 11**

**That the Government of Canada expand the labour tax credit to also apply to broadcast journalists engaged in local news reporting.**



## APPENDIX A LIST OF WITNESSES

---

The following table lists the witnesses who appeared before the committee at its meetings related to this report. Transcripts of all public meetings related to this report are available on the committee’s [webpage for this study](#).

Organizations and Individuals	Date	Meeting
<b>Canadian Association of Community Television Users and Stations</b> Catherine Edwards, Executive Director Amélie Hinse, Fédération des télévisions communautaires autonomes du Québec	2022/02/16	7
<b>Community Radio Fund of Canada</b> Alex Freedman, Executive Director	2022/02/16	7
<b>National Ethnic Press and Media Council of Canada</b> Thomas S. Saras, President and Chief Executive Officer	2022/02/16	7
<b>OpenMedia</b> Matthew Hatfield, Campaigns Director Erin Knight, Digital Rights Campaigner	2022/02/16	7
<b>Quebecor Media Inc.</b> Pierre Karl Péladeau, President and Chief Executive Officer Peggy Tabet, Vice-President Regulatory and Environmental Affairs	2022/02/16	7
<b>Rogers Communications Inc.</b> Colette Watson, President Rogers Sports and Media Pamela Dinsmore, Vice-President Regulatory Cable	2022/03/02	9



## REQUEST FOR GOVERNMENT RESPONSE

Pursuant to Standing Order 109, the committee requests that the government table a comprehensive response to this Report.

A copy of the relevant *Minutes of Proceedings* ([Meetings Nos. 7, 9, 16, 19 and 20](#)) is tabled.

Respectfully submitted,

Hon. Hedy Fry, P.C. M.P.  
Chair



Supplementary / Dissenting Report of the New Democratic Party:  
Canadian Heritage Committee on Impact on Local News of Rogers Communications Inc.'s  
Takeover of Shaw Communications Study

The House of Commons Standing Committee on Canadian Heritage study of Rogers Communications Inc.'s takeover of Shaw Communications heard from ten witnesses who represented community-driven media and non-profit organizations over two meetings. The testimony was clear - the impact of Rogers Communications Inc.'s takeover of Shaw Communications would be extremely detrimental to local media and news outlets.

Not only did the witnesses spoke against the merger, the Competition Bureau has recently filed an application with the Competition Tribunal to seek a court order to block Roger's proposed acquisition of Shaw Communications. The Bureau has also applied for a court injunction to stop the parties to close the deal until the matter can be heard by the Tribunal.<sup>1</sup>

Based on witnesses testimonies and the Competition Bureau's recommendations, the New Democratic Party of Canada supports a clear recommendation to the government to reject the Rogers take-over proposal of Shaw Communications. But why is the CRTC still considering this merger? It is because the Competition Bureau lacks the tools necessary to stop this deal.

That's exactly why the NDP believes there should be a further recommendation to urge "the government to undertake a comprehensive review and complete enhancement of the Competition Act. The Competition Bureau should be provided additional power to assess takeovers and be given additional tools to assess takeovers on the basis of the public good".

We believe that it is imperative that the Government of Canada should be required to undertake a comprehensive review and complete enhancement of the Competition Act so that the Competition Bureau would be given additional tools to access the Rogers' proposed take-over of Shaw Communications or any future major merger in Canada.

### **Competition Bureau's verdict on Roger's Take-over Shaw Communications**

People are frustrated that they are paying more for their rent, groceries and gasoline, but their wages are not increasing as fast as the revenues of large corporations who are taking advantage of this to substantially increase their profits. The merger of Rogers and Shaw would only worsen the affordability crisis. Canadians would be even more frustrated because they are already paying some of the highest cell phone prices in the world. For generations, these telecom giants have had no competition. They have made huge profits under both Liberal and Conservative

---

<sup>1</sup><https://www.canada.ca/en/competition-bureau/news/2022/05/background-competition-bureau-seeks-full-block-of-rogers-proposed-acquisition-of-shaw.html>

governments. That's why Canada's telecom giants put their profits ahead of providing the quality services people need in their daily lives.

As the Rogers-Shaw merger will further strengthen the power of the large telecommunication companies, the Commissioner of Competition has sounded the alarm by requesting an order from the Competition Tribunal to prevent it from going ahead. The Commissioner points out that in the wireless market, three large companies concentrate the economic power and serve 87% of the subscribers. Moreover, competition between Rogers and Shaw is already being weakened, to the detriment of consumers. The risk posed by this transaction is obvious as the competition bureau has shown that Shaw's investment in its network has diminished. Shaw was indeed planning to enter new wireless markets, launch its 5G network and expand its wireless service offering to businesses. In addition, Shaw's reduced marketing and promotional activities have reduced the level of competition in the market.

