CANADA

CANADA'S NETWORK MEDIA ECONOMY:

Growth, Concentration and Upheaval

1984-2024

Global Media & Internet Concentration Project

www.gmicp.org

The Global Media & internet Concentration Project (GMIC Project) is led by Professor Dwayne Winseck, School of Journalism and Communications, Carleton University. It is an independent scholarly effort funded by the Social Sciences and Humanities Research Council of Canada. Its aims are to provide an independent, long-term analysis of the telecoms, digital media, broadcasting and publishing industries in Canada and three dozen other countries. Its goal is also to better inform research, teaching, and public policy-related discussions about these issues.

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Questions and Corrections

If you have questions or believe that any of the data are mistaken, please let us know.

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Analyzing the Communications, internet, and Media Industries

Insights from the Global Media & internet Concentration Project—Canada



Executive summary

Welcome to this year's report. You can find previous versions here for editions completed under the auspices of the Global Media and Internet Concentration Project (GMICP) and for older ones done as part of the Canadian Media Concentration Project here.

Supported by the Social Sciences and Humanities Research Council of Canada, this report is the Canadian contribution to the GMICP. The project consists of three dozen countries and aims to examine the evolution, structure, dynamics and concentration trends for roughly two-dozen telecoms, internet, broadcasting and publishing sectors. It does so for individual sectors and by building progressively towards larger views of the telecoms and internet access sectors, traditional media, and digital markets, from internet advertising, streaming video and music services, games and app stores. The Canadian work reaches back to the 1980s, with some deep historical gestures yet.

We ask simple questions, but whose answers have potentially profound implications and are often contested: which media are growing? Which are stagnating or in decline? Are the media—individually and collectively—becoming more diverse and pluralistic, as the true believers in the free market and the disruptive promise of new technologies think, or more centralized and concentrated, as critics charge? Is there a crisis of journalism and, if so, when did it start, what caused it, and what, if anything, should be done about it? What are the implications of the answers to these questions for Canadians, society, and the future of democracy in Canada?

Every year, this report seeks to cover new ground and to improve on past iterations. This year does so in three ways. First, it draws more extensively on what has been learnt across the GMICP project. Second, it tentatively includes cloud computing because of its increasing centrality to the media, society and economy. Finally, given the alliance between US big tech firms and the autocratic Trump administration it places greater emphasis on their push to roll back the progress made in recent years on digital platform and internet services regulation in Canada and around the world.

The choices made in response to these developments could shape the networked, digital media landscape in Canada for decades. A wide range of well-regarded sources on media freedoms, human rights and democracy are ringing the alarm about the dangerous trend of backsliding along each of these dimensions that has taken place in many countries around the world for well-over a decade.[1] Canada continues to mostly fare well on such measures, but having slipped in recent years and given the many problems that Indigenous and Black people especially still face, we are left with no reason for complacency.

Canada's big media economy gets bigger

The telecom, internet access, cloud computing, digital media, broadcasting, and publishing industries continue to grow at a brisk pace in Canada. Total revenue reached $130.7 billion in 2024—up nearly 7% year-over-year and a strong cumulative annual growth rate over the last five years of 6%.

This year's report keeps our long-standing focus on the telecoms and internet access markets but also takes some experimental and tentative new steps to include cloud computing, as just noted. Collectively, these are the biggest sectors of the network media industries, with revenue in 2024 amounting to $88.1 billion. Cloud computing accounted for an estimated $18.7 billion of that amount, ten times what it was a decade earlier, and close to par with the revenue garnered by the internet advertising market and just over half of the mobile wireless sector. Collectively, these companies run the networks, data centres, offices and machinery that constitute the core communications infrastructure of Canada.

We have included cloud computing because the information, media and cultural industries are some if its most intensive users.[2] As such, understanding the media industries requires that we do our best to comprehend their use of such facilities and the implications of that use. Telecoms, internet access services and data centres are also central to our focus because they are the infrastructure upon which the internet, digital markets, broadcasting, and publishing depend. They are also the infrastructure for economy- and society-wide critical functions, from banking to energy, government, health care, education, and more, while simultaneously storing the data shadows of our day-to-day lives.

All this has a sheen of being new, but developments in modern media, society and the economy have been inextricably intertwined with "big telecoms" and "big tech" since the mid-19th century. This is why we cannot tell the story of broadcasting or any media, from newspapers to film and social media, without stressing the profound impact that "big telecoms" and "big tech" have had on them. The structure of telecoms markets and firms also shape household and personal spending on the services they offer, with such spending vastly outstripping spending on media and entertainment. Consequently, the structure of telecoms markets and firms affect the affordability of broadband and mobile services and that, in turn, influences people's media use.

These issues raise vital questions about people's ability to effectively realize abstract constitutional and Charter rights to communication, of social equity, and the ability to fully participate in all aspects of society. In other words, telecoms implicate public values, just like broadcasting, news and digital markets, even if each in their own way. A great deal of communications and media scholarship, abetted by stubborn tendencies in Canadian policy and industry circles, however, continue to put telecoms and media in separate silos while sneering at telecoms as being economistic and technicist in nature rather than

implicated in normative issues at all. This report disagrees and develops a holistic approach instead.

The torrid pace of growth in online media services and digital markets means that the gap between communications infrastructure and the content media sectors is closing. By 2024, we estimate that the combined revenue for the digital and online media sectors—internet advertising, online video services, streaming music services, and app distribution—was $29.6 billion. This was up over ten percent year-over-year. The internet advertising market garnered $18.4 billion alone, or nearly two thirds of that total.

As will be explained in detail in the second section of this report, these figures must be treated cautiously because the quality of available information for online media and digital markets lags far behind the standards that have long prevailed for regulated telecoms and broadcasting services. Alphabet, Amazon, Apple, Bytedance, Meta, Microsoft, Netflix and others rarely break out revenue on a service-by-service and country-by-country basis. To counteract this severe constraint, we draw heavily on public information sources, from the companies' financial reports, regulators, and consultants such as S&P Global, PriceWaterhouseCoopers, Wall Communications, and others, as cited. We generate estimates of our own as well when necessary and possible, to fill in the remaining gaps. In all cases, we provide copious notes explaining the steps we have taken to present the results that we have.

The shock of the Covid-19 pandemic and ensuing public health measures in 2020 and 2021 severely limited social interaction and mobility but boosted growth for internet advertising, streaming video, music, games, and app stores, such as Apple's App Store and Google Play beyond what had already been an impressive clip. From this time on, digital media made available over the internet became more firmly lodged into every nook and cranny of our lives.

Meanwhile, however, several legacy broadcasting and publishing sectors present signs that they could soon fade to black: broadcast radio and television, newspapers and magazines. Combined revenue across these sectors continued to fade, dipping to $12.9 billion in 2024. This is a decline of about a third from their high point a decade-and-a-half ago. The number of full-time journalists has fallen by a similar amount.

This matters because these sectors are the centre of original journalism and news production and distribution. This report spends much time reflecting on the origins, timing and multipronged causes of the crisis of journalism that has become steadily more entrenched over this period. This reality also reflects the emergence of a dual media economy in which most media industries are flourishing while others struggle to survive. The future of an independent press, universal and affordable broadcasting services, and access to shared public events from sports to drama and politics hangs in the balance.

The dire straits faced by legacy media reflect a grim reality where nearly 90% of the $18.4 billion online advertising market in Canada goes into the pockets of three multinational big

tech conglomerates: Alphabet, Meta, and Amazon. With online advertising accounting for three quarters of all advertising spending, traditional advertising-funded media are being deprived of oxygen. This report argues that such realities did *not* cause the crisis of news media in Canada or elsewhere in the world, but by consolidating their grip on advertising in the last decade they have driven the nail into the coffin of traditional commercial media and journalism.

Cable and pay television have also joined the ranks of the ill-fated, upended by high levels of broadband adoption and use in most regions of the country in the past decade, and the advent of a growing list of international and domestic streaming video and music services, from Netflix to Crave, Paramount+, Disney+, specialized services such as DAZN and Rogers' SportsNet Now. The bundling of such services with telecoms operators' wireline and mobile broadband services, the purchase of Apple devices, or Amazon's ecommerce platform have become defining features of the media landscape. These practices raise anew long-standing issues about the potential competitive harms, consumer benefits and public interests that are implicated by the bundling of media services with big tech and big telecoms' more lucrative offerings. How these issues are resolved could profoundly affect the structure and dynamics of the media industries for the foreseeable future. At a minimum, they mean that communications cannot be studied separately from culture.

Convergence 2.0: A dual media economy is emerging.

These ongoing tendencies are opening more fronts in a growing clash between big tech and big telecom titans, but also new forms of cooperation that blunt the sharpest edges of a competitive and diverse marketplace. As broadband networks integrate ever further across the wireline / wireless divide, and data caps become less restrictive we are seeing the ascent of a unified digital communications and media system. These tendencies will intensify and constitute what is called Convergence 2.0 in this report.

Convergence 1.0 occurred a quarter century ago when established monopolies and oligopolies—and public values—lost some of their ground, new firms were set in motion, mergers and acquisitions went on a tear, and the dot-com bubble peaked. The bubble burst at the turn of the 21st century and left deep scars in Canada and around the world that can still be seen to this day. As companies collapsed, rebuilt, and collapsed again amidst the financial crisis, circa 2007-2009, telecom conglomerates Bell (CTV), Rogers (Citytv), Quebecor (TVA) and Shaw (Global TV and Corus Entertainment) consolidated their ownership of all major commercial broadcast and pay television services in Canada. Rogers' acquisition of Shaw in 2023 left Corus Entertainment on its own and floundering, but it has been struggling since the acquisitive excesses in the dot-com era and again in the late 2000s when the Winnipeg-based Asper family went on a buying bender—backed by the US investment bank, Goldman Sachs—that overloaded Canwest Global Communications with debt. Canwest's bankruptcy in 2009-2010 prompted the sale of its newspaper assets to

Postmedia while its Global TV network and stable of pay television services were sold to Shaw Communications at fire sale prices. Those events have hobbled one of biggest media conglomerates in the country ever since.

Convergence 2.0 is being driven by the expansion of cloud computing, the increased centrality of digital media and content aggregation and distribution platforms, and people's use of digital communications and media. It underpins our growing dependence on such facilities for both the most intimate and banal aspects of our lives to critically important functions such as banking, education, health, pleasure, work, and emergency alerts. The network outages at Rogers, Amazon's AWS, and Cloudflare as I write, underscore how the centralization and consolidation of core components of internet infrastructure have left us vulnerable. This only comes to our attention when they are broken or otherwise disrupted.

In Convergence 2.0, digital communications and media aggregation and distribution platforms are increasingly bumping up against the turf of telecoms and internet access providers. The biggest digital platforms are also amongst the biggest cloud computing providers: Amazon, Microsoft, Google and Oracle. They also back many of the leading artificial intelligence tools and large language models: Alexa and AWS (Amazon), Gemini (Alphabet), Llama (Meta), and OpenAI (Microsoft). This is generating a Goliath versus Goliath clash between the largest telecoms conglomerates in Canada and multinational big tech conglomerates, streaming giants like Netflix and Spotify, and American and international media giants including Disney, Viacom-CBS-Paramount, Sony, Warner Music, Universal Music, Ubisoft, which are all making their global entertainment catalogues available to audiences in Canada directly over the internet. By 2024, these companies accounted for over a third of the Canadian network media economy, about double what it had been just five years earlier.

This rivalry will intensify as the use of mass industrial AI and LLM strategies drive the growth and use of cloud computing and as the latter offloads more information flows from the telecoms operators' networks. Yet, telecoms will still own the last and middle mile links between consumers and the applications they use, from simple internet access to data slurping and energy busting AI and LLM applications. Big tech companies' efforts to move in on those 'last mile' links have failed, although their ownership of international subsea cables has exploded. Big telecom and big tech will continue to jockey for dominance in national digital communications and media spaces, but national telecoms have already been overrun by multinational digital conglomerates whose operations span ecommerce, cloud computing, operating systems, logistics, media, advertising, AI and LLMs, and more.

Competition, cooperation, and concentration: Clash or dance of titans?

This project carefully tracks the scale, scope, and structure of media markets because it does not assume that concentration is a problem everywhere. In fact, there are significant differences across media, time, and place that must be explained. This report tries to do so in a way that is historically, theoretically, and comparatively informed.

Several media sectors are diverse and pluralistic: online news, magazines, broadcast radio and paid audio services, and video games, for example. Others are moderately concentrated but have become more diverse, such as paid online video services and social media. Meta, for instance, just won a blockbuster antitrust case brought by the US Department of Justice on the grounds that TikTok has deeply eroded its dominance in just a few years. Meanwhile, newspapers concentration is no longer what it once was, but rather than this being a "good thing", it is because the news industry is falling apart.

That said, the news ecosystem seems to have found the floor in the past few years after a decade-and-a-half of straight losses. This is the result of significant federal and Quebec provincial subsidies, some payments from big tech companies like Alphabet, Apple and Meta before the *Online News Act* came into being in 2023, and Google's agreement to pay $100 million per year for five years into a news fund under the act (indexed to inflation). Meta's decision to stop its voluntary payments to news media groups and to block the sharing and distribution of news sources on Instagram and Facebook social networks in Canada has had the opposite effect, but not as much as some believe. Changes to the *Income Tax Act* have also encouraged the ascent of non-profit journalism, with seventeen non-profits news organizations operating in Canada as of 2024, such as *LaPresse*, the Narwhal, Canadian Jewish News, and Ricochet Media.

Still, high and increasing concentration still hangs over many sectors of the telecoms, internet, and digital media industries. The blockbuster $26-billion takeover consummated in 2023 by Rogers Communications, the second-largest communications conglomerate in Canada, of Shaw Communications (the fourth largest) exemplifies how some sectors have been fundamentally altered by consolidation. The pages ahead explain that transaction, and the Competition Bureau's full-court press to block it.

Between 2022 and 2024, sweeping reforms to the *Competition Act* were made partly in response to that deal. The centrepiece of those reforms are three bright-line rules that presume a merger to be anti-competitive: it lifts the HHI for the effected market(s) by more than 100 points, pushes the post-merger HHI above 1,800, or yields a post-merger firm with more than a 30% market share. Rogers' takeover of Shaw smashed through every one of these measures. Had they have been in place before the Rogers-Shaw deal, it is likely that the proposed transaction would have been still born.

Whether the takeover has been good or bad for Canadians is explored in detail ahead. On the plus side, Vidéotron's acquisition of Freedom Mobile after Rogers and Shaw were

forced to sell the carrier to get approval for their transaction has seen it take its "maverick"-style competition from Quebec into Ontario, Alberta, British Columbia, and, starting in late 2025, Manitoba. On the opposite side, the merger drove up concentration in wireline internet access, cable markets and mobile communications nationally while halting the decline in concentration that had prevailed in the provinces directly affected: BC, Alberta, and Ontario. It also cut the number of major internet access providers and broadcast distributors in English-speaking provinces from three to two. As predicted, Rogers has become more aggressive toward competitors and programming rights holders, with Rogers at the centre of a doubling of undue preference complaints to the CRTC since 2022. Meanwhile, telecoms operators' price plans on average have gone up, although they point to average revenue per user (ARPU) for the "services" component of those plans as going down.

The impact of post-merger Rogers is the tip of a broader tendency that has re-asserted itself: after three decades of easing concentration and growing competition, choice, and media pluralism, the last decade has seen such trends thrown into reverse. Some markets are still diverse (online news, video games), heading in the right direction (online video services), or moderately concentrated (streaming music services), but many others remain stubbornly concentrated: wireline, mobile wireless, cloud computing, internet access at the local level, internet advertising, app distribution, and core elements of the internet like desktop and mobile search engines, operating systems, and browsers, respectively.

Furthermore, once telecoms and internet access as well as online media and digital markets, respectively, are seen in the aggregate, the powerful forces of centralization and concentration are clear to see. Grouping all sectors together into a holistic view of the network media economy reveals the following conclusions: concentration fell significantly between the 1980s and early-2000s based on the weighted Herfindahl-Hirschman Index (HHI) but rose sharply thereafter amidst industry-wide restructuring and consolidation, circa 2006-2012. As online media and digital markets brought in new players and greatly expanded the market, network media-wide concentration levels drifted lower, but the consolidation of those markets since the late-2010s, and Rogers' takeover of Shaw, have pushed up concentration again. Discussion of these matters will fill the pages ahead, but the headline for now is that the study of concentration is as relevant as ever.

The future is up for grabs: Policy options for digital markets

The report closes with some reflections on recent policy and regulatory developments affecting the network media industries. Canada's *Online Streaming Act* and *Online News Act* are examined as manifestations of how governments are responding to the realities just sketched by enacting new laws of a kind and breadth not before seen in relation to digital platforms and digital media. Those acts contain powerful levers that require fair carriage for broadcasting, whether over the air, cable, or the internet. They also include important

funding mechanisms as well as obligations for regulated streamers to disclose information that has previously been kept under wraps. These changes mark a watershed moment and, done right, could advance public interests, communication rights, and democratic values.

Governments have many regulatory tools at their disposal. Canada is one among many now reaching for those tools. The creation of the cross-agency Canadian Digital Regulators Forum that includes the CRTC, Competition Bureau, Copyright Board, and the Office of the Privacy Commission is a good example of how regulators are working to harmonize their activities, share resources, expertise and experience, and fight the good fight for a fair and as pluralistic-as-can-be digital communications and media system.

Beyond borders, regulators have created the International Network of Digital Regulation Cooperation. Through such joined up efforts, they are clawing their way towards a new digital communications and internet regulatory regime. Canada is also learning from the European Union's landmark *Digital Services A*ct and *Digital Markets Act*—a holistic approach to digital communications and markets regulation—that came into effect in 2023, and from the pathbreaking, even if flawed, *News Media Bargaining Code* in Australia. Competition Bureau staff attended the Department of Justice's advertising monopoly case against Google in New York as they built the case against the big tech behemoth in Canada that they filed in late 2024. At the same time, however, the alignment of US tech giants with the Trump Administration has put the EU's *Digital Markets* and *Digital Services Acts* as well as Canada's *Online Streaming* and *Online News Acts* in the administration's crosshairs on the alleged grounds that they are barriers to trade and affronts to freedom of expression.[3]

Much like regulated telegraphs, telephones, and broadcasting were to the crystallization industrial capitalism and the birth of the modern regulatory state from the late-1800s throughout the next century, events taking shape now could be the front edge of a new framework for regulated digital capitalism for the century in front of us. That is exactly why powerful interests are bent on reversing the tide, just as the robber barons did all they could to hold on to the Gilded Age and to give the ascendant age of corporate liberalism and regulated capitalism at the time a still birth.

This report covers some of that early history by building on the expanded attention given to communications, broadcasting, and publishing history introduced last year. They give us some benchmarks to understand the massive growth, upheaval and transformation of the telecoms, internet, and media industries today. They also remind us of old regulatory tools long forgotten but being wielded anew. Of course, novel solutions are also being designed for issues that are genuinely new as opposed to the usual litany of hyperbolic claims about how the digital revolution will make old problems vanish, while also aiming to keep the state's regulatory hand at bay. The lessons of history also remind us that even the most powerful corporate and political interests can fail in getting what they want, while more democratic interests and visions of communication and society can prevail. Of course, novel solutions are also needed, despite the hyped-up claims that the digital age will fix all.

Some headline findings

- Total revenue reached $130.7 billion in 2024—up 6.6% year-over-year and by a third since 2019.
- Telecoms and internet access markets are the biggest sectors in the network media industries, with revenue of $88.1 billion and 73 million subscriber connections in 2024.
- Boosted by the Covid-19 pandemic public health restrictions and pent-up consumer demand afterward, revenue from internet advertising, app stores, streaming video, music, and gaming, etc. has soared, reaching $29.4 billion in 2024.
- Including traditional media adds another $12.9 billion. The total content media sectors, therefore, have estimated revenue of just $42.5 billion.
- Newspaper revenue was an estimated $1.9 billion in 2024, down by three-fifths since 2008, when it peaked at $4.7 billion.
- The number of full-time journalists fell by 1,600 in 2024 to 9,300—a loss of 3,000 journalism jobs in just two years and down from a peak of 12,600 in 2013. The crisis of journalism is real.
- Three multinational big tech conglomerates controlled 89% of the $18.4 billion online advertising market in Canada in 2024 while Canadian media companies collectively account for less than 4%.
- Starlink, with an estimated half-a-million subscribers and $857 million in revenue in 2024, is Canada's sixth-largest ISP. Its focus on rural, remote and Indigenous communities exposes long-running policy and industry failures that have led to Xplore being in bankruptcy proceedings and Northwestel floundering.
- Convergence 2.0 is emerging in which telecom conglomerates in Canada like BCE, Rogers, TELUS, and Quebecor are clashing on more fronts with multinational big tech conglomerates (e.g., Alphabet, Amazon, Apple, Bytedance/TikTok), streaming giants (e.g. Netflix, Spotify), and US and international media conglomerates (e.g., Disney, Paramount, Sony, Warner Music), reshaping Canada's digital landscape.
- The biggest company in Canada based on revenue was—as it has been for over a century—BCE, with revenue of $24.5 billion, for a 18.8% stake of the network media economy (inclusive of cloud computing).
- Rogers' blockbuster takeover of Shaw Communications in 2023—the biggest in Canadian telecoms history and sixth-largest in Canadian history—catapulted it into

second place with revenues of $20.2 billion and a market share of 15.5%. Combined, BCE and Rogers controlled over a third of the network media economy.

