

An Initiative to Help Keep Canadians Informed During the COVID-19 Crisis

The proposal: That, for a temporary period, the federal government direct revenue to The Canadian Press to fully offset subscription fees paid by CP's media clients. In turn, CP would provide media outlets with instant financial relief by suspending their fees. This measure would also ensure the continuity of trusted news reporting from The Canadian Press, Canada's national news service, across all platforms at a critical time.

Cost: Approximately \$2 million a month for an initial period of six months, with flexibility to extend the funding depending on the duration and economic fallout related to the COVID-19 crisis.

This proposal is straightforward and checks three major boxes in a time of crisis for Canadians:

1. It assures that independent, trusted and timely news continues to move nationally to publishers and broadcasters to keep Canadians informed. Many of these news distributors are in extreme distress as advertisers react to devastated market conditions. As it stands today, without action some media outlets will not survive this crisis.
2. In context of the entire government stimulus package, it allows for a relatively low but highly targeted injection of stimulus dollars to the Canadian media marketplace, which is the critical communication link in this national crisis.
3. The proposal is for Ottawa to provide funding to The Canadian Press to cover media client fees for news subscriptions for a defined period (we are recommending six months at the outset, with an extension to be reviewed based on economic conditions.) This provides news publishers and broadcasters with a fast, meaningful level of economic assistance while assuring their continued access to breaking news for their readers and listeners. Any federal funding received would then be used to immediately offset news subscription fees paid by CP media customers through a suspension of their billing during the period.

Fact sheet:

It would cost approximately \$2 million a month to reach every active CP media client – daily newspaper publishers, TV and radio broadcasters and online publishers.

We have already received numerous calls from clients who worry they will not survive through this crisis to serve their communities and have asked for "fee holidays." CP itself is not in a financial position to defer revenue and maintain its staffing levels to ensure the coverage it currently provides. It should be noted that the overwhelming majority of CP's employees are journalists and represent the single largest expense in our business.

To this point, three provinces – Ontario, Quebec and British Columbia – have included news media, such as The Canadian Press, on their lists of essential services under emergency declarations.

This proposal would not enrich CP – it is revenue neutral to us. But it would support publishers and broadcasters in a time of crisis and bolster the ecosystem of trusted news that is vital for Canadians. For CP, it would bring a level of certainty to our own base revenue as media outlets work through the crisis, and support our investment in reporting at a critical time.

During the period proposed above, the funding would ensure hundreds of newspapers, radio and TV broadcasters and digital publishers would get:

- badly needed financial breathing room for their own operations;
- an assured supply of reliable accurate information from CP on the unfolding crisis;
- assurance that CP will still be at full operation through this crisis and beyond as the country eventually gets back on its feet;
- indirect support to maintain the cost of reporting in its own localities;

We anticipate it would take less than a week to implement the payment relief for media clients once funding was received from the government.

We believe it would be most efficient if under such a program the grant be allocated directly to CP – as opposed to Ottawa trying to paper agreements with some 700 media clients and then distribute custom grants to each.

We would apply the grants to each media client account, erasing their subscription billings and allowing them to preserve revenue for their internal operations.

Thank you for your considering this proposal, which will help Canadians to continue to receive trusted, timely and verified information at a critical time for the country. This proposal will provide immediate financial relief to already struggling media outlets and support reporting of the pandemic in communities across Canada.

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