Meanwhile, liberals want to look like they care about high prices consumers are paying. In fact, For over 6 years the Liberals have been in power, they have protected the profits of the huge telecom companies by refusing to cap the exorbitant prices these companies charge people. Liberal government has given big telecom corporations hundreds of millions of dollars in subsidies and government contracts, while doing little to lower Canadians' cell and internet bills.

The NDP is fighting for people and we will pressure the government to stop this Merger that will hurt Canadians. Only the NDP really stand up to the huge telecom companies that are gouging Canadians, and make sure that everyone has affordable and reliable television, cell and internet access.

Mr. Matthew Hatfield, Campaigns Director, OpenMedia, testified during the committee meeting on February 16, 2022 about the lack of competition in telecommunications in Canada:

*“Rogers' plan to buy Shaw is a disaster for competition, diversity and innovation in our country. It will lead directly to increased consumer prices for telecom services, loss of jobs in news media and in telecom, and a consolidation of power over our media like we've never seen. It will put one man, Edward Rogers, in charge of the Internet and broadcast service of nearly half of English Canadian Internet users. It will further concentrate and reduce the diversity of perspectives in a media market already ranked the third-most concentrated among 28 countries in a recent study. As a point of comparison, while the top four media companies in the U.S. hold 29.8% of market share, in Canada the top four hold an astonishing 52.3%.”(p.5)*

*“That's hurting all news outlets, but it is **devastating local news**. From 2008 to 2021, over 450 media outlets closed the vast majority of them small community papers. Of course, open your phone and you're bombarded with more news than ever, but we increasingly lack crucial local news that connects us with our neighbours and holds local government and corporations to account. Approving the Rogers-Shaw deal means further slashing into local news.” (p.5)*

*“The combined Rogers-Shaw will be a company of **unprecedented power** in Canadian history. Canada already has an unusually serious problem with vertical integration, in which key telecom companies like Rogers and Bell sell both access to wireless networks and a great deal of the content Canadians consume on those networks. High levels of vertical integration create strong incentives for clearly **anti-competitive behaviours** that hurt smaller media and telecom competitors and also consumers.”<sup>2</sup>*

While the NDP is encouraged that the rest of the many good recommendations were adopted at the committee, it is important to emphasize our position on this deal. The NDP strongly oppose the Rogers take-over proposal of Shaw Communications. As Mr. Thomas Saras, President and Chief Executive Officer, National Ethnic Press and Media Council of Canada, pointed out at our on Feb 16, 2022, meeting,

*“on behalf of the National Ethnic Press and Media Council of Canada, I want to bring two things to the attention of the members. The first is clearly political. It is a message that reflects democracy and the kind of democracy we want to have in this country. The other one is economical. By concentrating all those corporations together, we're going to have a monopoly. A monopoly is really bad because the moment they achieve whatever they want, the prices move up. Speaking about Rogers, I have in front of me one of its invoices. ....*

*This is the reason that the National Ethnic Press is against this amalgamation. It is bad for the state. It is bad for the people. It is bad for our justice and our security. We have to stand up for the freedom of the press. Freedom of the press means diverse voices that this country has to show all over the world. My organization represents 1,200 media outlets all over Canada in 103 different languages. We try to inform our readers with our best ability and our ability to express and serve the Government of Canada and their people.” (p.4)<sup>3</sup>*

Mr. Matthew Hatfield, Campaigns Director, OpenMedia, echoed Mr. Saras’ objection of this merger at our committee meeting on Feb 16, 2022,

*“Canadians know that. We do not, as a group, want this deal. Public polling has consistently found that a majority oppose the deal, particularly in the west, where Shaw does business. Last year over 61,000 people signed petitions calling on the federal government to block the Rogers-Shaw deal. The Competition Bureau set new records for public engagement around it.” (p.5)<sup>4</sup>*

Non-profit community television stations play an vital role in delivering local accurate news information. That is why the NDP supports the following two recommendations:

---

<sup>2</sup> CHPC, Evidence, 16 February 2022, 1610 (Matthew Hatfield, Campaigns Director, OpenMedia).

<sup>3</sup> CHPC, Evidence, 16 February 2022, 1610 (Thomas Saras, President and Chief Executive Officer, National Ethnic Press and Media Council of Canada).

<sup>4</sup> CHPC, Evidence, 16 February 2022, 1610 (Matthew Hatfield, Campaigns Director, OpenMedia)



The Canadian Heritage Committee urges the government to approve the application by CACTUS and the Federation des télévisions communautaires autonomes du Québec for a Community-Access Media Fund.”

The Canadian Heritage Committee urges the government to require as a condition of license that a percentage of “local expression” financing collected through Rogers and Shaw license areas should be directed to this new fund, to support not-for-profit community media organizations to fill the voids in local coverage created by Rogers’ and Shaw’s closures of their own community TV stations.