- Rogers' takeover of Shaw has driven up concentration nationally in the mobile wireless, internet access, and broadcasting distribution markets, with Rogers at the centre of the significant rise in carriage and distribution disputes since 2022.
- Quebecor's Vidéotron has brought its trademark "maverick" style from Quebec to Ontario, Alberta and BC after acquiring Freedom Mobile, but steep price declines seen in recent years for mobile services have stalled or even risen again for *some* plans in *some* markets.
- The Competition Bureau, especially, and ISED's opposition to the Rogers-Shaw deal contributed to the passage of the most sweeping changes to Canada's Competition Act since it became law forty years ago, with stricter, bright line rules as to when a merger will be presumed to be anti-competitive.
- TELUS and Alphabet round out the list of the big four. TELUS had revenue in 2024 of $17.6 billion and a 13.5% share of the network media economy, while Alphabet generated an estimated $12.3 billion from its operations in Canada in 2024, which gave it a 9.4% share of the market.
- The big four telecoms and multinational digital conglomerates generated $112.6 billion in revenue in 2024—86% the value of the network media economy.
- The cloud computing industry has grown by leaps and bounds in Canada, with revenue hitting an estimated $18.7 billion in 2024. Three operators combined accounted for 85% of the total revenue: Amazon's AWS, Microsoft's Azure, and Alphabet's Google Cloud, followed by Oracle, Salesforce, Alibaba, IBM, and Apple's consumer facing iCloud.
- The top ten companies ranked by revenue in 2024 were BCE, Rogers, TELUS, Alphabet, Amazon, Microsoft, Quebecor, Meta, CBC/Radio-Canada, and Netflix. Collectively, they had estimated revenue of $104.2 billion, or just over four-fifths of the total.
- The fortunes of big tech, cloud computing, streaming media, and the marquee brand extensions of US and international media conglomerates, music companies and games developers and distributors have surged in the last five years, reaching $45 billion in 2024, for a 34.5% share of network media industries' revenue.
- Apple's App Store and Google's Play Store had a combined estimated $4.7 billion in transactions in 2024, split roughly two-thirds to one-third in favour of Apple.
- Subscription-based online video service revenue and the number of subscriptions to such services continued to grow in 2024 but with the pace slowing in recent

years. Three-quarters of households in Canada subscribe to an SVOD service, which is down for the second year running (from 79%). Anglophone households (78%) are more likely to have an SVOD subscription than Francophone ones (67%). On average, households with an SVOD subscription had just over 3 such services in 2023, up from 2.7 in 2023.

- Netflix continued to be the biggest SVOD service in Canada, but its share of the market based on revenue has slid from half in 2019 to 36.5% in 2024 (and to 29% from 38.5% if we include video sharing platforms like YouTube and to 23.8% based on subscribers versus 42.3% five years earlier).
- A few big tech conglomerates and digital content aggregators (e.g. Google, Apple, Amazon), US-based media giants (e.g. Disney, CBS-Viacom) and domestic telecoms conglomerates (BCE, Rogers, Shaw/Corus, Quebecor) have moved in to occupy most of the space formerly taken by Netflix.
- Big tech and domestic telecom companies are subsidizing online video and music services. This makes it difficult to pin a value on such services and revives an old practice where telecom operators and tech firms subsidize media consumption.
- Investment from big tech, streamers and Hollywood studios has driven television and film production to new heights—albeit interrupted by Covid-19 pandemic—but such investment dropped from $11.8 billion to $9.6 billion year-over-year.
- Household and personal spending on telecoms, internet, and media services have risen in the past twenty years in current dollars, but in real dollar terms, they remained flat at about $5,000 per household and $1,900 per person in 2024.
- There are huge differences between sectors. Annual spending on telecoms services rose from $2,000 to $2,600 per household ($799 per person to $970 per person) over the last twenty years, while for media content and entertainment it slid from $1,392 to $1,320, (or $550 to $420 per capita). This reflects the "law of relatively constant media expenditures" and contributes greatly to the crisis of legacy media.
- Advertising spending trends are similar: As a portion of GDP, it tends to fluctuate within a narrow band of .65 to 0.72%, but with a significant and unexplained uptick since 2021. Last year it was .77%. On a per-capita basis, advertising spending has also surged since then after nearly a decade of slow to no growth.
- Public funding and other government policy support programs for news, journalism and local media have helped to soften the blow of these factors since 2019, while changes to income tax law have yielded an expanding non-profit journalism sector in Canada, e.g. The Narwhal Society and Canadian Jewish News.

- After accounting for growth in the size of the broadcasting industry, inflation, and population, the CBC/Radio-Canada gets between a quarter and a third of what it was getting in the early 1980s. It would not be unreasonable to double or triple its public funding to offset that loss and more closely align it with better funded public service media like the BBC, on the grounds that public service media are good for democracy.
- Some of the recent relief for *some* media also reflects the federal government's increased spending on advertising during the pandemic but as that is wound down traditional advertising supported media will likely feel the pain.
- These issues have profound implications for digital communications and markets policy and regulation, the economy, society, personal well-being, and the shaky state of democracy. Those are taken up in the final section, with recent changes to the *Competition Act* and the adoption of the *Online Streaming Act* and *Online News Act* placed in historical and international context and assessed along with some public policy proposals of our own for good measure.

1. Introduction

The telecoms, internet and media industries in Canada and around the world have been in a heightened state of flux for decades. They have been upended by the increasing ubiquity of broadband and deepening incursions made by US and international digital platforms and streaming services. They have not only introduced new services but are increasingly becoming significant platforms that Canadian broadcasting and media services use to gain distribute their services and to gain access to audiences and vice versa. Cable, broadcast television, radio, newspapers and magazines, meanwhile, are fading. Concentration in many sectors of the network media economy remains high, but real competition and media diversity exists, too. Media overall are becoming more integrated into the telecom and big tech sectors, banking and finance, real estate, and more. The political temperature of the topic is also undoubtedly rising at a time when democratic backsliding is gathering speed and people's rights and freedoms are under threat, including here in Canada.

Taken altogether, this ongoing upheaval demands a root-and-branch re-examination of what we think we know. To that end, this report does four things. First, it examines short- and long-term trends with respect to the growth—or the decline—of roughly two-dozen sectors of the telecom, internet, and media industries in Canada. Second, it seeks to answer a deceptively simple but profound question: have these industries—individually and collectively—become more concentrated over time? Third, we ask how Canada stacks up on these issues in various international comparisons, both past and present. Fourth, it engages in policy analysis and offers several policy proposals of its own. As such, the report and our work generally aim to contribute to some of the most prominent policy debates of our times regarding telecoms, broadcasting, and the role of multinational digital giants in Canadian and global media markets. With billions of dollars and decisive matters of communication rights, power, and democracy at stake, these issues are hotly disputed.

The closing of Rogers Communications' $26 billion takeover of Shaw Communications in 2023—two years after it was announced—is a case in point. It was the largest consolidation of communications industries in Canadian history, and one that reshaped and drove-up concentration in the mobile wireless, internet access, and media distribution markets. That said, there is little doubt that Quebecor's acquisition of Freedom Mobile from Rogers and Shaw to get the deal approved by regulators has carried through on most of its promises, to the benefit of Canadians.

Another example is the Competition Bureau of Canada's ongoing suit against Google alleging that it has used anti-competitive conduct to build up a monopoly position in internet advertising. That behaviour, the Bureau charges, has resulted in Google raising the advertising load in people's search results, imposing weaker privacy standards, and news

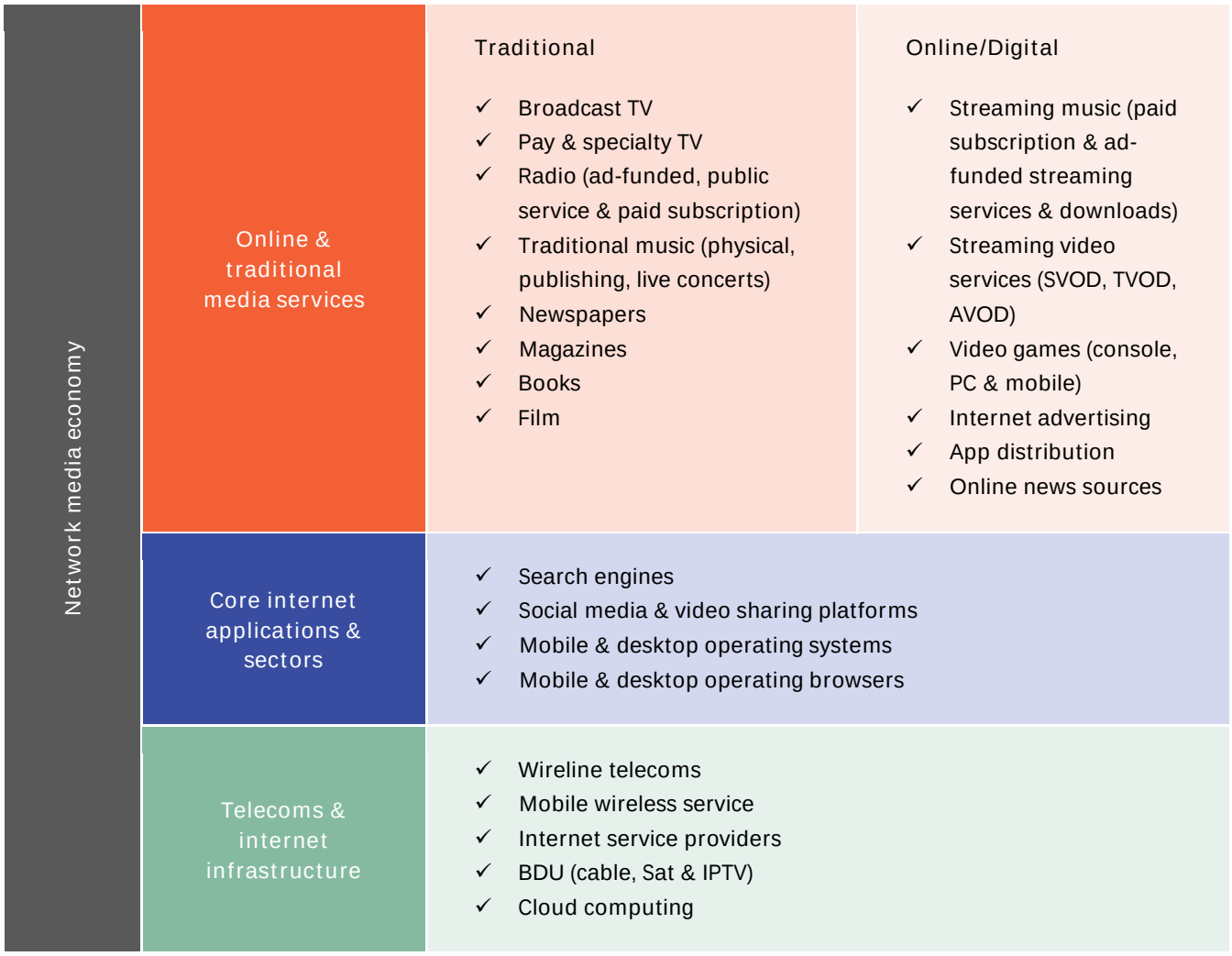
media companies getting a lower cut of advertising revenue than would be the case in a more competitive market. Building on the remedies sought by its US counterparts successful search and digital advertising monopoly cases against Alphabet, respectively, the Bureau wants Google's alleged internet advertising monopoly to be declared illegal in this country, too. It is also seeking remedies that would force Alphabet to divest parts of its online advertising system that have enabled that illicit behaviour, to not engage in such conduct in the future, and to pay penalties for the harms already caused.[4]

This report's stress on independent, academic research does not mean that we do not have views of our own. However, they do not drive our conclusions. Instead, our goal is to support knowledgeable interventions in such matters. We are transparent about where the data comes from and where it leads, where evidence is in short supply, the steps we have taken to assemble the data and views that we present, and what the existing scholarly, public and policy disputes. Only *then* do we step forward with proposals of our own.

The report covers, roughly, two dozen of the largest sectors of the telecoms, internet, broadcasting, and publishing industries, as shown in Figure 1 below. Collectively, they constitute the "network media economy". The goal is to clearly define the telecom, internet and media landscape so readers know what is included in our analysis and what is not.

We are transparent about where the data comes from and where it leads, where evidence is in short supply, the steps we have taken to assemble the data and views that we present, and what the existing scholarly, public and policy disputes.

Figure 1: The network media economy in Canada—What the GMIC Project covers



The definition encompasses both traditional and digital media sectors while connecting them to the larger telecoms and information technologies (IT) industries.[5] It is broader than the typical focus on "news media" or the big six "content media": newspapers, magazines, radio, television, social media, and film.[6] Simultaneously, however, it avoids sprawling definitions of the creative industries that include everything from software to architecture, art, media, design and fashion,[7] the information economy,[8] knowledge economy,[9] or digital economy.[10] It is also meant to evolve with the times to include new developments such as cloud computing, podcasts, AI or livestreaming as well as old ones fading away.

Using a scaffolding approach, annual firm-level and sectoral revenue data (augmented by audience and user metrics as needed) are collected, results pooled at each layer—telecoms and internet infrastructure, aggregation and distribution, and traditional and online media content services—and then a holistic view of the network media system assembled as the last step. This shared definition of the media and scaffolding approach allows for "apples to apples" comparisons to be made across media, history, and internationally.

Communication and media scholars often exclude telecoms from their analyses, but our view assumes that all three layers in 'the network media stack' are important. It starts with the telecoms-internet and cloud computing infrastructural layer as well as core internet resources like operating systems, browsers, and search engines because they support a wide array of essential communications, economic and state functions, media, apps, search engines, social media platforms and news sources, and activities vital to people's daily lives.

Second, telecom and internet access infrastructure tend to be highly concentrated because they require huge sums of capital investment to build and operate. Once up and running, however, they are characterized by powerful economies of scale and scope and network effects that typically generate monopolistic or oligopolistic market structures that are extremely hard to dislodge.

Third, whereas the 'infrastructure turn' has become fashionable in communication and media studies and other corners of academia in the past decade, telecoms and big tech have been infrastructural to the press, news wire services, broadcasting, recorded music, film and internet since the mid-1800s.[11] This enduring history teaches that structural power imbalances are endemic such that lower telecoms and big tech layers shape platforms and media services above them. Just how this structural imbalance works, though, varies across time, media, and place in ways that require empirical analysis, not assumption.

Fourth, household and personal spending on mobile communications and home broadband far exceeds spending on media consumption. Social divides in access to communications services reflect such realities while reproducing inequalities based on income, class, race, and place. While the "infrastructure turn" in media studies has helped to illuminate some of the material and institutional bases of media and these concerns, the "network media economy" concept situates communications and platform power in deeper historical and democratic contexts.[12]

It is often said that Canada has a small media economy, but with combined revenue of $130.7 billion it is quite large. It accounts for roughly 4% of Canada's $3.1 trillion economy. Based on the thirty-one countries in the GMIC Project for which we have sufficient data, and which account for just under four-fifths of world GDP, Canada's media economy is the seventh largest in the world, as Figure 2 below shows.[13] A decade ago, it was ninth out of thirty countries.[14]

Figure 2: **World's biggest media economies, 2012 versus 2023 (or closest year) (current $ millions)***

2012 (or nearest year)	Revenue (millions US$)	Share of reported $	Share of World NME
United States	832510	40.7%	33.0%
Japan	216338.7	10.6%	8.6%
China	174999.1	8.5%	6.9%
United Kingdom	89295.8	4.4%	3.5%
Brazil	75789.2	3.7%	3.0%
Germany	74158.5	3.6%	2.9%
Canada	73567.9	3.6%	2.9%
South Korea	68171.2	3.3%	2.7%
Italy	67345	3.3%	2.7%
France	51805.5	2.5%	2.1%
India	45102	2.2%	1.8%
Russia	44493	2.2%	1.8%
Australia	47457	2.3%	1.9%
Spain	28302	1.4%	1.1%
Mexico	20130.6	1.0%	0.8%
Sweden	19500	1.0%	0.8%
Switzerland	18758.5	0.9%	0.7%
South Africa	10480.4	0.5%	0.4%
Austria	10184.8	0.5%	0.4%
Argentina	15274.9	0.7%	0.6%
Turkey	12798.2	0.6%	0.5%
Finland	10551.5	0.5%	0.4%
Norway	8328.8	0.4%	0.3%

2023 (or nearest year)	Revenue (millions US$)	Share of reported $	Share of World NME
United States	1313988	39.8%	32.8%
China	801870	24.3%	20.0%
Japan	201237.5	6.1%	5.0%
Germany	128682.1	3.9%	3.2%
South Korea	94678	2.9%	2.4%
United Kingdom	93218.5	2.8%	2.3%
Canada	83005.2	2.5%	2.1%
France	68341.8	2.1%	1.7%
Brazil	63183.9	1.9%	1.6%
India	56241.9	1.7%	1.4%
Italy	56235	1.7%	1.4%
Australia	44108.5	1.3%	1.1%
Mexico	38781.3	1.2%	1.0%
Russia	30421.3	0.9%	0.8%
Spain	24201	0.7%	0.6%
Switzerland	22712.7	0.7%	0.6%
Belgium	19812.2	0.6%	0.5%
Sweden	17500	0.5%	0.4%
South Africa	15659.7	0.5%	0.4%
Denmark	14711.5	0.4%	0.4%
Austria	13158.6	0.4%	0.3%
Argentina	12853.3	0.4%	0.3%
Norway	12317	0.4%	0.3%

Ireland	7881.3	0.4%	0.3%	Finland	11668.7	0.4%	0.3%
Chile	6009	0.3%	0.2%	Argentina	11542.3	0.3%	0.3%
Denmark	5242.7	0.3%	0.2%	Turkey	10341.3	0.3%	0.3%
Czech Republic	4255.7	0.2%	0.2%	Czech Republic	8611.9	0.3%	0.2%
Portugal	3400.5	0.2%	0.1%	Portugal	8330.9	0.3%	0.2%
New Zealand	2620.6	0.1%	0.1%	Ireland	8053.3	0.2%	0.2%
Belgium	1263	0.1%	0.1%	Chile	7407.6	0.2%	0.2%
Slovakia	1073.3	0.1%	0.0%	New Zealand	3385.8	0.1%	0.1%
Other	472911.3	23.1%	18.8%	Slovakia	2390.0	0.1%	0.1%
				Other	701349.1	21%	18%
Total Media Economy (millions, USD) GMICP country's reporting	2047088.7	100%		Total Media Economy (millions, USD) GMICP country's reporting	3298650.9	100%	
GMICP Media Economy/World Media Economy	81%			GMICP Media Economy/World Media Economy	82%		
Total World Media Economy (estimated)	2520000			Total World Media Economy (estimated)	4000000		
CR2	1048848.7	51%	42%	CR2	2115858	64%	53%
CR4	1291192.8	64%	52%	CR4	2445777.6	74%	61%
CR10	1768473.9	84%	68%	CR10	2960682.1	88%	74%
HHI			1285.21	HHI			1546.21

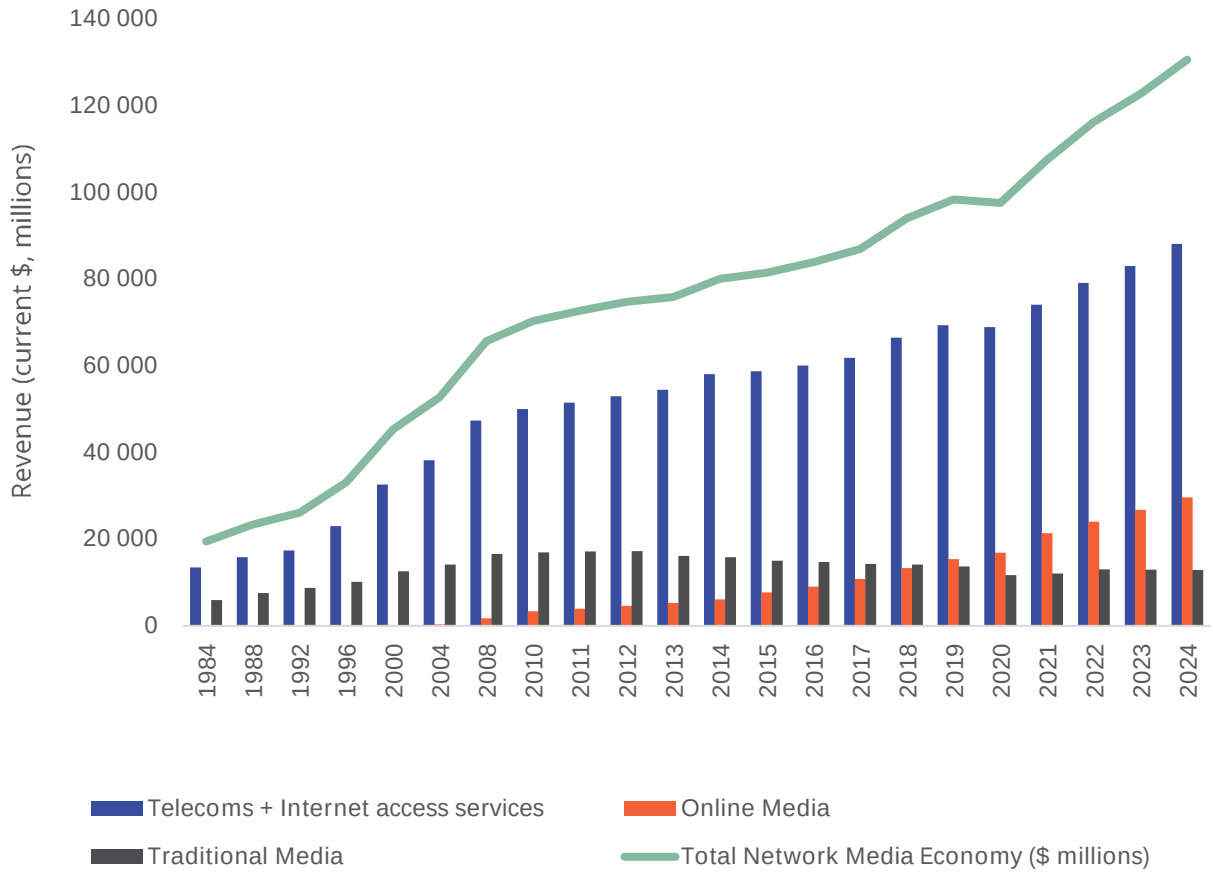
** Does not include cloud computing.*

The Canadian media economy pales in comparison to the US, China, or Japan based on revenue, of course. However, it is in the same league as Germany, South Korea, the UK, France, Brazil and India. For such reasons, it is also one of the US tech and media firms' biggest markets. In 2024, Alphabet, Amazon, Microsoft and Meta, for example, had an estimated $35 billion in revenue from their operations in Canada. Given these stakes, their determination to undo Canadian communication, media and digital markets policy that

they perceive as unfavorable is understandable. Simultaneously, the idea that they will walk away from one of their biggest markets is also likely slimmer than often thought.

Figure 3 below illustrates the immense growth and transformations of the network media economy in Canada over the past four decades.

Figure 3: Development of the network media economy, 1984-2024 (current $, millions)



Sources: see the Figure 3 sheet in the Excel workbook accompanying this report and the GMIC Project—Canada open data sets for the revenues of each company covered in this figure.

The first thing that stands out in Figure 3 is the massive growth of the media economy over time. The advent of mobile wireless, internet access, content aggregation and distribution

platforms and apps, internet advertising, online video and music services, and video games have driven this enormous growth.

The telecoms and internet access sectors are the nucleus of the network media economy. Combined, mobile communications, wireline, internet access, and broadcasting distribution through cable television, IPTV, and satellite garnered $69.6 billion in revenue in 2024, while adding cloud computing raises the total to $88.1 billion. However, these sectors' share of the media economy is slipping. The top four telecoms operators—Bell, Rogers, Telus and Quebecor—in Canada illustrate the point, for instance. Their share of the media economy has declined from close to three-quarters in the early-2010s when we issued our first reports to just over half. They are also facing slower but still significant growth in their core telecoms services and intensifying rivalry from the world's big tech and streaming giants. That competition, however, is occurring not so much in telecoms services but the online media economy.

The online media economy includes internet advertising, streaming video and music services, video games, social media, online news, and app store distribution. These sectors have grown swiftly, with combined revenue in Canada reaching an estimated $29.5 billion in 2024. Ten big tech and streaming firms control 85% of the online media economy based on revenue: Alphabet, Meta, Amazon, Netflix, Microsoft, Apple, Sony, Disney, Spotify and TikTok.

It is just such markers of dominance that have girded the Liberal government's *Online Streaming Act* and the *Online News Act*, both of which became law in 2023. Those steps, and similar ones by governments around the world, have put issues of technological, economic, and cultural sovereignty back on the agenda around the world in ways not seen for decades. That pressure has also begot a ferocious reaction from both the tech giants and streaming services and an aggressive Trump administration that has allied with them in a coordinated bid to roll back these advances in Canada and around the world, most notably in relation to the European Union's *Digital Services Act* and *Digital Markets Act*. It is still too early to say what the outcomes of this confrontation will be.

Conditions across media sectors are also extremely uneven, as Figure 4 below depicts. While telecoms flourish and online media explode, the broadcasting and publishing sectors have seen revenues collectively fall from $17 billion, circa 2008-2012, to $12.9 billion in 2024. Broadcast commercial television, newspapers, and magazines have been the hardest hit. Their advertising revenue has been slammed by two financial crises and a pandemic in the first twenty years of the 21st century, while 70% of all advertising now flows through online advertising markets. Those online advertising marketplaces, in turn, are owned and controlled by Alphabet, Meta and Amazon. Broadcasting distribution (aka cable television) and specialty and pay television services have also declined since the mid-2010s as people have flocked to online video, music, and gaming options.

Figure 4: Media growth, stagnation and decline, 2024

↑ Growth	↔ Stagnation/stable	↓ Decline
• Mobile Wireless • Internet Service Providers • Cloud computing • Online Video (SVO and AVOD) • Total TV • Paid Radio (SiriusXM, Stingray) • Internet Advertising • Total Advertising Spending • Traditional Music (publishing, live concerts) • Online Music (paid subscriptions and ad-funded streaming services) • Games (console, PC and mobile) • App Stores • Household Spending--Home Media Equipment & ICT Devices • Traditional Music (physical sales)	• Wireline Telecoms (overall) • Wireline Telecoms (plain old telephone service) • BDU: IPTV • Broadcast TV (public service) • Radio (public service) • Newspapers • Household Spending--Communication services	• BDU: Cable • BDU: DTH Satellite • Broadcast TV (ad-funded) • Pay & Specialty TV • Radio (ad-funded) • Online Music (transactional/download) • Magazines • Household Spending--Media Content & Live Entertainment

Commercial broadcast radio has somewhat bucked the trend with prospects for renewal brightening after several local and regional broadcasting groups acquired forty-five local stations in small cities and towns spun off by BCE in 2024. BCE sold these stations as part of its push to cut operations whose profits do not meet—or at least come close—to those generated by its highly profitable telecoms operations. It kept fifty-five stations in big cities like Toronto, Ottawa, Montreal, Calgary, and Vancouver, amongst others.

While domestic conglomerates such as BCE, Rogers, and Vidéotron remain highly profitable, shrinking profit margins on declining revenue outside their core telecom and internet access divisions has caused them to cut back investments in broadcast radio and television, journalism, entertainment, and other public service functions that are valuable but not profitable (at least at the rate demanded by these corporations and investors). The same is true, too, for companies like Corus and Postmedia that focus on broadcasting or publishing, respectively, but without the cushion of lush profits from other divisions to offset losses in their core businesses. Both firms are teetering on the brink of bankruptcy.

As a result of these cross-cutting dynamics, a dual media economy is emerging, with smaller, high-value audiences subscribing to premium services while larger audiences consume predominantly free, advertising-supported content.[15] A new wrinkle in this story is emerging as big telecom and tech firms appear to subsidize online media services in support of more lucrative core businesses, such as telecom (BCE), device sales (Apple), e-commerce (Amazon) and advertising (Alphabet). If true, the use of "free" media to drive customers to paid communications and streaming services could be seen as an anti-competitive cross subsidy or as dumping media goods on the market. However, any threats from regulators to kill "free" streaming television, film, and music services that are now tucked into the $99 per year subscription price for Amazon Prime delivery or bundled with a new iPhone or triple-play offering from the telecoms operators, would surely lead to a consumer outcry.

These tendencies raise tough questions. Should money-losing broadcasting and newspaper activities be subsidized by cellphone and internet service providers, for example? Proposals for a levy on telecoms and ISPs contemplate just such an option.[16] The Broadcasting and Telecommunications Legislative Review Panel recommended such a levy on media content aggregation and distribution platforms such as Alphabet, Meta, Amazon and Bytedance. Proponents of these proposals argue that they are a natural extension of the levy that has applied to cable television distributors for decades.[17] We will assess such proposals in later sections of this report.

These issues provide good reason for concern about the growing imbalanced relations of power between telecoms, big tech platforms and news media. The earlier hoped for benefits of allowing big telecoms operators to vertically integrate with Canada's biggest media conglomerates have failed to realize the benefits originally pitched to secure such deals. The effects of digital platforms on cultural production as well as communications, media policy and platform regulation are also becoming more significant with the passage of time.[18] The commonplace claim that international big tech companies and streaming services are primarily, or solely, to blame for a generalized crisis of media, however, too often rests on a flimsy body of cherry-picked ideas and data.

Such concerns will reappear frequently in the last half of this report. For now, it is useful to preview a handful of counterpoints to the simplistic but commonplace charge that Google,

Meta, TikTok, Amazon, and so on are primarily to blame for destroying journalism, other important media functions and public service values, and even democracy itself.

1. To the extent that there is a crisis, it primarily effects traditional advertising-funded broadcasting and publishing sectors like newspapers and magazines and the causes of such crises are multidimensional and long in the making.

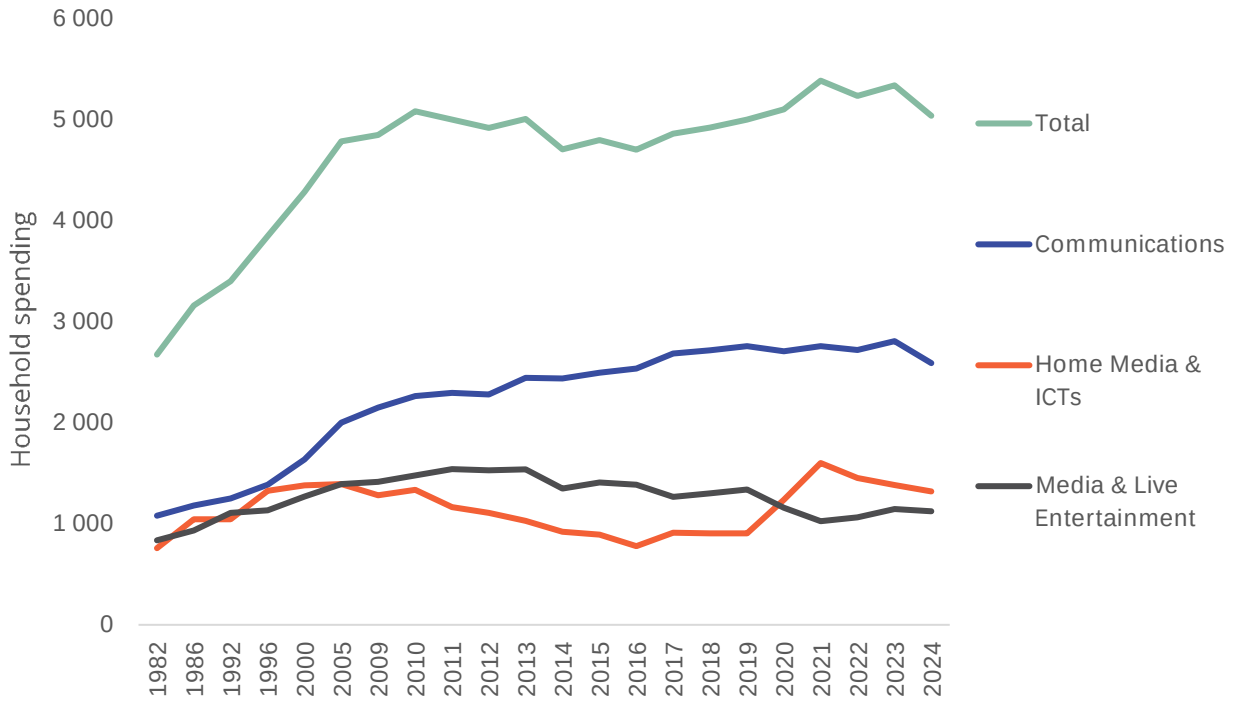
2. Some of these sectors, notably newspapers, began to confront serious headwinds already by the 1970s and 1980s as circulation on a per capita and per household basis began to decline. Revenue losses caught up to dwindling audiences twenty to twenty-five years later, long before the big tech and streaming giants entered the scene.

3. Most notably, highly leveraged bouts of ownership consolidation in the 1990s and 2000s put several national media groups (Southam, Global TV, CHUM) into bankruptcy or pinched states (CTV, the Globe and Mail, CityTV, TVA, and Sun Media). Some of the same companies that are careening towards bankruptcy today have been stumbling ever since. The Postmedia newspaper chain (owned by US hedge funds) and Corus Entertainment (owned by the Shaw family) stand out in this regard.

5. Advertising spending has plunged three times in the last twenty-five years: during the dot.com crisis (circa 2000-2003), the financial crisis (circa 2008-2016), and the Covid-19 pandemic (circa 2020-2021). Structurally, advertising spending in Canada is roughly half that of the US as a percentage of GDP and per capita and stayed relatively flat on such measures for decades, albeit with an unexplained uptick in the last two years.

6. Household and personal spending on media and entertainment services has not only stayed flat, but fallen, while being spread ever thinner across more types of media. Figure 5 below illustrates the point. Such spending in 2024 was about the same as thirty years ago (in inflation-adjusted dollars). This is called the "principle of relatively constant media spending" and it means that media firms must fight over fairly fixed shares of people's time, money, and attention.[19] The principle, however, does not apply to communication services, as people now spend more than double for broadband internet and mobile wireless than they did on plain old telephone services (POTS) in the 1980s. Spending on IT also exploded from the 1980s to early 2000s before falling prices allowed people to buy more home computers and communication, media, and gaming devices than ever for less money. Such spending stabilized a decade ago but then surged in 2020-2021 as people replaced the lost social world of live cultural and entertainment events during the pandemic with increased personal and household spending on communications, media and IT devices (as well as streaming video, music and gaming services).

Figure 5: Household spending on communications and media services and ICTs, 1982-2024 (Real $)



Sources and notes: Statistics Canada (August 29, 2025). *Detailed household final consumption expenditure, Canada*, quarterly. Table: 36-10-0124-01 (formerly CANSIM 380-0085); Statistics Canada (2025, previous years). Table 11-10-0222-01 (formerly CANSIM 203-0021). Survey of household spending (SHS), household spending, Canada, regions and provinces. See Figure 5 sheet in the Excel workbook accompanying this report.

Concurrent to the drop in personal and household spending on media and live entertainment, advertising was becoming more centralized on the internet. Alphabet and Meta also tightened their stranglehold on search, text and display advertising from the early-2010s. Amazon has done the same for online retail advertising since the end of the decade. This confluence of forces has had devastating effects on traditional advertising-supported broadcasters and publishers.

There are significant differences that distinguish different communication, internet, and media sectors from one another, as the discussion and Figure 5 also show. This is part of an older story in which telecom, internet, and media industries possess distinctive qualities that set them apart from one another, and that make the close study of each worthwhile.

These differences also beget risks and uncertainties more than most "normal" industrial activities. It is part of why the media industries are known for being "risky businesses". These are not unique to Canada but apply generally, albeit with significant differences in terms of timing, intensity, and national policy responses.

The report continues to revise and update its analysis of Canadian companies as well as international big tech, internet and streaming companies, and the markets they operate in, as needed. This year's decision to bring the evolution of the cloud computing industry and eight of its main players into the picture is one such step: AWS, Microsoft, Google, Oracle, Salesforce, Alibaba, IBM and Apple's iCloud. We have also drilled deeper into Google's suite of YouTube services, including the advertising-based version of YouTube as well as its paid YouTube Premium, Google Play, and YouTube Music brands. Our coverage of Apple's App Store and Google Play Store, as well as Amazon's in-house advertising exchange, Prime Video and Prime Music services, and Apple TV+, Apple Music and Apple's App Store, have become fuller and better over time. We also pay greater attention to Spotify, YouTube Music, Amazon Music and Tencent, i.e. media distribution platforms, and how they and the big three international recording music giants from the 20th century—Universal, Warner Music, and Sony Music—have set the terms, structure and conditions for the streaming music industry. We also continue to refine our analysis of video game publishers and distribution platforms like Microsoft, Apple, Tencent Games, Epic, Electronic Arts, Google Play, Sony, Steam, Take Two Interactive, Ubisoft, and others.

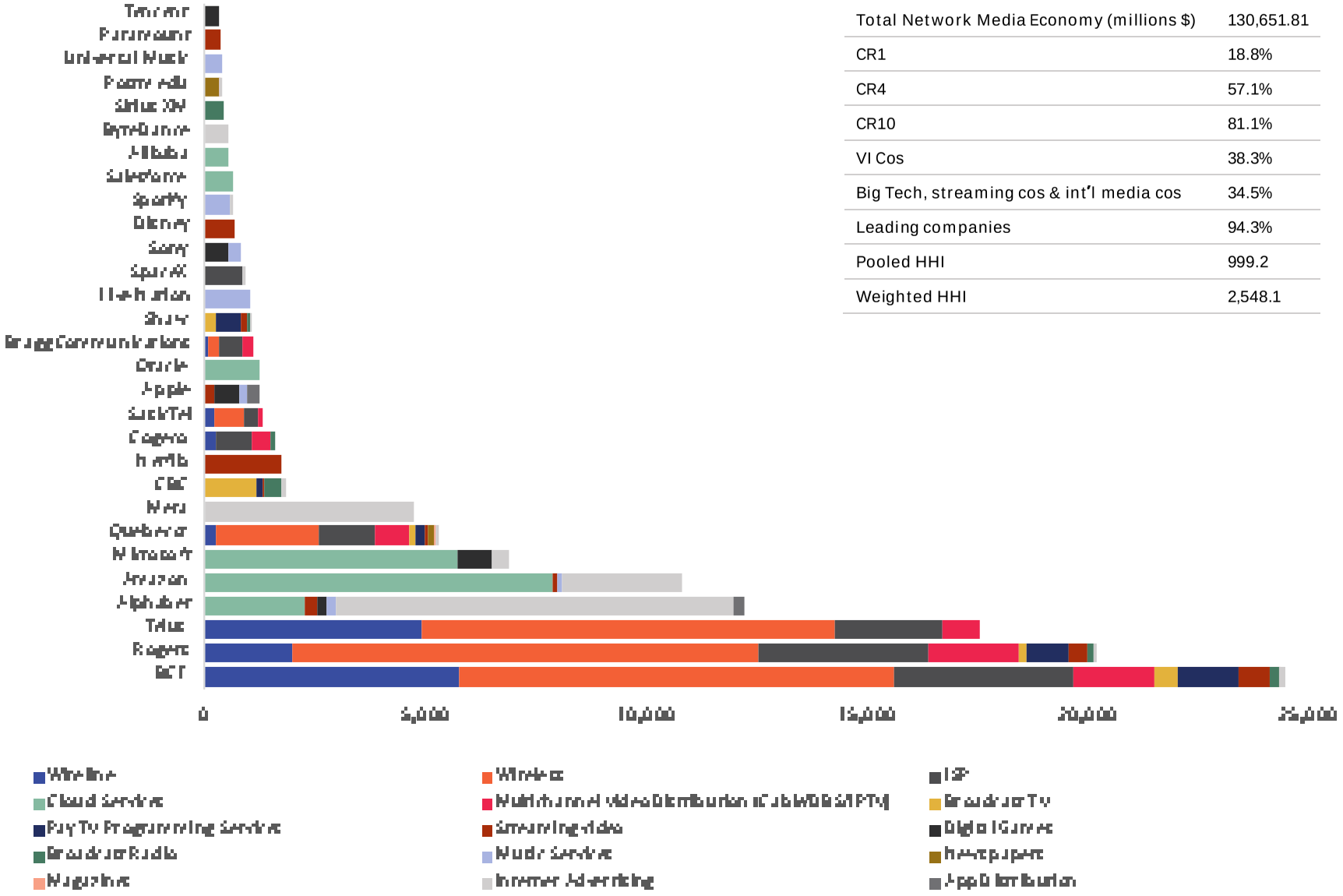
At its most basic, the research used to create this report involves systematically gathering and analyzing data, business strategies and policy positions for hundreds of companies. However, we pay closest attention to the leading companies because they account for most of the money and people's media use and have had the greatest impact on communication and media policy. The biggest three dozen or so such companies in Canada based on our review in 2024 are portrayed in Figure 6 below.