During the committee on February 16, 2022, Ms. Catherine Edwards, Executive Director, Canadian Association of Community Television Users and Stations, talked about the importance of funding non-profit community television stations:

*“We all know that local news is in trouble, but we've been erroneously handing money to vertically and horizontally integrated giants to solve the problem. At each hearing, they promised that with deeper pockets they would be able to support local production, but they don't. The local journalism initiative by the Department of Canadian Heritage has finally recognized that if you want to ensure communities have local news, you resource not-for-profit community media that are located in and committed to serving communities over the long haul. CACTUS, the Fédération and the Community Radio Fund of Canada are generating news under LJI for a tenth of the cost of public and private sectors, hour for hour, so we do not support further consolidation. It's bad for information diversity and it's also bad because the bigger the companies get, the more they capture our regulator. The CRTC staff openly refer to them, not the Canadian public, as their clients. The rot has gone so far up that we're being told not only by the CRTC, but by Canadian Heritage staff working on Bill C-11, that they cannot recognize not-for-profit broadcasting in a new broadcasting act, because other big entities think it's a zero-sum game. If they recognize that we exist, there's less money for them. The legal structure of our country is caught in their net. We've elected you to defend the public interest when our bureaucrats and regulators are captured by industry. Should the merger go ahead, however, we urge you to support initiatives that ensure a diversity of information.” (p.2)*

*“—and service for smaller communities outside of the control of Rogers and other BDUs, including a local journalism initiative and the establishment of a community access media fund to support not-for-profit community media. We currently have a proposal for such a fund before the CRTC, which hasn't been gazetted. It would enable communities themselves, especially indigenous, rural and diverse—” (p.3)<sup>5</sup>*

Last but certainly not the least, the NDP supports the following recommendation:

---

<sup>5</sup> CHPC, Evidence, 16 February 2022, 1610 (Catherine Edwards, Executive Director, Canadian Association of Community Television Users and Stations)

The Canadian Heritage Committee urges the government to prioritize in the Media Fund the funding of small-market and local independent media outlets.

Mr. Alex Freedman, Executive Director, Community Radio Fund of Canada, said during the committee meeting on February 16, 2022, that

*“What I can tell you is that while journalism is a keystone for a functional society, it is not profitable....*

*Corporate concentration in the media hurts Canadians' access to local news and information. We have seen this play out with Bell recently closing entire newsrooms in Montreal and Toronto, firing hundreds of journalists as those funds are diverted to supporting streaming services. A few years earlier it was Citytv closing newsrooms and gutting Breakfast Television. According to the Local News Research Project, since 2008 a total of 451 news operations have closed in 324 communities across Canada. I won't be taking a position today on whether or not this merger should proceed. Rather, I'm here to say that if it does, the consequences will be damaging for local news and information, and this government has a responsibility to insist on remedies to ensure that Canadians get the news they need and deserve....*

*A review of the tangible benefits associated with this transaction meant to support Canadian voices shows \$8.5 million will be invested in the ILNF once. After that, the fund is on its own, and a significant portion, as I mentioned, will be absorbed by Global. Of note, this fund was set up by funding that was originally intended for community television. The rest of the benefits will go to the Canada Media Fund and an assortment of important film festivals, but there's next to nothing to support local news. What does this committee do about it? I propose that it needs to ensure there are mechanisms to protect local news, not just corporate interests....*

*If this transaction is approved, the government must extend and expand the funding for the LJI (local journalism initiative) and it should be up to the corporations benefiting from the gutting of local news to pay for this.” (p.3)*

*“you ask a very good question, Mr. Julian. If you'll indulge me, right now, the government gives \$1.4 billion to the CBC/Radio-Canada. For radio alone, it gives more than \$450 million. We, through community radio, receive not one cent of operational dollar support for this incredible network of stations and for the work that we do. There are a number of mechanisms that I mentioned in my opening statement and I'm more than happy to go through a variety of other mechanisms. We need support. We need support to ensure that our stations can continue to operate, continue to do the incredible work they have been doing so far, and continue to expand their capacity to make sure there is more local news, more coverage, more talk radio and more connection with the community. That is something that all Canadian are desirous of.” (p.11)<sup>6</sup>*

## **Conclusion:**

---

<sup>6</sup> CHPC, Evidence, 16 February 2022, 1610 ( Alex Freedman, Executive Director, Community Radio Fund of Canada)

The Competition Bureau and public opinion polling have shown a vast opposition of the Rogers take-over Shaw Communications. It was clearly stated by the Bureau that if the merger was to go ahead, it would have detrimental impact on local media news outlets as well as the pricing of telecommunications. It is definitely not in the public interest to allow the merger to happen. Rogers Communications will use their business case to argue that this deal makes sense in terms of profits to the business and economy. But the Liberal government must put people's and the community interest first before profit. The NDP strongly opposes the merger and will continue to do so.