What all this means will become clear in the pages ahead. For now, though, take note of the companies in Figure 6 because they will appear often. In 2024, they controlled 94% of revenue. The biggest firm, BCE, accounted for almost a fifth, the top four firms 57%, and the top ten just over 80%, as the text box shows. The higher these numbers are the more concentrated the market is. The results shown in Figure 6 are relatively high by historical, comparative, and commonly accepted standards. While Canada does not have the most concentrated market in the world, as has long and often been asserted, concentration is still high and entrenched. A firm policy and regulatory response and strong public service options to better meet the needs of un- and under-served people in urban, Indigenous, rural, remote and Far North regions are therefore needed.

Figure 6 also shows that international big tech, streaming and other online media service providers' collective share of the network media economy has swelled to 34.4% (or 24%, if cloud computing is excluded). A decade-and-a-half ago their place in Canada was too small

to measure, but those days are long gone. While these players are new, several firms ranked in Figure 6 have been around since the late 1800s and early 1900s (BCE, the *Globe*

Figure 6: Leading telecom, internet and media companies in Canada, 2024 (based on revenue, millions $)



Total Network Media Economy (millions $)	130,651.81
CR1	18.8%
CR4	57.1%
CR10	81.1%
VI Cos	38.3%
Big Tech, streaming cos & int'l media cos	34.5%
Leading companies	94.3%
Pooled HHI	999.2
Weighted HHI	2,548.1

Sources: see Figure 6 in Excel workbook accompanying this report and individual company entries in the GMIC Project—Canada open data sets.

and Mail), while successive takeovers over long stretches of time have also yielded some of the biggest communications and media groups in the country (TELUS, Quebecor, SaskTel, Postmedia). The report tracks these companies' development, ownership, markets they operate in, revenues and subscribers, share of the markets they operate in, and the policy stances they strike, both past and present.

There are two other important numbers at the bottom of the text box in Figure 6: the 'pooled' Herfindahl-Hirschman Index (HHI) and the "weighted HHI". The next chapter of this report will explain this tool in more detail but for now the basic concept is as follows: the HHI provides thresholds that give guidance as to whether a market is diverse, pluralistic and competitive, moderately concentrated, or highly concentrated. The 'pooled' HHI is based on combining all companies in one big market (the network media economy), and tallying their market shares within the context of one big market. The result displayed in Figure 6 indicates a low level of concentration because all the distinct subsectors of the media just discussed are set aside in favour of a "big pool" approach. Consequently, even big players in certain subsectors like telecoms or internet advertising now take on more modest proportions when seen in the biggest pool possible.

Switching to the "weighted HHI" yields the opposite conclusion. Why? Because each of the sectors that go into this birds' eye view of the network media economy are not the same size and, therefore, need to be 'weighted' based on their size relative to the others. In simple terms, the bigger the submarket, the greater its weight. This means, for example, that the internet access sector is given far more weight than newspapers because it is eight times larger in terms of revenue, while it, cloud computing and internet advertising are similar in size and therefore given roughly similar weights.

Concentration metrics like the HHI offer an important yardstick against which we can assess other studies of media concentration. This is important because this field is full of people with ideological axes to grind either way (i.e. media concentration will cause the death of us versus those who cheerily wave away any such concerns) and vested interests with billions of dollars plus prestige, hubris, power, and political influence at stake. We will return to discuss these thresholds and more about the history, politics and contested views about them in the next chapter of the report. But to simplify greatly for now, regardless of whether used for individual markets or on a pooled or weighted basis, an HHI score below 1,500 is considered diverse and competitive (think green light). A score between 1,500 and 2,500 signals a moderately concentrated industry (yellow light). Anything above that reveals high concentration levels (red light). An HHI score of 10,000 depicts a perfect monopoly where a single firm controls everything. A snapshot of where things stood in 2024 sector by sector is presented in Figure 7, below.

Figure 7: Concentration rankings based on HHI Scores, 2024

Low Concentration (100-1,500)	Moderate Concentration (1,500-2,500)	High Concentration (2,500-10,000)
• Magazines 246.119 • Online news 411 • Video games 838.2 • All TV 1222.67 • Newspapers 681.2 • Radio 1223.1 • Network media economy (pooled average) 967.08	• Cable/DTH/IPTV (national) 2202.17 • Total advertising all media 2039.02 • Pay & specialty TV 2266.16 • Streaming video services (SVOD, TVOD, AVOD & ad-funded VSP) 1958.6 • Streaming video services (SVOD & TVOD) 2010.5 • Internet access (national) 1604.90 • Streaming music services & publishing 1736.1 • Social Media Platforms 2307 • Music services (legacy, online, including live concerts) 1794.28 • Network media economy (weighted average) 2490	• Broadcast TV 2792.8 • Mobile wireless 2,745.3 • Cloud computing 2963.29 • Mobile wireless (provincial weighted avg) 3111.3 • Internet advertising 3297.7 • Wireline 3225.22 • Internet access (local) 3972.5 • Desktop Web Browser 4103.5 • Mobile Web Browser 4345.3 • Desktop OS 5047.1 • App Stores 5042.5 • Cable/DTH/IPTV (Local) 5102.1 • Mobile OS 5148.5 • Desktop Search 6848 • Mobile Search 9409.5

Figure 7 reveals a picture in which the structure of media markets ranges from being competitive, diverse, and pluralistic (e.g. omnibus conceptions of "all television" and "music services", online news, video games), to those that that need to be monitored closely (e.g. social media, streaming video services, pay television, the advertising market), to a long list of others that are highly concentrated (e.g. mobile wireless at the provincial and national levels, cloud computing, internet access at the local level, internet advertising, search, and app stores, etc.).

Organization of the report

The report is organized into a half dozen chapters and a conclusion. This introduction has set out the key themes, major players in the Canadian network media economy, and the report's goals. The second chapter explains how we do what we do (method), the criteria used to make judgments about the controversial issue of communications concentration, and reviews three contending schools of thought on these matters (theory). The third chapter provides a primer on communication history in Canada from the 1870s to the end of the 20th Century. Chapters four and five chronicle and explain the massive growth of the network media economy ever since for the telecoms and internet access sectors (carriage) and for traditional and online content media (content), respectively, in the 21st Century. Each of those two chapters does so on a sector-by-sector basis to determine which of the sectors within them are growing, stagnating or in decline and to answer this report's opening question: have the media industries—individually and collectively—become more concentrated? In keeping with the "scaffolding approach", chapter six combines individual sectors into successively higher levels of aggregation to depict trends in the evolution and structure (competition versus concentration) of the telecoms and internet access sectors, traditional and online media, and core internet resources. Ultimately, these are all folded into a single birds eye view of the network media economy in this chapter. The conclusion wraps up with reflections on policy responses to the findings presented in this report under five headings: competition and antimonopoly policy; telecoms and broadband; big tech, digital platform, app store distribution; broadcasting and streaming media; and the meaning of market forces and dynamics, the free press, public service media, public values, and citizen-consumers' communication rights in the 21st century.

2. Method (or how we do what we do)

Good research is hard to do . . . and becoming harder

We publish this report and accompanying data sets because we believe that a lack of shared conceptual frameworks, research methods, and public information are hindering our understanding of the communication, internet and media industries. Nearly two decades ago, Philip Savage observed that debate on media concentration occurs "in a vacuum, lacking evidence to ground arguments or potential policy creation".[20] This is still the case.

We tackle this enduring problem by assembling and analyzing industry-level data, grouping results into three broader categories—telecoms and internet access, media aggregation and distribution as well as online and traditional media—and lastly combining them into a holistic view of the network media economy. This is a central element of the "scaffolding" approach that we use. Revenue is our main unit of analysis because it allows consistent comparisons across media, time, and jurisdictions. We also draw on user and audience data based on web traffic analytics, downloads, average monthly users, media adoption and usage surveys to augment our focus where revenue data is not available (or the relevant metric, as in the case of search engine use, for example).

We use a simple research method: we collect, organize, and publish data for each media industry based on reliable and credible sources. Primary sources used include audited corporate financial reports, regulatory filings, publications by statistical agencies, and industry associations. Public inquiries and regulatory or legal cases can also be valuable sources of data and analyses. Where such sources are not available, publications by industry representatives like the Canadian Telecommunications Association, News Media Canada, the Interactive Advertising Bureau, and the Recording Industry Association of America (RIAA) are used. Consultancy reports (PriceWaterhouseCoopers, S&P Global, IBIS), the business press (App Annie, NewZoo, Globe and Mail), as well as audience data from entities such as Comscore, Nielsen, Statista, and others, are also used. When no reliable alternatives exist, we generate estimates. We cite our sources in all cases and give detailed notes to explain the steps taken to arrive at our results.

In Canada, obtaining consistent data on the telecoms, broadcasting and other media industries is becoming more difficult as companies and trade groups like the Canadian Telecommunications Association and News Media Canada become more guarded in their financial reporting. Broadcasters and publishers in particular have become more tight-lipped under relentless pressures to survive. Tellingly, News Media Canada, for example,

has discontinued several reports on newspaper ownership, revenue, and circulation. Major news publishers such as *The Globe and Mail* and *The Toronto Star* are privately held and thus are not required to publish significant financial and business data about their operations. This is especially troublesome because these same media groups have benefitted from increased public funding and regulatory support in recent years.

Global technology firms' disclosure practices are especially weak. They generally provide good disclosure of data and discussion about their operations in the country where they are headquartered and aggregate global figures. However, they do not, as a rule, release revenue data on a service-by-services and country-by-country basis. In addition, digital platforms and media operate in multisided markets, so value must be parsed by segment and different forms of value that cannot be measured in revenue terms need to be assessed by different standards. Amazon, for example, earns revenue mostly from e-commerce and cloud computing, yet looms large in books, online video and music services, and film and television production and distribution. Gaining direct access to revenue data for these sectors from the company is impossible. Bundled offers of "free" or discounted subscriptions (Netflix, Prime Video, Apple TV+, Spotify) with telecom plans, Prime memberships, or Apple devices further complicates our ability to obtain the data we need while raising several other significant questions: are bundled services tantamount to subsidies that disadvantage rivals, tools to leverage market power for political or other goals, consumer benefits, or some combination of each? Should we measure scale by revenue alone, or also by the value of "free" services and market capitalization?[21]

The digital audience ratings industry is as notorious as it was in the age of television, radio, and newspapers, for inscrutable methods, dirty data, and pricey reports. The UK privacy and access to information regulator, the ICO, for instance, condemned the online advertising ecosystem for being rife with dirty data, fraud, and deception and not being compliant with the European Union's General Data Protection Regulations. While it ordered the online industry to fix these problems, its authority to enforce that result has proven to be elusive.[22] Consequently, despite the seeming abundance of data about such matters at our fingertips, it is inconsistent from one report to another, tailored to client interests, and opaque with respect to sources and methods.

Several decades of business-friendly regulation and World Trade Organization trade agreements that put limits on countries' regulatory authority have entrenched information imbalances, too. As a result, policymakers in Canada, France and no doubt elsewhere must go cap-in-hand to Silicon Valley to get the data they need to make wise public policy. As control over data increasingly underpins market power, access to it is being restricted accordingly.[23]

Governments have begun to respond to these conditions with a parade of inquiries and regulatory cases but have barely begun to crack the problem.[24] Canada's *Online Streaming Act* (2022) and *Online News Act* (2022), the EU's *Digital Services*, *Digital Markets*, and *Media*

Freedom Acts, the UK's Digital Markets Unit, and Canada's Digital Regulators Forum all impose new information disclosure obligations that constitute steps in the right direction. International cooperation is also emerging through the OECD, European Commission, and the International Network of Digital Regulation Cooperation.[25] Such progress is to be applauded, but the companies affected are fighting even these modest changes tooth and nail by flooding policy consultations with self-interested pleadings, appealing to the courts to overturn such requirements, and lobbying to get what they want, i.e., as few obligations under the new acts as possible.[26] In sum, this is no time to relax calls for better information disclosure obligations.

Despite improvements in recent years, the CRTC and Statistics Canada still struggle to publish information in a timely, comprehensive, and consistent fashion, with budgetary hardships constraining their ability to do so. The Carney government's belt tightening agenda for the public service will not help solve this problem. This situation is not unique to Canada. In fact, based on observations by contributors to the 38-country Global Media and Internet Concentration Project, conditions are relatively good in the US, Canada, the UK, and major EU states compared to the weaker standards that prevail in other countries. The upshot is that knowing the telecom, internet, and media industries is more difficult than ever.

On top of all this, some academic "bad habits" either obstruct or disparage the work that needs to be done. The exclusion of telecoms from analysis, excessive emphasis on digital platforms, cloud computing and AI, overreliance on aggregators like Statista, reluctance to estimate due to reputational risks, and dismissals of quantitative work as "vulgar positivism" all weaken scholarship. Claims that research must "go beyond statistics on market concentration"[27] (Benson et al., 2025: 2–3), considering the conditions being described, are not only wrong on their face, but unhelpful. They also have the effect of conceding policy ground to vested interests while understating the power of telecoms, technology, broadcasting, and publishing enterprises who flood the field with dubious data knowing that they are an integral part of the currency of knowledge and policy formation.

The "scaffolding approach": A dynamic and normatively sensitive approach to measuring and assessing market concentration

Our definition of the network media economy and a scaffolding method are meant to be dynamic, to evolve in line with changes in our objects of analysis, and to be normatively sensitive to the issues of power and non-market values that pervade the communication, internet and media industries. The sector-by-sector and scaffolding method allows the various media sectors we cover to be combined however we or anyone else wants to capture specific types of cross-media integration and tendencies that exist. The multi-

sectoral, long-term and international comparative view also offers anything but a static snapshot.

The two standard metrics that we use—the four-firm concentration ratio (CR4) and the Herfindahl–Hirschman Index (HHI)—also allow us to determine pooled and weighted averages sector-by-sector and for each of the three levels of the network media stack that were introduced earlier in Figure 1. They are also sensitive to the differences in market size, composition, and cross-sectoral dynamics. As a matter of fact, the whole enterprise of assessing media and internet concentration is also soaked in the history, politics and values that gave rise to antitrust law and communications regulation and concerns from the outset.

The measures we use are guidelines for judging whether a market is competitive and pluralistic, moderately concentrated, or highly concentrated. On concentration ratios, commonly used thresholds treat CR4 above 50 percent and CR8 above 75 percent as highly concentrated.[28] Canada's Competition Bureau has long applied a more lenient approach whereby a CR4 at or above 65% may prompt review of a transaction if it would "lessen competition substantially".[29] As we will see in a moment, however, that has changed. For now, what matters is not just the headline number but the magnitude of change a proposed ownership transaction would cause; the higher the CR4 and the bigger the change, the greater the concern.

The Herfindahl–Hirschman Index offers a finer-grained gauge by squaring and summing market shares, with scores ranging from 100 (highly competitive) to 10,000 (monopoly). In the U.S, guidelines that were relaxed under the first Obama administration were restored in 2023 as part of an emboldened antitrust turn. The reinstated thresholds presume a merger impermissible if it lifts the HHI above 1,800 and/or the post-merger firm's share above 30 percent while increasing the HHI by more than 100 points. The brightline rules against vertical mergers that could foreclose upstream or downstream rivals and "killer acquisitions" that eliminate potential competitors or entrench future concentration are also notable. The revised guidelines also explicitly address multisided platforms, recognizing that a platform itself can be the relevant market. Google's internet advertising exchange and the Apple and Google app distribution stores are good examples of this.[30]

The European Commission applies similar standards but with different thresholds: an HHI increase of 150 points or more that takes a market above 2,000 invites scrutiny rather than a bright-line ban, for instance (European Commission, 2020). Similarly, China's State Administration for Market Regulation adopted comparable guidance in 2024 based on a blend of US and European elements but also with some conditions specific to China. The point in each case is that the use of such guidelines is standard practice but that they can also be tailored to national differences and changing circumstances. The thresholds for each are set out Figure 8, below.

Figure 8: Merger guidelines in US, European Union and China

	United States, 2011-2023	United States, 1982-2011, 2023-Present	European Commission 2020-Present	China, 2024-Present
Unconcentrated	HHI < 1,500	HHI < 1,000	HHI < 1,000	HHI < 1,000
Moderately Concentrated	HHI > 1,500 but < 2,500	HHI > 1,000 but < 1,800	HHI > 1,000 but < 2,000	HHI > 1,000 but < 1,800
Highly Concentrated	HHI > 2,500	HHI > 1,800	HHI > 2,000	HHI > 1,800

This flurry of activity reflects exceptionally high concentration in digital markets and the revival of antimonopoly ideas. In keeping with developments in the US the EU and other countries, Canada has also undergone its most extensive competition policy review in decades.[31] From 2022 to 2024, major changes to the *Competition Act* were adopted: the efficiencies exemption was removed and bright-line rules adopted that presume a merger to be anti-competitive if it lifts the HHI by more than 100 points, pushes the post-merger HHI above 1,800 (mirroring the revised US standard), or yields a post-merger firm with more than a 30% market share.[32]

These changes coincide with the tougher standards reinstated in the US in 2023 under the Biden Administration, although whether those standards will be retained under the Trump Administration remains an open question. What also remains to be seen is how much the Minister of Innovation, Science and Economic Development, Mélanie Joly, and the Carney government will stand behind those tasked with enforcing these new and invigorated powers under the Act. At present, they appear to be set on establishing a conciliatory stance to the Trump Administration and the US tech and media sectors, both of which have been outspoken in their desire to eliminate how Canada regulates its communication and cultural industries, and the place of big tech and streaming sectors in them. As such, whether the improved and tougher standards adopted in Canada in the last few years will stand the test of time remains to be seen.

Such fluid circumstances are not unusual given that the use of enforcement powers by antitrust and competition authorities depends on political will; without it, tough law risks

becoming a paper tiger. Meanwhile, geopolitical disputes between Canada and the US and between the US and China, for example, also illustrate how such tools can be weaponized in mercantilist battles over big tech and critical infrastructure and resources.[33] Given this fluid situation, for the time being this report and the GMICP have kept the previous US quantitative thresholds while we contemplate how to best adapt to the different standards and swirling geopolitical waters that are being described here.

As noted earlier, these are guidelines, not triggers that lead to specific outcomes. Instead, regulators are expected to weigh the totality of evidence, theory, and history, to assess market conditions across value chains, trends over time, use international comparisons, and to anticipate problems rather than react after the fact. In line with the reinvigorated antimonopoly movement, authorities and observers have also grown more skeptical that enhanced market power benefits consumers and citizens via "efficiencies".[34]

It is commonplace to find communication and media scholars, amongst others, decrying the use of competition policy and quantitative concentration metrics. Three familiar objections are often leveled against "conventional" concentration assessment tools and metrics, that they are: static[35] ill-suited to cross-media integration, platforms, and multisided markets, and neglect non-market values and the media's normative role in democratic societies, including why maintaining a well-resourced public service media service provider might be a good thing even if it drives up media concentration.[36]

We acknowledge that these critics are right that demands for media diversity and pluralism raise distinct democratic issues. Their charge that the consumer-welfare lens that reigned supreme from roughly 1980–2010 failed to do that is also right.[37] Given that mainstream economists and technocratic views of media policy use quantitative measures precisely because they want to strip out the normative and politically contentious dimensions of communication and media policy are also on point, especially when the explicit aim is to amplify market forces while sidelining the influence of public values and public interest groups in these matters.

Stock criticisms of "conventional" concentration tools and metrics, however, often miss their mark. In practice, these approaches can effectively track changes in market power and embed dynamic, contextual, and normative concerns, including platform and cross-ownership effects. But the ground has shifted: technocratic tinkering late in the first Obama administration and at the European Commission, followed by a recovery of the philosophical and past roots of antitrust, moved debate toward historical, holistic, and future-oriented assessments and in ways that confront the wealth, power, and democratic values nexus head on.[38] As the US Federal Trade Commission and the Department of Justice asserted their authority, they also forged working groups with their Canadian and European counterparts. The tradition of "big trust-busting cases" returned and significant legislative changes followed.

Ritualistic disparagement of 'conventional concentration metrics' parallels the habit of brushing aside telecoms as economistic and technicist. But doing so ignores the rich bodies of knowledge and major reforms adopted in the past decade being reviewed here and that contradict the 1980s–1990s narratives that are still being recycled in 2025 as if nothing has changed. None of this denies that media diversity and pluralism raise questions beyond general competition policy. C. Edwin Baker was right that communication and democracy are unavoidably about political values but pitting facts and norms against each other is misguided; we need both.[39] As discussed above, antitrust and competition policy have been intertwined with the making of liberal capitalist democracies since the turn-of-the-20th century. These bad habits—e.g. anachronistic criticism of concentration metrics, dismissals of quantitative work as "vulgar positivism", reliance on sources like Statista but hesitance to generate estimates, etc.—disarm our ability to engage in policy proceedings and to resist efforts to roll back even the modest reforms of the last decade-and-a-half. As entrenched corporate interests within Canada as well as the Trump administration and powerful allies at the heights of big tech capitalism in the US double down on efforts to do just that, we need all the tools we can get.

Three views on the "media concentration problem": Schumpeter and the new economy view, the Media Monopoly and Digital Capitalism Approach, and the Digital Domination-Cultural Industries School

Issues of media ownership and concentration have always been hotly contested. Societies ancient and present have worried about how control over communications can confer undue influence over wealth distribution, culture, politics, and society.[40] Those concerns ratcheted up after the mid-19th century with the industrialization and commercialization of communication and media. The spectre hanging over such concerns is that permitting corporations or governments to amass too much control over communications and what we watch, read, hear, and speak about poses grave threats to a free society and democracy.

Given its multifaceted and contested nature, it is not surprising that opinions aplenty exist on the media and internet concentration issue. Debates have raged between those who blame the media for all of society's woes and those who breezily dismiss critics as naïve malcontents.[41] While the range of opinion on these issues can be reduced to two—optimists and pessimists[42]—organizing them into three contending schools of thought is useful: the Schumpeterian "creative gales of destruction" perspective (optimists); the media monopoly and digital capitalism school that is best exemplified by the work of scholars like Max Horkheimer and Theodor Adorno (1944), Ben Bagdikian (2004) and Robert McChesney (2013) (pessimists). There is also a third, which I will call the digital dominance and cultural

industries view that takes a principled but selective approach to the best parts of the first two while emphasizing the need to assemble a systematic body of empirical evidence so as to illuminate the unique characteristics of the communication and culture industries. This latter perspective underpins this report.

Schumpeter and the new economy view (optimists)

There is no shortage of observers who do not see media concentration as a problem. Already, twenty years ago, MIT Professor Ben Compaine, argued that the rise of the internet had rendered the issue obsolete.[43] Brent Skorup and Adam Thierer argued that the rise of the internet and digital media have delivered us into a golden age of media.[44] One of Canada's leading think tanks, the Public Policy Forum, has also claimed that the range of information sources has "exploded on the internet." Rather than this being an unalloyed blessing, the problem now is media fragmentation because it accelerates and reinforces political polarization and shatters the commercial viability of journalism.[45]

According to the optimists, today's "information economy embodies what Austrian-born economist but émigré to the US, Joseph Schumpeter, described as the "perennial gale of creative destruction".[46] From this view, many big and small firms compete and cooperate in an ever-mutating set of industries. Lotz and Haven state that media industries worldwide are dominated by a few powerful firms, often structured as conglomerates, with holdings that extend beyond the media sector,[47] but present no empirical evidence to illustrate the scale, scope and duration of this alleged dominance, or how it might vary across media, time or place. Traditional media have been upended, they also say, as "simple" media professionals—influencers, podcasters, etc.—using affordable media production and distribution tools jostle for work and attention with "complex" media professionals who still work for legacy corporate media. While the evidence on either point is thin, the upshot of their claims are clear: people have more ways to access, share, create and archive media than ever.[48]

Those who downplay concerns with concentration tend to define the "digital ecosystem" so broadly that even the biggest digital giants appear as tiny specks in a vast universe.[49] From a Schumpeterian perspective, concentrated corporate power and rivalry among dominant firms have long driven capitalist innovation, as is now evident in the struggle between traditional telecom and media conglomerates and global digital giants such as Google, Apple, and Amazon.[50]

For this camp, monopoly is not so much a problem but the prize of market competition. Competition for control of a market(s) is the essence of dynamic competition, according to this position. Where it does exist, it will likely be short-lived (Atkinson and Lind, 2018; Eisenach and Soria, 2016; Thierer and Skorup, 2012).[51] Such a view was exemplified by Alphabet stating during the US Department of Justice's Google search and internet

advertising monopoly cases, that if Google has a search monopoly today, it could all be gone tomorrow because of advances in AI.[52]

According to the C.D. Howe Institute, competition authorities should avoid bright line" rules that can constrain industry consolidation and market forces.[53] Instead, they should stick to an "effects-based" approach that reviews mergers and acquisitions on a case-by-case basis. In this constantly churning cycle of upheaval and renewal, the best thing for governments and regulators to do is stay out of the way. Instead, "creative gales of destruction" will eventually take care of problems or at least produce better results than government intervention. Seen from this angle, any attempts by regulators to shackle telecom and media companies with ownership or other restrictions will put them at a disadvantage as they compete with international internet conglomerates that are now integrated across several lines of business. It should also be noted that many adherents of this school are among the ranks of hired guns engaged by telecom operators and media companies in Canada to defend and advance their policy interests and goals.

This is just the kind of thinking that Schumpeter, the Austrian School, and the Mont Pelerin Society, who have been the intellectual architects of this view have articulated for close to a century. Now, it is contemporary tech barons and vested interests from the telecoms, broadcasting and publishing sectors who are its erstwhile champions and they use it to legitimate the roll back of states and democracy, with the aim of unleashing free markets and technological innovation while also often working to cement the revival of an openly partisan media system that they construe as media freedom.[54]

The Media Monopoly and Digital Capitalism Approach

Critics of media concentration are as concerned today as they were ten, twenty, or even fifty years ago. In contrast to all the hyperbole in the late-1990s and early-2000s about how the internet would bring about a new economy and a golden age for democracy, none of this has come to pass, they say. A handful of conglomerates still dominate the media in Canada, the US and around the world, while digital advertising, search, social media, cloud computing, operating systems, and digital markets have succumbed to exceptionally high concentration and hyper-commercialization. The rise of multinational big tech companies also poses grave threats to public discourse and democracy, they say.[55]

Max Horkheimer and Theodor Adorno's "culture industry" thesis is an early exemplar of this approach. They declared that "under monopoly, all mass culture is identical" and that the culture industry had powerful social and cultural effects.[56] In their view, advertising had expanded the audience for mass culture but eviscerated any other basis for conviviality or appreciating culture.[57] The culture industry monopoly had paved the way for the US's descent into a totally administered society, they exclaimed, just like in 1930s Germany before the two critical theorists emigrated to the United States.

From another long-standing perspective, media and internet concentration is important because it connects to issues of influence and control by media owners over the messages we receive, the search results we get, and the content we consume on social media and app stores. This was a hallmark of successive editions of Ben Bagdikian's book *The Media Monopoly*, where he tracked the declining number of companies controlling a majority of US media—from fifty in the 1980s to just six by the early 2000s.[58] Bagdikian's analysis, however, relied on a vague definition of media that made it difficult to interpret his findings within specific media market realities and difficult, if not impossible, to verify his claims.

Robert McChesney is one of the best-known contemporary voices espousing similar ideas, but with better evidence and arguments.[59] He proposed a three-tiered media system with a few dominant conglomerates at the top—roughly ten in the US and three-to-four dozen internationally, a second tier of firms that compete and collaborate in equal measure, and a third tier of niche, often local media with limited influence but a cacaphony of styles, funding models, and prospects for success.[60] From a similar angle, Gomez and Birkinbine focus on how media enterprises mobilize board interlocks and interorganizational ties as part of their lobbying and policy influence efforts to shape the political and economic context in which they operate.[61]

McChesney argued that far from slaying corporate monopolies, the internet is more prone to monopolization and commercial excess than the commercial media before it, while draining money away from original journalism upon which the health of democracy depends. To rectify this, McChesney and others urge governments to directly subsidize the news as the public good it is, and in line with what democracies have done in the US, Europe, and Canada for a very long time. [62] This is a more sophisticated view of the crisis of news than those who take it as an article of faith that Google and Meta have near single-handedly wrecked journalism, upended the media, and harmed democracy.[63]

In McChesney's view, capitalism is in the driver's seat and ultimately sets the policy frameworks that shape the media we get. An outcrop of this perspective is the broader renaissance of the anti-monopoly tradition over the last decade. A diverse range of concerns underpin this revival, from the use of predatory corporate strategies to the harvesting of personal information to generate revenue and help lock in a dominant market position. Whatever the motivation, contributors to this line of thinking advocate for telecom, internet, and media policies to counteract and reduce concentration and commercialization in the media industry.

Critique of the Culture Industry and Media Monopoly thesis

The media monopoly and digital capitalism school has long provided an inspired critique of media concentration but suffers significant flaws. For example, its universal and totalizing claims cast capitalism and media control as a monolithic machine, and see markets as a

one-way ratchet toward monopoly, while maintaining an excessively narrow conception of normative values and power. In *The Capitalization of Cultural Production*, Bernard Miège argued that speaking of "the media industry" in the singular obscures the complexity of the cultural industries (note the emphasis on *industries* in the plural versus Horkheimer and Adorno's culture *industry*), while the commerce-versus-culture dichotomy it draws ignores how culture has developed within capitalism for centuries.[64]

While the culture industry thesis of Horkheimer and Adorno is still held out as being seminal within the PEC tradition,[65] it was historically and empirically flawed. Horkheimer and Adorno, for instance, show no awareness that the mid-20th century in the US marked a high point of antitrust and communication regulation.[66] The FCC's Walker Report on the far-reaching effects of AT&T's monopoly across the media, society, and economy and a more scathing dissenting report written by a renegade FCC economist,[67] the Supreme Court's 1942 break-up of the Associated Press-local newspaper monopoly, and 1948 Paramount ruling that led to the break-up of the classic Hollywood film industry were all in play as they wrote, but nary a mention is made of them. Even Jurgen Habermas, who had once treated their work as central to his theory of the public sphere, repudiated it as irredeemably flawed.[68] Leading scholars in critical political economy of communication (PEC) and the cultural industries school—Nicholas Garnham,[69] Bernard Miège,[70] David Hesmondhalgh,[71] Dallas Smythe[72]—also roundly criticize the culture industry thesis for these reasons, and more.

Contemporary accounts such as Julie Cohen's *Truth and Power* and Nick Couldry's *The Space of the World* repeat these problems by overlooking the rise of the administrative state and the remaking of liberal capitalism into corporate liberalism in the early 20th century.[73] Their rupture thesis neglects many dozens of attempts since 1950 to identify information and knowledge as the new axial principles of a new kind of capitalism and society.[74] Empirical details regarding the scale, scope and clout of big tech are remarkably thin, as is the fact that modern media have developed in the shadows of telecoms and big tech companies for close to two centuries. Consequently, their universalizing accounts lose sight of the lessons that history and the distinctive qualities of media and ICT offer for understanding and acting in the present.

There is also a one-dimensional fixation on opinion and editorial power and a tendency to overstate the media's power to mold public opinion and lean excessively on strong-effects assumptions.[75] Such views are common in debates over digital platforms and "opinion power," linking digital media to rising authoritarianism, tribal identities, and democratic backsliding. This discourse is often paired with proposals for aggressive internet content regulation. While fully in agreement with the need to assertively regulate digital platforms, the push for internet content regulation often disregards seventy-five years of research that finds media effects, filter bubbles, and echo chambers are more limited than assumed.

Those assumptions, in turn, can be traced back to Marx's dominant ideology thesis and Herman & Chomsky's *Manufacturing Consent*, and crude behaviorist psychology.[76] In contrast, a Canadian study of how changes in ownership affect media bias found that the evidence was "mixed and inconclusive, a finding that remains true not just in Canada but elsewhere.[77] Research has also shown that while the reach of disinformation on social media during the 2016 US presidential election was extensive, few people relied on social media like Facebook and Twitter as their most important source of news and fewer yet could remember anything specific about the stories they did encounter. This is because attention on the internet tends to be short and shallow. Adherents to the powerful media effects thesis also tend to skip the fertile debates spawned by the "dominant ideology" thesis and contending theories of power.[78] Perhaps most significantly in the context of this report, those focusing on opinion power too often casually make big claims about the extent of media ownership centralization and market concentration based on a threadbare body of empirical evidence.

This does not imply that media lack influence, but rather that influence depends on specific conditions, such as where an information monopoly exists, knowledge is limited, reliance on opinion leaders is high, and social ties are weak.[79] Ideological influence tends to be most significant in relation to elite group consensus whereas, in general, people's belief systems lack the coherence that ideology assumes.[80] It would also be naïve in the extreme to ignore the fact that a new generation of billionaire media moguls with an ideological axe to grind, such as X/Twitter's owner, Elon Musk, have used their platform to support Donald Trump's brand of right-wing populism. Similarly, but not as ostentatiously, newspaper publishers have overwhelmingly endorsed Conservative candidates for Prime Minister in Canada in one election after another for a century, albeit with uncertain effect.[81]

Finally, today's democratic malaise is more plausibly rooted in the legitimation and accumulation crisis that has gripped liberal capitalist democracies since the 1970s. In the interim, income stagnation, rising wealth inequality, the environmental crisis, sexual identity and racial politics, and governments' failures to address such issues have become intergenerational and aggravated the crisis of democracy. Consequently, people's trust in institutions and expertise and belief that they can meaningfully influence or change the world in which they live have declined, albeit disproportionately so the further right on the political spectrum one moves. Meanwhile, the ubiquity of the internet has made it easier and cheaper to mobilize this pent up well of discontent, with powerful interests eager to channel it into nihilistic attacks on modern democratic culture (Benkler et al., 2018; Fraser, 2023; Habermas, 2023: 28–29; Piketty, 2017; Schulman et al., 2025). As Kreiss and McGregor (2024) argue, too often concerns with:

> . . . the harmful democratic effects of polarization . . . sacrifice equality and justice on the altar of social cohesion . . . especially in the context of White racial supremacy in the United States [that] has historically had far greater and more lasting de-stabilizing

and anti-democratic effects, especially for non-White and non-dominant groups in society" (p. 558).

In sum, blaming disinformation, polarization, and digital platforms risk deflecting attention away from deeper-seated causes driving the crisis of democracy.

The Digital Domination and Cultural Industries School

Finally, the "digital dominance" perspective, which forms the foundation of this report, shares with the creative destruction school the view that the shift to digital, internet-focused media represents profound changes for the 21st century. Rather than assuming these transformations have resolved past issues, however, this perspective views the evolving communications landscape as the setting for an ongoing struggle over the "institutional ecology" of the digital environment, with the future still up for grabs.[82]

The digital dominance and cultural industries school takes "economics and technology seriously as developments or aspects of the media to be analysed in their own right rather than simply read off from ideology or power".[83] It also involves a principled appropriation of Schumpeterian and monopoly capitalism analyses but without their conservative baggage and totalizing view of capitalism, respectively. It also views conflicts between tech giants and long-established communications and media conglomerates as examples of competition beyond the market for control of capital, technology, regulatory policies, and policy influence. Its stress on empirical evidence, data, and the distinctive characteristics of media companies, media markets and media work also owes an intellectual debt to the Cultural Industries School of Bernard Miège and colleagues in France, with influential adherents in Canada, South America, Europe, and beyond.[84]

In many ways, the digital media economy is potentially even more vulnerable to high concentration levels than before, as digitization amplifies economies of scale and scope, along with network effects. Reflecting on a study of thirty countries, Noam has noted that concentration in mobile wireless and other telecoms sectors as well as internet sectors are "astonishingly high".[85] While results vary for content media, the trend in the early- to mid-2010s was toward greater concentration as well., However, this featured a significant downward slope at the most general level of analysis—the network media economy—as the international big tech and streaming firms added new interests that disrupted entrenched domestic firms, not just in Canada, but in many countries. That tendency, however, appears to have run its course in recent years. Seen from this angle, McChesney is right.

However, rather this story being all to one side, what appears to be happening is the emergence of a two-tiered digital media system, with a few gigantic 'integrator firms' at the centre and many small niche players revolving around them (Noam, 2016). Thus, just as

digitization can supercharge centralization and concentration, so too can it lower barriers to entry in some media markets, allowing many small players to emerge. This challenges the notion of unyielding corporate consolidation. Bouquillion and Lefevre observe that the imbalanced relationship between big and small cultural industries firms is a structural and necessary feature because the former must constantly tap into the latter as new sources of creativity to fulfill audiences' desire for novelty.[86]

These observations remind us that modern media have co-evolved in a structurally imbalanced relationship of power alongside big tech and telecoms for nearly two hundred years. Crucially, this has happened without the distinctive features or autonomy of the media being completely effaced as a result. The historical perspective of this report draws heavily on this idea, emphasizing how the press, news services, broadcasting, and film have developed in close proximity to much larger sectors like telecoms, electrical manufacturing, and banking since the 19th century. Despite these connections, the smaller media sectors remained distinct, avoiding total dominance by their larger counterparts, especially if public policies supported their autonomy and sustainability.

This ongoing diversity is also possible because communication and media goods have unique attributes that resist being eradicated entirely by standard market principles. In this sense, today's tech giants—Google, Amazon, Apple, Meta, Microsoft, Samsung, etc.—are akin to past industrial behemoths like AT&T, General Electric, and Westinghouse, which once played pivotal roles in the broadcasting, press, news wire, and film industries during the industrial media era.[87]

The digital dominance school views current conflicts between international tech giants and long-established communications conglomerates as significant examples of competing business interests jockeying for control over capital, technology, regulatory policies, and influence. Media firms compete with one another for a fixed pool of advertising revenue, household spending, and consumption time as well.[88] Emphasizing dynamic competition, the digital dominance and cultural industries approach takes a nuanced view of market complexity rooted in the distinctive characteristics of different media sectors and markets while integrating Schumpeterian insights into innovation-driven competition and change.

Through this perspective, the digital dominance school underscores that conflicts between today's media and big tech are more than power struggles over market share. Such rivalry indelibly shapes the very nature of the media environment and, by extension, the cultural and informational resources available to society. It also highlights issues of media influence but without being tied to foregone conclusions or such issues trumping other concerns.

The focus on the distinctive features of cultural commodities and the structural constraints they face is a hallmark of the cultural industries approach. Beyond their dependence on "big tech", media firms compete with one another for a fixed pool of advertising revenue, household spending, and consumption time.[89] The cultural industries and 'digital

dominance' approach also do not see industry consolidation, increasing advertising, and declining circulation and audiences for 'legacy media' as a one-way ratchet, but processes subject to cross-cutting dynamics, and which can vary significantly by sector, time and place. Vertical integration and conglomeration surged internationally in the late 1990s and early 2000s, for instance, but unraveled within the decade as firms like Vivendi, AT&T, AOL Time Warner, and Adelphia collapsed through bankruptcy, fraud scandals, or failed business strategies.[90]

Internationally, there have also been many renewed attempts to build communications and media empires, some succeeding, others not. A defining element in this process has been the remarkable resurgence of founder-dominated firms like Alphabet (Page and Brin), Baidu (Li), and Meta (Zuckerberg), among other. That said, owner-controlled firms have long been a fixture in Canada, as exemplified by the stature of the Rogers, Péladeau, Shaw, Thompson, and others in the Canadian media system. Internationally, the diversified conglomerate model of the 1960s–70s is making a strong reappearance in China, France, India, Central and Eastern Europe, Latin America, South Korea, and Turkey as business groups leverage their interests in banking, retail, natural resources, industry and so on to build powerful media empires. There are some examples of this in Canada, but they are exceptions and modest in terms of footprint. The emergence of diversified digital conglomerates like Alibaba, Alphabet and Amazon also stands out in this regard.[91]

The cultural industries approach highlights questions of media influence but without them trumping other concerns or being tied to foregone conclusions. Its approach to such issues shifts the axis of critique away from what media do to people to a focus on what people do with communications, media and ICTs. As such, it is better in tune with human agency and informed by ethnographic research, a focus that reveals ongoing tensions between what people want and what market forces give them. Moreover, since technologies are political artefacts[92] and code is law[93], we should expect battles for the soul of communication and media technologies. That expectation is, in fact, borne out by histories of the telephone, radio, television, computing and internet.[94]

This approach also differs from the Schumpeterian approach and sidles up closer to the "opinion power" school by rejecting the former's disdainful view of democracy and people's ability to govern themselves. Rather than shying away from the fact that the subject of media and internet concentration is contentious and riven with political and normative questions, this report confronts those realities and acknowledge that we have politics and values of our own. We also reject the idea that empirical rigor negates taking a political stance or that facts speak for themselves. However, we do not let those commitments drive our research and policy agenda. In terms of why people should care about these issues, we acknowledge the significance of work that foreground issues of "opinion power" but branch out from there to examine five other vectors of power: architecture control; gatekeeping power; pricing; standards setting; and regulatory capture, consistent with the "full-stack" view of the networked communications and media universe that defines this work.

3. History: The rise of the industrial media era, circa late-19th century-1980

This chapter provides a historical overview of the communication, broadcasting, and publishing industries in Canada and the technologies and policy choices that shaped them. In so doing, it reveals recurring tendencies and a rich policy and regulatory toolkit that can be updated for today, avoiding the tendency to reinvent the wheel. Not convinced? Then jump ahead to Chapter4 and the contemporary sections that follow.

Early Competition and monopolization

Telecommunications have been central to the rise of industrial capitalism and democracy in Canada and the US—each in distinctive ways.[95] Before then, the US *Postal Act of 1792* was already as important as the First Amendment. The 18th century act created a postal news exchange system that allowed every newspaper publisher in the country to swap copies of their publications with other publishers free of charge. The aim was to bring "general intelligence" to everybody's doorstep and to foster the creation of the commercial free press. Federal subsidies worth billions of dollars per year (in inflation-adjusted terms) were given to achieve such ends.[96] Similarly, the Liberal government in the UK used the lure of discounted press rates to legitimate its decision to nationalize the private telegraph business in 1868. For decades afterwards, newspaper publishers, news wire services and reformers clamored for discounted press rates throughout the British Empire and around the world, with some success.[97] From the late 1800s, an industrial communications and media system developed in the US, Canada, and parts of Europe, comprising telegraphs and telephones and the big five mass media: newspapers, magazines, film, radio and television.[98] Throughout this period, and regardless of where one looked, communications and media policy are inseparable in this history.[99]

Telecom in Canada begins with the advent of the telegraph in the 1840s and then as a patchwork of provincial and local telephone monopolies interspersed with periods of regulated competition from the late-1870s onwards. The Bell Telephone Company of Canada obtained an advantageous federal charter in 1880, including the legal right to enter the telegraph business, but it never had a monopoly. Its charter was amended two years later to declare that the company's works were to be "for the general advantage of Canada", and its rates regulated by the federal government, but the latter clause about rate regulation was largely a paper tiger.[100]

Bell Canada expanded by granting franchises and creating local telephone exchanges across the country like Montreal, Kingston, Toronto, Windsor, Winnipeg, and Victoria. One early franchisee was the Dominion Telegraph Company, the Canadian stalking horse of New York financier Jay Gould as part of his hostile bid to acquire the over-extended Western Union, not just for control of its wires but the news agency and stock market information those wires carried.[101] The Dominion Telegraph Company and other Bell exchanges competed head-to-head with the Montreal Telegraph Company and Great Northwestern Telegraph Company (both owned by US telegraph giant, Western Union). Intense price wars and ruinous competition soon forced all three telegraph companies out of telephony, with Bell acquiring their telephone assets. This mirrored an 1879 truce in the US which led Western Union to exit telephony, transfer its Edison patents to the National Bell Telephone Company, and secured a share of future revenues. That arrangement was extended to Canada in 1880.[102] It occurred during a decisive era in the reconstruction of American capitalism and democracy, and Canada was similarly entangled in that process, albeit with its own way of reckoning with "monopoly's moment"—as will become clear soon enough.[103]

The expiration of Bell's patents in Canada in 1885 yielded new independent and rival companies, but it was only after Bell's patents in the US expired nearly a decade later that this movement gained traction. According to Robert MacDougall and Richard John, competition in Canadian cities never matched the US because Bell's charter shielded it from competing municipal franchises. The stronger role of municipal governments and popular opinion also led to a more competitive telephone movement in the US, they say. The Bell Telephone Company of Canada's elitist view also held back a more popular and affordable view of the telephone and, consequently, led to lower levels of development in Canada relative to the US[104]

Then as now, Bell dominated the telephone business. By 1904, it served 74% of subscribers and had thirty local exchanges in Manitoba, Ontario, Quebec and the Maritime provinces. The British Columbia Telephone Company (distant cousin of today's TELUS) accounted for close to 10% of the industry. Rates were tailored to specific locations and customer segments, and included flat fees, usage charges, and extra costs for long distance. Bell's average annual revenue per user in 1904 was approximately $44.34—or about $1,470 in today's dollars. Bell pitched itself as providing a premium service to premium clients who could choose from plans with a mix of different flat monthly fees and usage sensitive charges as well as extra charges for long distance equipment *and* service.[105] The company's view of telephones as a tool of business and a luxury for the wealthy few meant that a quarter century after the debut of the telephone, fewer than two in 100 Canadians were subscribers compared to six percent in the United States.[106] Meanwhile, Bell's operating profit margins were an impressive 15–30% and returns on assets between 6–8% in the 1900s.[107]

Bell aggressively defended its market dominance, giving away service for free to stave off competition in Peterborough and Dundas, Ontario, for example, and creating a sham rival, the People's Telephone Company, in Winnipeg to give the illusion of a popular option where there was none.[108] In Port Arthur (later Thunder Bay), Bell's deal with the Canadian Pacific Railway Company gave it monopoly access to the municipal railway station. Even the town's public telephone company was foreclosed from this essential hub of business and social interaction. Initially, the federal government did nothing to stop such monopolistic practices.[109]

Mounting frustration, however, led Parliament to convene the 1905 Select Committee on Telephones.[110] Its comprehensive documentation of conditions in the industry confirmed that while Canada trailed the US in telephone adoption and affordability it compared favourably to other countries, particularly to state-run systems in the UK, France, and Germany. More decentralized systems in Denmark, Norway, and Sweden, however, fared better than Canada's centralized, corporate-dominated model. The committee itself was an excellent illustration of how information disclosure and published statistics by and from the industry and governments had already become crucial to communications policy and, shortly thereafter, industry regulation.

The replacement of the committee's chair, the postmaster general and Liberal cabinet minister, William Mulock, with Bell's chief legal counsel, Allen Aylesworth, suggested that its efforts would come to naught.[111] While the nationalization of telephones was ruled out, the publicly owned Edmonton District Telephone Company, Manitoba Telephone System, Alberta Government Telephones, and Saskatchewan Telephone Company were created between 1904 and 1908. Municipally owned providers were also set up in towns and villages across Canada. Parliament also extended the scope of the Railway Act and Canada's first federal regulatory agency—the Board of Railway Commissioners (BRC), created in 1904—to include telephones and telegraphs in 1906.

The BRC used its powers cautiously at first to gather data on revenue, subscriber numbers, message volume, rates, miles of line in service, and so on, but became more assertive by outlawing the monopolistic deals between Bell and railways in 1908 and imposing liberal network interconnection rules at rates favourable to the independents in 1912.[112] Two years earlier, the BRC boldly broke up a three-way telegraph-news wire monopoly between CP Telegraphs, Western Union-controlled GNTC, and the Associated Press (AP) (see below).

By 1920, there were 1,700 non-Bell companies serving nearly half of all subscribers (49%). Bell's share of revenue had fallen to just over half and its rates had also declined, although non-Bell companies still offered more affordable rates, on average. Canada's telephone adoption rate hit 10%. This still lagged the US (13.6%), but the gap was closing. Canada was, however, leaps and bounds ahead of New Zealand (6.5%), Sweden (6.4%), Germany (2.2%), the UK (2.0%), and France (1.0%).[113] By this time, the telephone had come to be "a great . . . factor binding people together in scattered communities."[114]

Regulated regional monopoly telecom common carriers, 1920-1980

The first era slowly came grinding to a halt, first with a 1915 BRC ruling that imposed a surcharge on independent users of Bell's long-distance network, followed by another a year later that required competing telephone companies that interconnected with the Bell system to compensate it for lost business. With the knees knocked out from underneath competitors, Bell's share of subscribers, rates, and revenue were all on the rise again by 1920. Bell's average revenue per user rose 25% between 1917 and 1923 and its share of subscribers rose from a low of 44% in 1920 to close to half, while its market share based on revenue swelled to more than 54% in 1923. Other companies raised their rates at roughly the same pace, but from a less expensive base. By 1925, the last company competing head-to-head with Bell had gone under.[115] The era of the "natural monopoly" had arrived.

While the regulated natural monopoly tightened Bell's dominance, its monopoly was never absolute. It faced indirect competition from publicly owned prairie telephone services as well as independent companies in small towns and rural areas across the country. They pushed Bell and BC Telephones to improve investment, affordable and universal service, and service quality. Bell and the regional telephone monopolies that made up the TransCanada Telephone System (TCTS) also relied on CNCP Telecom for long-distance services, while simultaneously competing with it in private line services, broadcast networking, and defense communications, especially after WWII.[116]

This patchwork of regional telephone monopolies and limited competition nonetheless led to some positive outcomes. By 1960, the telephone business had revenues of $628 million and there were 31.2 telephone subscribers per 100 people, the third highest in the world after the US (39.5) and Sweden (33.5). A decade later, revenue had more than doubled again to $1.6 billion, and adoption was nearly universal at 43.5 phones for every 100 Canadians.[117] Canada also routinely ranked high internationally in terms of affordability and adoption rates throughout the rest of 20th century. By this time, the telephone was no longer a luxury but a crucial necessity of everyday life.[118]

While the natural monopoly regime was accepted, it was also deliberately confined to prevent telephone companies from leveraging their protected monopoly in telecom into adjacent markets. At this time, a convention known as the "separations principle" had coalesced by way of a Supreme Court ruling in 1890, regulatory decisions by the BRC in 1910, corporate agreements in the 1920s, and federal policy choices made in the 1930s in the context of creating the Canadian Broadcasting Corporation.[119] The separations principle ensured that broadcasting and publishing remained distinct in ownership and control from telecom, even though they were dependent on telecom infrastructure and equipment for their existence. That policy convention was codified by changes to Bell Canada's charter in

1968 that explicitly prohibited the company from entering into the broadcasting, cable television, and publishing businesses, a measure that was kept for the next three decades, as the pages ahead will show.

The industrialization and commercialization of newspaper publishing and broadcasting

The newspaper publishing and later broadcasting industries industrialized in tandem with telecom. Just as few people used the telephone in the early 1900s, few Canadians routinely read a newspaper. That said, newspapers grew swiftly once they had secured a footing in people's lives, and as they embraced the techniques of the industrialized and commercial press.

As they did, daily newspaper circulation per title quadrupled on average from 5,000 in 1901 to 20,000 in 1930. Circulation kept growing on a per household basis for the next twenty years, on a per-capita basis until the 1980s, and by total copies sold until the 1990s. As circulation grew, so did advertising revenue. Advertising became the daily newspaper's primary source of revenue in Canada around 1930.[120] This was a major milestone, but also one that lagged the US by around forty years, Germany by twenty, and by about a decade in the UK.[121]

The press industrialized as it commercialized, with the 1970 Senate report on mass media noting that "capitalization-per-newspaper increased immensely" in the first half of the 20th century, especially in big cities.[122] According to German economic historian Karl Bücher, newspapers were being transformed into a "capitalistic enterprise, a sort of news-factory within which a great number of people . . . are employed on wage, under a single administration, at very specialized work."[123] In the US, the sharply rising costs for newspaper production facilities and news wire franchises led to similar outcomes while also driving up press concentration.[124] Traditional media barons who overtly used their ownership of the press to promote their political and ideological ambitions were also being eclipsed by shareholder-owned and managerially controlled firms where business motives were believed to play a more significant role. That trend, however, seems to have bypassed Canada, where the Thomson, Southam, Sifton, Basset, Eaton, Desmarais, Rogers, and other families of press barons and media moguls loomed large during this period, even if the national faith in peace, order, and good government reined in extreme ideological zealotry.[125]

Greater capital investment also led to greater economies of scale and scope because the cost of producing one more newspaper was next to nothing when 10,000 or more were already rolling off the presses. The same economics drove efforts to expand audiences and the geographical footprint of newspapers, while raising significant barriers to entry. Most new entrants were thus started outside the big cities, although the *Journal de Montreal*, *Journal de Quebec*, and *Ottawa Citizen* were big exceptions to that rule.[126] The same factors bolstered

newspaper chain ownership and cross-media ownership. However, while newspaper chains arose in 1897 when the Southam family leveraged its ownership of the *Hamilton Spectator* to buy the *Ottawa Citizen*, newspaper chains in the 1930s were still modest in number and mostly local or regionally based.

As newspapers industrialized and commercialized, they relied more on news wire services. In his seminal *Liberty and the News*, Walter Lippmann cast the high cost of transmitting news over the wires as a form of economic censorship that was "enough to limit any expansive competition or significant independence" in the press.[127] At a time of consolidating industrialization across the economy, world wars, and authoritarian revolutions by Communists, Nazis, and fascists, this limitation on people's ability to know was a problem of the highest order. Social, political, and media reformers pressed for cheaper press rates to counteract the problem, with some success.[128]

Carriers shall not control content: Common carriage in Canada

The fate of the press in Canada was intertwined with telecom from the mid-19th century onward. This was underscored by a Board of Railway Commissioners (BRC) ruling in 1910 that undid a three-way alliance between CP Telegraphs and Western Union-controlled Great Northwestern Telegraph Company (GNTC) on the one side, and the New York-based Associated Press news wire service, on the other. It did so on the grounds that this double-headed telegraph news monopoly was harming the domestic news market and journalism in Canada.

Through this alliance, CP Telegraphs and the GNTC bundled their telegraph service with the Associated Press news service and a summary of Canadian news but charged a single rate for both. In essence, they were giving away the news service for free to newspapers—one per town—who used their service. Building on the common carrier principle that had been institutionalized by the Supreme Court of Canada's Electric Despatch Co. v. Bell Telephone decision (1890) and a newfound sense of authority, the Commission ruled that while the bundled telegraph-news service might attract telegraph customers, it would "put out of business every news-gathering agency that tried to compete with AP."[129] It ordered CP and GNTC to unbundle and price both services separately, ending the monopoly and reinforcing the principle that telecom infrastructure must serve all content providers equally, while also illustrating how telecom regulation can sometimes be media policy by another name. In so doing, BRC had also slayed the two-headed telegraph news monopoly that had raised the ire of American and Canadian critics for years.[130]

A little more than a decade later in the US, a "Telephone Group" (AT&T and Western Electric) and a "Radio Group" (GE, Westinghouse Electric and Manufacturing Company, RCA, United Fruit, Wireless Specialty Apparatus Company and Tropical Radio) had acquired interests in

nearly every major industry that made up the infrastructure of 20th century industrial capitalism *as well as the broadcasting and film industries*. In the 1920s, they engaged in round after round of industrial turf battles that finally led to the fields being carved up between them. Consequently, AT&T abandoned its fledgling Broadcasting Corporation of America, while the group of equipment manufacturers behind the National Broadcasting Company (NBC) was also ousted. A decade later, many of the same firms were financing and producing films after having rewired movie theaters and Hollywood studios for sound in the late 1920s and 1930s. By the end of the 1930s, they were forced out of the film business due to the looming threat of antitrust action by the FTC.[131]

Similar events in Canada led to similar results. In 1923, for example, "Six Great Companies", as *The Toronto Star* reported—Bell Telephone Company, Bell-owned Northern Electric, Marconi Wireless Telegraph Company of Canada, the Canadian General Electric Company, the Canadian Westinghouse Co., and the International Electric Company—"agreed to pool all their patents for the common good."[132] As in the US, this deal similarly carved up communications and broadcasting equipment and services markets in Canada while also hardening the line separating carriage from content by keeping telephone companies and equipment manufacturers out of content-related media businesses.

Circumstances were similar in the UK, Germany, France, and elsewhere. In each case, industrial manufacturing enterprises built up the technological side of broadcasting but were ultimately prevented from owning and operating broadcasting services. In the UK, for example, Marconi, Metropolitan-Vickers, British Thomson-Houston, the Radio Corporation of America, General Electric, and Western Electric created the British Broadcasting *Company* in 1922, only to be forced out four years later as the British government refashioned its operations into a new public service broadcaster, the British Broadcasting *Corporation*.[133]

Canada got to the same end but by a slightly different route during the creation of the Canadian Broadcasting Corporation in 1936. Newspaper publishers began moving into radio broadcasting in the 1920s and 1930s to head off competition with radio stations over the distribution of news and to cross-promote their newspapers. They also sought to protect the value of news that they published by delaying its broadcast until after the morning and/or evening edition of their papers had already gone to press. This was easy when they cross-owned the local newspaper and radio stations, and where they did not, they struck deals with local radio stations to do the same thing.

By 1929, newspaper publishers owned eleven radio stations in Canada. One such case was *La Presse*, which owned CAC in Montreal and used its cross-ownership of both media to champion Quebec's political and cultural interests. A decade later, they owned a third of them.[134] Many of those radio stations were operated as part of the Canadian Radio Broadcasting Commission between 1932 and 1936, and the Canadian Broadcasting Corporation after it took over from the CRBC.

The CRBC had been set up as a public broadcaster by the Conservative government of R. B. Bennett on the urging of the Aird Commission chaired eponymously by the president of the Canadian Imperial Bank of Commerce. It was not a radical project but one that sought to deal with the realities of broadcasting in a modern world where US broadcasting signals spilt into Canada, programming was expensive, in short supply, and risky. Quacks like the Canadian-American Father Charles Coughlin also spewed their antisemitic, anti-science, fascistic, and anti-democratic vitriol from a radio station near Detroit and Windsor.

According to Vipond, the private stations fared very well under the approach taken to public broadcasting in Canada. As she observes, although funded by a $2 annual radio licence fee, CRBC revenues flowed into the federal Consolidated Revenue Fund and were redistributed by Parliament. By 1936, the CRBC included 21 affiliate stations and supplied programs to 30 more, and roughly 40% of its budget went to payments to private stations and renting wirelines from CN, CP, and various telephone companies. Another 29% went to providing programs for these stations as well as its own. All said, nearly 70% of the CRBC's expenditures served to either directly or indirectly subsidize private broadcasters and advertisers.[135]

The CRBC never found its stride and was replaced by the CBC in 1936. In the run-up to this change, the Bell Telephone Company, Canadian Pacific Railways, Canadian National Railways, broadcast equipment manufacturers like Marconi, and American radio networks NBC and CBS sensed an opportunity and appealed to the government to choose one of their plans to create a new national broadcasting service over that of their rivals or the public broadcasting option. The creation of the CBC in 1936 closed the doors on their proposals, however.

Instead, the government adopted a national public broadcasting service consisting of government-owned CBC stations and private ones.[136] Consequently, telephone companies and railways were barred from owning broadcasting networks and stations, except for a station in Winnipeg and another in Brandon, Manitoba owned and operated by the Manitoba Telephone System. They could provide the long-distance wires that underpinned the national broadcasting system, and sell and maintain the equipment that broadcasters used, but they could not own and operate broadcasting networks or stations. This prohibition stayed in place for the next sixty years, as the pages ahead will show.[137]

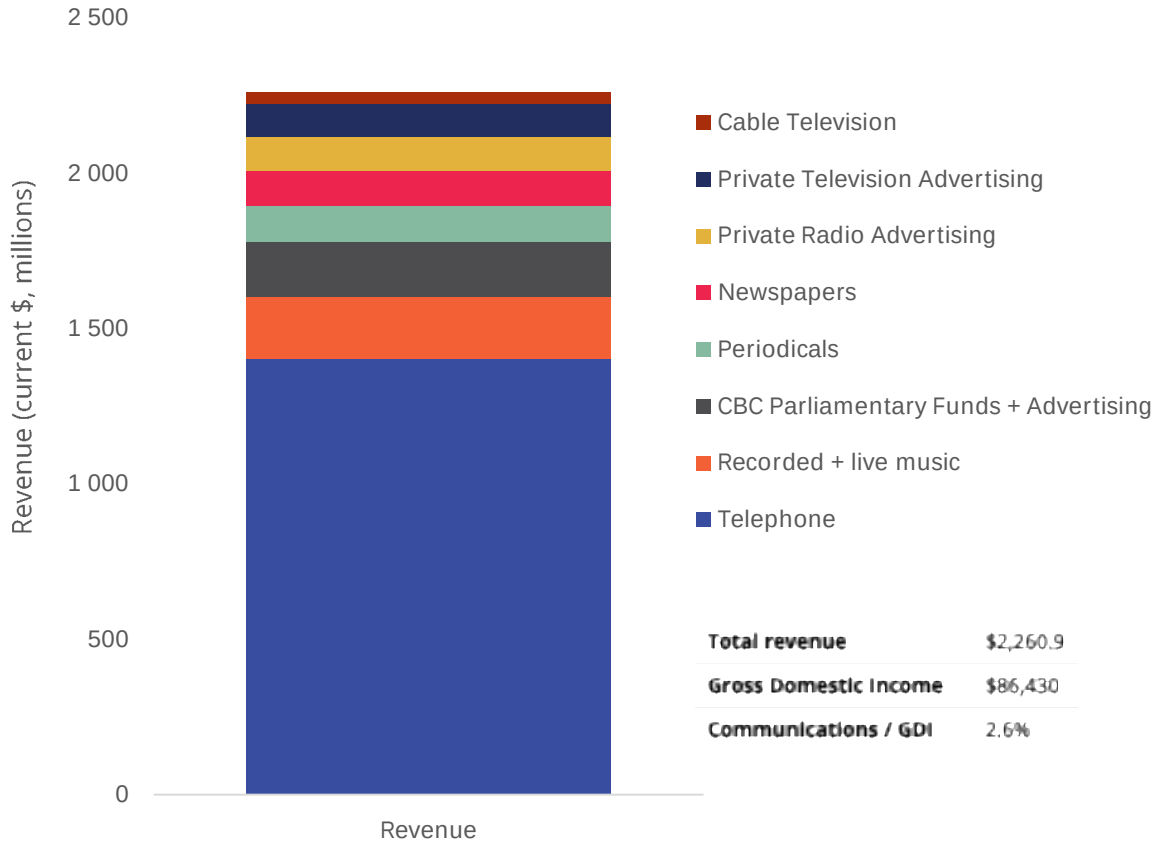
Media economy expansion: Local and regional media ownership groups and cross-media conglomerates, circa 1950-1975

While telephone companies could not be publishers or broadcasters, the latter two groups had wide latitude to consolidate within their respective industries and no cross-media ownership rules prevented them from owning one another. By the 1950s, newspaper chains had thus grown to own 89 dailies, but they were still mainly local or regional in scope.[138] The advent of radio and television increased competition for advertising and audiences. While this did not cut into newspapers' advertising revenue, the competition for people's time and attention did cause circulation to begin to slip on a *per household basis*. Circulation continued to rise on *a per-capita basis* for the next three decades, while immigration and population growth continued to drive up *total circulation* figures until the 1990s. Steady advances in advertising and subscription revenue, however, hid the fact that the audience for newspapers was being hollowed out.[139]

Despite cracks in the edifice from the 1950s on, newspaper publishers enjoyed lush profits on rising revenues. Three newspaper groups—Southam, FP Publications, and Thomson Newspapers—accounted for about 45% of daily circulation by the end of the 1960s, while Power Corp (*La Presse*) and the Irving Family dominated the press (and for Irving, radio and television stations) in Quebec and New Brunswick, respectively. Where these ownership groups were strongest, competing newspapers and broadcasting outlets were rare.[140] Publishers' return on capital, on average, rose from 17% at the end of the 1950s to 20% a decade later. The number of journalists rose throughout this period as well, hitting 12,300 in 1989 before sliding the next decade. Publishers and broadcasters also opened more foreign news bureaus. After a century of steady growth, however, the good times came to an end in the mid-2000s, for reasons that will emerge in the pages ahead.[141]

Canada's media economy boomed following World War II, and by 1969 revenues across the telephone and mass media sectors covered in the pages above reached about $2.26 billion, as Figure 9 below illustrates.

Figure 9: Canada's communications and media economy (millions $), 1969 (or most recent year)



Sources and notes: 1969: Canada Special Senate Committee on the Mass Media. Vol. II: Words, music, and dollars. Ottawa: Queen's Printer, pp. 172, 192, 527, 534, 572; ; music is an estimate based on CAGR from 1984; Dominion Bureau of Statistics (*1970*). Telephone statistics. Table 18: Revenue of the Telephone Industry, by Province, 1969. Ottawa: The Minister of Industry, Trade and Commerce. Statistics Canada. *Table 36-10-0122-01 Gross domestic income, gross national income and net national income, Canada, quarterly (x 1,000,000)*.

In this fast-changing media economy, and the coming 'information revolution' already on the horizon, broadcasting accounted for a bigger share of the media than publishing did, but both were dwarfed by telecom. And cable television was just starting to take off. The CBC was still the largest broadcaster in Canada, by far. Its parliamentary funding of $148.3 million in 1969 accounted for a third of the broadcasting sector. There are good grounds, however, to treat it as a distinctive counterweight to commercial services and, as such, adding structural diversity to the field by including both public and commercial services

rather than resting on numerical measures of market share. That said, the CBC was never free of commercial influences; far from it since commercial stations had been part of the network since the beginning. By 1969, it had advertising revenue of $29.4 million, which drove up its share of the broadcasting market to 42%.[142] This was the heyday of public broadcasting; its status has diminished ever since.

Cable television was also on the rise. By 1969, there were 400 cable systems and 15.3% of households were cable subscribers. The extent of development and adoption varied widely by region and income. BC had the highest household subscription rate at 41% while in the prairies, Maritimes, and Quebec only 7-17% did; in Ontario, one quarter of households were subscribers. People living in the lowest income quartile were half as likely to subscribe as those in the top income bracket.

Consolidation within the cable industry and vertical integration with broadcasting and publishing had already produced several media conglomerates by the late 1960s, but this development was still modest. The Special Senate Committee on the Mass Media (aka the Davey Committee) cast a light on them: the Bassett-Eaton Group (newspapers, radio, television, sports teams and arenas); Bushnell Communications (radio, television and cable); Maclean-Hunter (magazines, newspapers, radio, television, cable); Moffat Broadcasting (radio, television, cable); Rogers (radio, cable); the Southam-Selkirk Group (newspapers, magazines, radio, television, cable); and the Western Broadcasting Company (radio, television, cable).[143] Most of the multimedia conglomerates on that list have long since been absorbed into those that dominate communications today (which are also on that list, e.g. Rogers).

The cable business was already generating generous operating profits of close to 20%. Profits at the big cable groups tended to be higher yet.[144] By 1973, three companies—Rogers/Premier, Maclean-Hunter, and Vidéotron/Canadian Cablesystems—accounted for 40% of cable system revenues and subscribers.[145] The Trudeau administration's 1968 changes to foreign ownership rules forced the sale of several American-owned cable systems—notably Famous Players and CBS Systems—which resulted in those systems ending up in the hands of Rogers and Vidéotron, respectively.[146] It was a strong show of national sovereignty and in tune with the political and cultural climate of the times.

Cable companies built their systems by stringing cable from telephone and utility company poles, sometimes with permission, other times not. The telephone companies used their discretion to impose conditions on the cable system operators that gave them access to poles in return for agreeing to steer clear of the $1.4-billion telephone business, even though there was little from a technological point of view that prevented them from entering the business. When disputes emerged, telephone companies sometimes cut the offending company's cables from their poles.

New rules were needed to address the restrictions that Bell and other telephone companies were imposing on cable system operators large and small, and to govern disputes between them.[147] Although regulatory authority over cable television passed to the CRTC in 1968, it was nearly a decade before the Commission implemented new rules that gave cable companies rights to attach cables to telephone company poles and created a new dispute resolution mechanism to resolve conflicts between them. None of these changes breached the walls separating telecoms from the broadcasting distribution and telephone companies, which did what they have always done: protected the markets they dominated and delayed the entry of new players and technologies that could threaten their dominance.

Group-owned television stations and cross-media ownership between them, radio stations, and newspapers emerged gradually, but by 1968 only a third of television stations were group owned. That number swelled to more than half by 1975, however, while two-thirds of radio stations were group owned. Newspaper owners branched out into radio, television and cable, with Southam, Maclean-Hunter, and the Irving Group (which owned five of the six dailies in New Brunswick, and TV and radio stations in the province's capital, St. John) standing out as the largest groups. Cross-media ownership still tended to be local and regional, however, rather than national, with the Blackburn family-owned *Free Press*, CFPL radio, and CFPL-TV in London, Ontario standing out in this regard.[148]

It was this type of cross-media ownership that bothered the Davey Committee most. According to the Committee, the merits of group ownership and consolidation within a specific media industry had to be judged on a case-by-case basis. It proposed a Press Ownership Review Board to do just that for the newspaper sector. The report's view of cross-media ownership and media ownership by diversified conglomerates, by contrast, did not mince words, declaring that "these forms of media ownership are a Bad Thing, unless individual circumstances indicate otherwise."[149]

The Committee profiled more than a dozen media conglomerates that fit this bill, including those listed in the discussion of the cable industry, but others also loomed large, such as: Power Corporation and the Desmarais family (*La Presse*, broadcasting, diversified interests in shipping, finance, insurance, real estate); Irving (newspapers, radio, television, diverse holdings in energy, oil, shipbuilding, lumber, etc.); Sifton (newspapers, magazines, radio, television); and Telemedia (radio, television). The Committee was worried that these companies had the ability and incentive to bend the media toward their business and political interests and to thus compromise the values of the free press as well as people's access to independent sources of information, news and entertainment.

To counteract these conditions and constrain such potential, the Davey Committee proposed stronger powers for competition policy and the CRTC, along with a Press Ownership Review Council.[150] The proposed ownership review panel was quickly shot down by media owners and the press, while many of its other proposals fell into a black hole. Its

proposal to change the income tax law so that only advertising spend at Canadian publishers and broadcasting would be eligible for tax deductions, however, did come to pass with changes to the Income Tax Act in 1971.[151] Today, some want to see the same tools applied to internet advertising.

The Davey Committee's recommendations on ownership consolidation and cross-media conglomerates went nowhere. Changes to Bell's federal charter two years earlier, however, turned what had up to this point been a convention into a formal ban on the company entering the broadcasting, cable TV, and information services markets. The ban on vertical integration between telecom and broadcasting was meant to prevent Bell from leveraging its monopoly in telephones into these services. Bell's then-CEO A.J. de Grandpré told Parliament that the company did not mind. "We want to be common carriers, purely and simply."[152]

The separations principle underpinning communications and media policy throughout the 20th century kept telecom operators separate from the newspaper, news wire, broadcasting, and film industries, despite their reliance on telecom systems in their operations. The history behind that principle has parallels in today's digital landscape as the media and cultural industries are drawn ever more closely into the orbit of giant international internet and IT firms. Yesterday, it was Bell, Marconi, General Electric, and the International Electric Company that shaped the evolution of the media industries but had their direct ownership ambitions in them curtailed. Today it is Google, Amazon, Facebook, Apple, Microsoft, AT&T, BCE, etc. that stand in much the same position.[153] Approaches adopted in the past to ensure that media could develop relatively independently of their telecom and big tech overlords have a newfound relevance today as we think about the policy conventions and rules needed in our own time to address the consolidation of control over internet infrastructure, digital platforms, and streaming media services.

Convergence 1.0: Market liberalization, a booming media economy and the dot.com bubble, circa 1980-2000

By the late 20th century, Canada had conducted numerous inquiries into media and corporate concentration, with the Davey and Kent Committees being notable examples. Despite their limited immediate impact, they created a valuable public record and were of a piece with broader policy changes that began to dismantle telecom monopolies and introduce competition in broadcasting and mobile services.

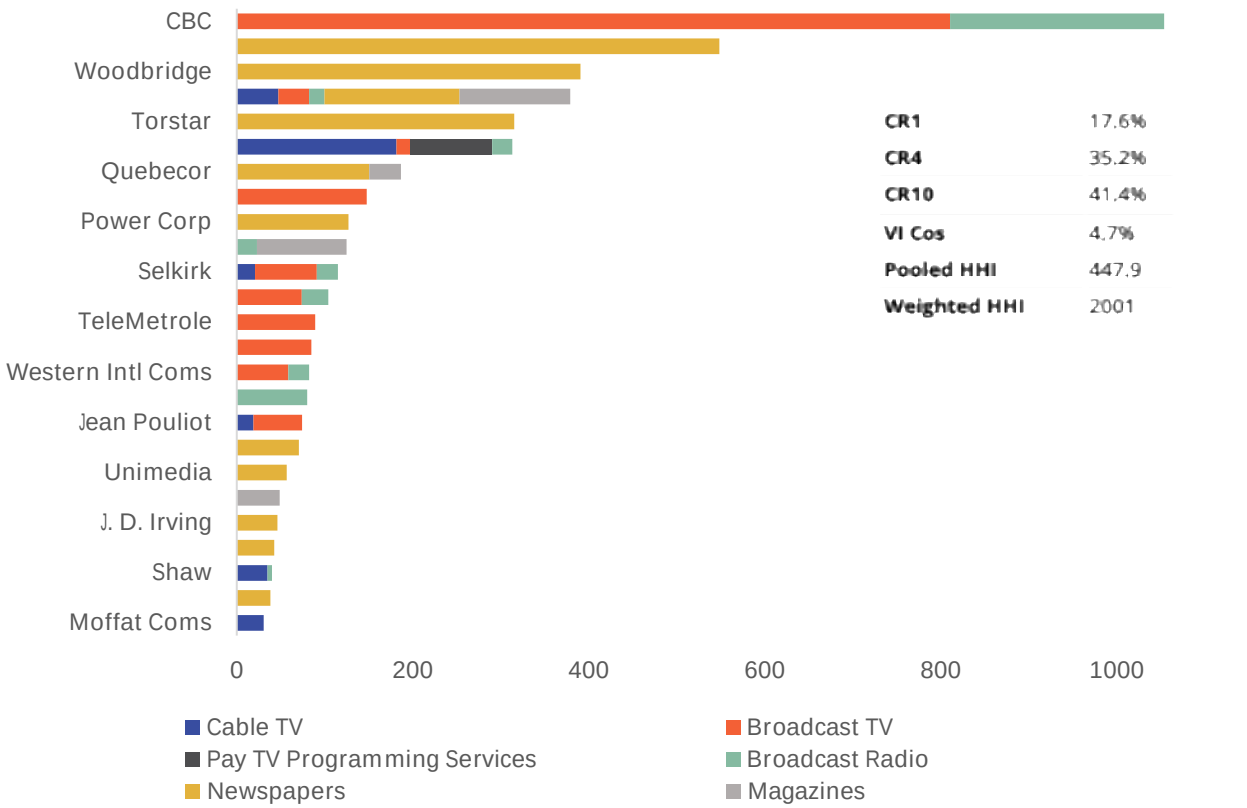
The communications and media economy expanded enormously in the 1980s and 1990s, driven by rapidly mounting levels of capital investment, permissive policies, digitization, and the rise of the internet. The words "digitization," the "information economy and society," and "the internet" were on everyone's lips.[154] In light of new technological possibilities and the increasingly pro-market bent of governments of all stripes, policymakers actively promoted

new commercial media sectors as a new frontier of market development but also as a means of fostering diversity in television and radio ownership.

The CBC still figured prominently, as its combined public funding and advertising revenue from its television service made it the biggest media company in Canada at the time by far. Newspaper publishers still loomed large, as can be seen from this ranking alone.

While vertical integration between broadcasters and publishers on the one side and cable system operators on the other had been around for some time, as the Davey Committee had observed with some angst, there were only a handful of such groups in 1984: Maclean-Hunter; Rogers; Selkirk; Telemedia; and Jean Pouliot (CFCable and TQS). Combined, they accounted for a paltry 5% share of the cable, broadcasting and publishing market. That would change greatly over the next decade. Figure 10, below, depicts the top twenty-five media ownership groups as of 1984, *without including* the telephone companies.

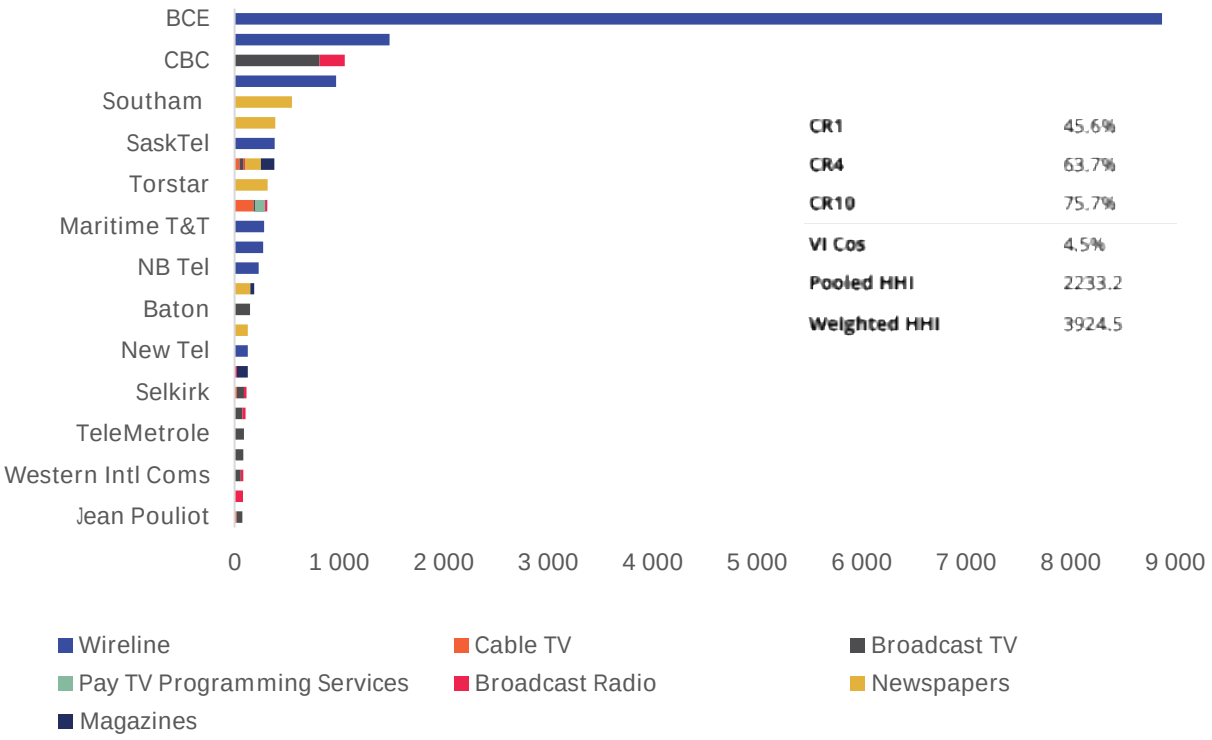
Figure 10: Leading cable television, broadcasting & publishing groups in Canada, 1984



Source: see Figure 10 data sheet in the Excel workbook for this report and the GMIC Project—Canada open data sets.

Open the lens wider to bring the telecom industry back in, and by 1984, Canada's communications economy had grown to $19.5 billion, led by gains in POTS, cable, and newspapers. New markets arose in pay television, mobile wireless, and, in the 1990s, internet access. Privatization, market liberalization, and international trade agreements, which opened some telecom markets to foreign investment, as well as rapid developments in information and communication technologies coalesced to drive this growth. Figure 11 below depicts the top twenty-five communications companies in Canada from a vantage point that includes the telephone market. It was still the largest market sector of all by far, and Bell's position as the biggest communications company at the time—as it had been all along and still is today—reflected this. Yet, while Bell, BC Tel, and regional telephone monopolies in the prairies and Atlantic Canada all rank on the list, the extent to which broadcasting and publishing groups figure prominently stands out as well.

Figure 11: Leading telecoms, broadcasting & publishing companies in Canada, 1984 (current $, millions)



Source: see Figure 11 data sheet in the Excel workbook for this report and the GMIC Project—Canada open data sets.

The picture depicted in Figure 11 changed dramatically in the years ahead as regional groups consolidated into large nationally oriented ownership groups. Still, however, trends did not all move in one direction. As a matter of fact, concentration levels—within sectors and in aggregate—declined over the next decade. Complacency and an extreme faith in the free market at the CRTC, Industry Canada, and the Competition Bureau, however, led that trend to sputter and then reverse course.

The far-reaching institutional changes taking place included the privatization of Alberta Government Telephones and Edmonton Telephones in 1990 and 1995, respectively, to form TELUS, the sale of MTS a year later, and a 1989 Supreme Court ruling affirming federal telecom oversight that added confidence and momentum to a more market-oriented approach to communications and media policy.[155] The CRTC also gradually dismantled the regulated telecom monopoly by introducing competition in consumer supplied equipment (phones, fax machines, modems) (1982), long-distance (1992), and local services (1997).[156] Meanwhile, the Department of Communication licensed two mobile wireless operators in 1983 and 1984, respectively: one to the joint venture between Rogers/Cantel, an entity formed from the amalgamation of Canada's biggest cable system operator and its recent acquisition of CNCP Telecom, with additional capital from AT&T in the US. The second consisted of the eleven regional telephone monopolies then operating across the country (e.g. Bell, MTS, SaskTel, TELUS, and the Atlantic telcos). In 1995, two more national wireless competitors, Clearnet and Microcell, entered the mobile market, enhancing competition and offering Canadians more choices.[157]

The *Broadcasting Act* (1991) and *Telecommunications Act* (1993) reflected the pro-competition agenda's influence and belief that the fastest possible introduction of new media, information and communication technologies in both markets would advance such objectives. The *Broadcasting Act* promoted commercial broadcasting growth but did not address the reality that such growth would likely come at the expense of the CBC unless it was given increased public funding. If anything, the pressure pushed in the opposite direction because it was taken as an article of faith by many that the more the commercial sector could deliver, the less the CBC would be needed.

The *Telecommunications Act* took a more balanced approach to encouraging competition and innovation while emphasizing the ongoing significance of common carriage, universal service, and privacy principles, along with information reporting obligations for companies and the CRTC.[158] The spirit of the Chrétien Liberal government was to be cheerleaders for the market, new technology, and globalization, however, and its enthusiasm for those things seemed to override the balance struck in the law.

Taking its cues from the new *Telecommunications Act*, the CRTC also dropped its bright line rules which had barred telecom operators from entering broadcasting, cable television and information services in 1994.[159] It was now convinced that "telephone companies can play a useful role in the provision of new information services, including content-based services,"

and that the new regulatory framework it had created could effectively respond to any abuses.[160] The CRTC added that there was nothing to worry about because "competition, technology and the globalization of markets have reduced concerns than any one supplier can control the provision of information services."[161] It also threw down the gauntlet to those who disagreed, declaring "there is a heavy onus on interveners seeking to restrict telephone companies from controlling the content of telecom services they provide."[162]

The Commission also abandoned the Competition Bureau's Merger Enforcement Guidelines which considered firms with a 35% market share or more to have dominant market power. The Bureau's director, George Addy—and soon to be TELUS executive—also argued that efficiency gains should be prioritized over competitive risks when assessing merger, stating that an "efficiency exception" could permit mergers that would otherwise substantially lessen competition.[163]

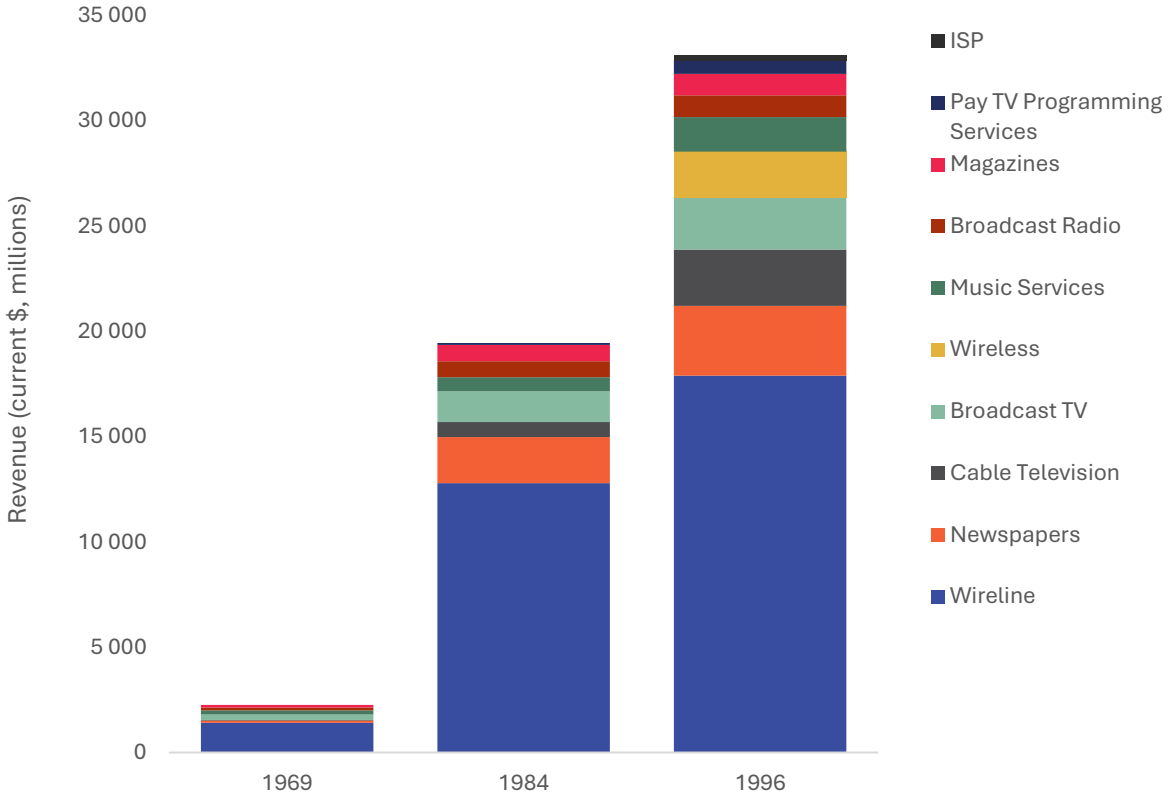
The governing Chrétien Liberals also dropped the long-standing policy convention banning convergence of telecom with broadcasting and publishing.[164] The ban on such activities in Bell's charter since 1968 was also now dead. As Industry Minister John Manley put it, "the rationale for keeping Bell out of the broadcasting business is no longer valid".[165]

A belief in technology-led regulatory efficiency emerged: broadband openness and market forces were seen as sufficient for regulation. While regulators acknowledged a need for monitoring, they preferred a hands-off approach, believing that competition would flourish.[166] This was a deeply technocratic view, where technology and economics trumped politics and democracy.[167] The Schumpeterians had won.

This approach worked for a while. As markets were opened, telecom and broadcasting revenue tripled between 1984 and 1996. Newspapers saw a 45% revenue increase. Along with magazine publishers, their century-long run of prosperity was still going strong but was close to peaking. Despite relatively stable public funding for the CBC, however, its share of revenue in the broadcasting system was now in decline, as was its share of people's time and attention. Both tendencies reinforced a downward spiral it has yet to recover from.

The 1990s boom saw communications revenue increase nearly nine-fold from 1969, reaching $33.1 billion by 1996 (even in inflation-adjust 'real' dollars, this represented a tripling in the size of the communications market). This sector's share of the national economy grew from 2.6% to 4%. Figure 12 below depicts the point.

Figure 12: Canada's communications and media economy, 1969, 1984 & 1996 (current $, millions)



Total	2260.98	19453.31	33133.70
Gross Domestic Income	86430	461986	859,834
Communications / GDI	2.6%	4.2%	3.9%

Sources and notes: 1969: Canada Special Senate Committee on the Mass Media. Vol. II: Words, music, and dollars. Ottawa: Queen's Printer, pp. 172, 192, 527, 534, 572; Dominion Bureau of Statistics (*1970*). Telephone statistics. Table 18: Revenue of the Telephone Industry, by Province, 1969. Ottawa: The Minister of Industry, Trade and Commerce. Also see 1984 and 1986 notes in "Total Revenue" sheet in the GMIC Project—Canada open data sets.

Boom and bust: The dot-com bubble and communications market consolidation at the turn of the 21st century

The late 20th century witnessed a wave of consolidation within telecom, broadcasting, and publishing sectors (*horizontal integration*) and, mostly in the last half of the 1990s, between them (*diagonal* and *vertical integration*). As policymakers took a more hands-off approach to markets Bell, for instance, acquired Northwestel in 1988 and unified several regional providers in the Maritimes into Aliant by 1999. In Western Canada, TELUS emerged through the merger of BC Tel, AGT, and Edmonton Tel.

Rogers and Shaw struck a deal in 2000 whereby Rogers traded 626,000 subscribers in Vancouver and surrounding suburbs for 604,000 Shaw subscribers in Ontario and New Brunswick. The two cable giants had effectively carved up the country into Cable Monopoly East and Cable Monopoly West.[168] It was a pivotal move whose last act played out more than two decades later when Rogers consummated its take-over of Shaw Communications (see further below on this matter).

Media consolidation also evolved from local and regional scales to national dominance by the late 1990s. A handful of national television networks were formed as a result: CTV; Global; TVA; CHUM; and TQS. In newspaper publishing, Conrad Black's takeover of the Southam newspaper chain in 1996 marked another key moment in nationwide consolidation.

Cross-media ownership and vertical integration were still modest in the early 1990s but gained serious momentum after Rogers' $3.1-billion acquisition of Maclean-Hunter in 1994. This deal marked the rise of a new breed of vertically integrated telecom/media conglomerates with a national reach, and within two years Rogers' annual revenue had tripled to $2.9 billion, while its share of the media economy surged to 10%.

Despite driving up concentration in specific industries, however, the overall decline in media concentration persisted because these transactions were part of a larger trend in an expanding industry. That changed dramatically, however, when three mega-deals at the turn of the millennium dramatically transformed the communications and media landscape in Canada:

- In Western Canada, Shaw Communications bought multiple television and radio stations from Western International Communications and Power Broadcasting in 1998 and 1999, which it spun off into a new entity in 1999, Corus Entertainment.
- Quebecor added the Sun Media newspaper chain (1999) and Groupe Vidéotron (2000), including TVA's broadcasting network and pay television services, to the *Journal de Le Montréal* and *Le Journal de Québec* it already owned.

- BCE bought television network CTV, including its dozens of pay television services, and then partnered it with the *Globe and Mail* as Bell Globemedia in 2000.

Four sprawling vertically integrated telecom-internet-media conglomerates—Bell, Shaw, Quebecor, and Rogers—straddled the media economy. This trend in Canada also followed international trends, as epitomized by AOL's blockbuster takeover of Time Warner in 2000, the biggest media/internet deal the world had ever seen and poster child of *fin de siècle* communications and internet convergence, before it lost its lustre and unraveled. Figure 13 lists the major ownership changes in Canada during this era of competition, consolidation and convergence, and those that came after.

Figure 13: Major communications and media ownership changes in Canada, 1994-2024

1994: Rogers acquires Maclean-Hunter ($2.5B)	2013: BCE's second bid to acquire Astral Media approved after it agrees to divest several TV services ($3.4B)
2000: BCE acquires CTV and The Globe and Mail ($2.3B)	2013: Telus acquires Public Mobile
1999: Quebecor acquires Sun newspapers ($1B), Videotron ($4.9B)(2000) and TVA ($500M)(2001)(Total: $6.4B)	2015: Rogers acquires Mobilicity ($465M)
1998/2000: Canwest buys Global TV ($800M) (1998) and Hollinger newspapers ($3.2B) (2000)	2015: Postmedia acquires Quebecor English language Sun newspapers ($360M) (2015)
1998/1999: Shaw acquires catalogue of televison and radio stations from WIC (1998) and Power Broadcasting (1999), then spins them off into Corus (1999). Shaw maintains ownership control of Corus	2016: Shaw acquires Wind Mobile (rebrands as Freedom Mobile) ($1.6B) (2016) and spins off Shaw television assets to Corus to help finance the deal (Corus is under common ownership with Shaw given controlling ownership stake held by Shaw Family Trust)
2000: Telus, created from the amalgamation of BC Tel, AGT, and Edmonton Tel, acquires Clearnet ($6.6B)	2017: Bell acquires MTS ($3.1B)
2004: Rogers acquires Microcell ($1.4B)	2017: Torstar and Postmedia swap ownership and subsequently close the majority of 41 community newspapers
2006: BCE exists media business	2020: NordStar Capital acquires Torstar ($52 million)
2007: CTVglobemedia acquires CHUM ($1.4B)	2022: Bell acquires Distributel ($335 million) and ebox ($139 million)

2007: Rogers acquires City TV ($375M)	2022: Quebecor acquires VMedia
2007: Astral Media buys Standard Broadcasting ($1.1B)	2022: Telus acquires Start.ca and Altima (price undisclosed)
2007: Quebecor Acquires Osprey Media ($517M)	2022: Cogeco acquires Oxios ($100 million)
2007: Canwest acquires Alliance Atlantis ($2.4B)	2023: Rogers acquires Shaw Communications ($26 billion) but spins of Freedom Mobile to Videotron for $2.85 billion
2009-2010: Canwest declares bankruptcy, newspapers acquired by Postmedia ($1.1B) and TV assets acquired by Shaw ($2B)	2023: Rogers acquires Comwave
2011: BCE re-acquires CTV ($3.2B)	

All this activity constituted a watershed moment, but it came with steep costs. The consolidation of BCE, Shaw, and Quebecor took place at the height of the stock market bubble. The dot-com bubble collapsed in 2000, leaving enduring effects as many communications companies lumbered into the 21st century saddled with debt and facing headwinds stronger than anticipated as the internet became a commercial success.

Many convergence experiments failed, including AOL/Time Warner. The AOL brand was quickly sidelined, its music division spun off to private equity groups, and a quarter-trillion dollars in market capitalization wiped out by 2008. In Canada, Canwest's highly leveraged acquisitions of the Hollinger and Southam groups of newspapers and Craig Media's A-Channel network ended in bankruptcy in 2009, with its newspapers sold to Postmedia and its radio and television broadcasting assets to Corus.

Other companies like 360Networks that had been building internet infrastructure in Canada and internationally collapsed. Shaw and Bell swooped in to pick up its assets. Shaw integrated the thousands of kilometres of "dark fibre" it acquired into its "Big Pipe" project in Vancouver, Calgary, Winnipeg, and Toronto, and ran backhaul spurs to Buffalo, Seattle, and Sacramento in the US.[169] Bell leveraged its assets for national broadband expansion (more to come on both below).[170]

This latter moves reflected Bell's return to being a pure-play telecom operator. As part of that strategy, it divested nearly all its ownership stakes in CTV and *The Globe and Mail* in 2006. The iconic CHUM Media Group was also broken up, with its radio stations sold off to CTVglobemedia and its CityTV stations in Toronto, Montreal, Winnipeg, Calgary, Edmonton, and Vancouver bought by Rogers. Quebecor survived partly through support from the

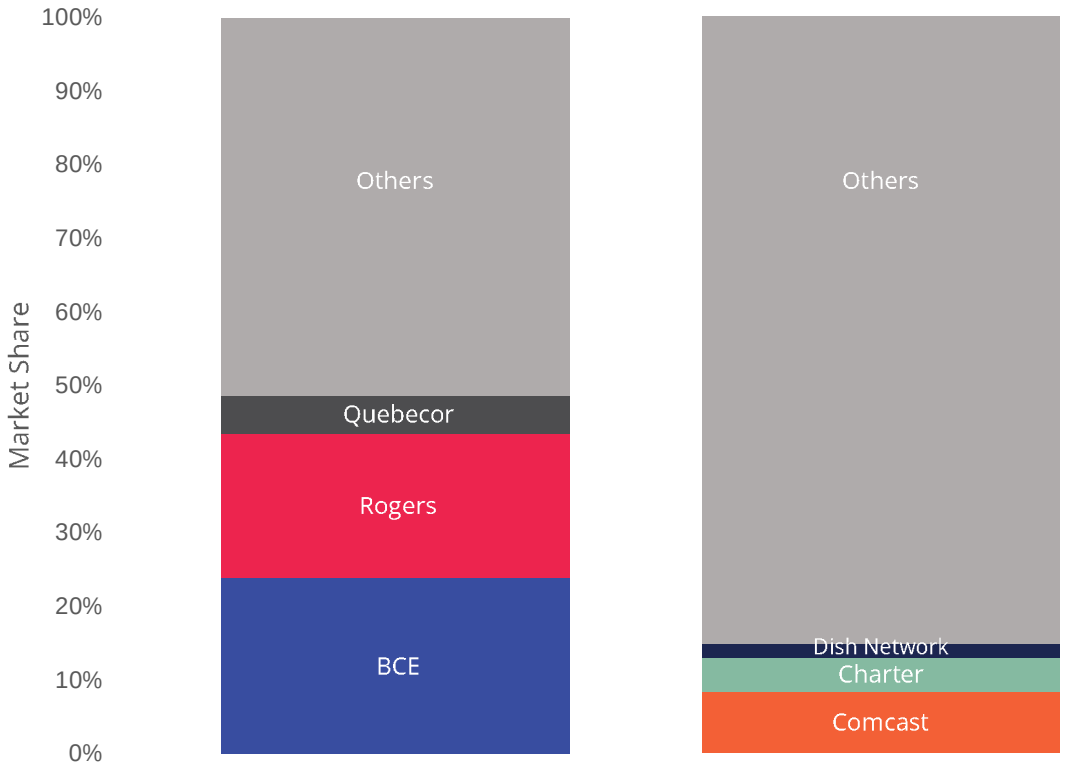
Quebec government's investment arm, Caisse de dépôt et placement du Québec, which traded investment for a 25% equity stake which it held until 2015.

The Caisse's stake in Quebecor, the wild swings between bubble and bust, the bankruptcies, and all the "dark fibre" and internet infrastructure in the ground ready to switch on were emblematic of a bigger and longer lasting phenomenon: the financialization of the communications and media industries in Canada. Highly leveraged media companies became much more reliant on institutional investors like BlackRock, Canso, and Vanguard. Consequently, the increasingly prioritized financial market demands over consumer needs, shaping the media landscape in ways that aligned with investors' interests.[171] These trends and tendencies were not unique to Canada but could also be seen elsewhere as the case of AOL Time Warner referred to above and the misfortunes of Vivendi in France illustrated, albeit each in their own way.[172] This pivotal moment at the outset of the 21st Century left a cloud hanging over some of the biggest media conglomerates in each country that continue to haunt them until this day.

BCE resurrected its convergence strategy in 2011 by re-acquiring CTV and buying the largest independent television and radio broadcasting company in the country, Astral Media, two years later. Vertical integration peaked by 2014, with Bell, Rogers, Shaw, and Quebecor collectively commanding 60% of the $77 billion communications market in Canada. This dominance steadily declined, however, due to the rise of international tech and streaming giants. We will return to this point at great lengths below, but for now the point to be emphasized is that vertical integration levels have continued to be extremely high by Canada's own historical standards and multiple times higher than in the US, as Figure 14 depicts.

Vertical integration peaked by 2014, with Bell, Rogers, Shaw, and Quebecor collectively commanding 60% of the $77 billion communications market in Canada.

Figure 14: Vertical integration in communications and media sectors—Canada vs. the US, 2023-2024*



Total $ CDN NME (Millions)	$111,998.04
CR 1 Canada	21.9%
CR 4 Canada	64.5%
CR 10 Canada	80.7%
VI Cos Canada	44.7%
International / US companies	23.5%

Total $ US NME (Millions, CDN$)	$1,682,992.82
CR 1 US	12%
CR 4 US	37.9%
CR 10 US	64.7%
VI Cos US	11.9%
International / US companies	18.3%

** Does not include cloud computing*

Sources: see Figure 14 in the Excel workbook accompanying this report and each of the sector sheets in the GMIC Project—Canada open data sets for the revenues of each company covered in this figure.

In the US, Comcast NBCUniversal, Charter (Liberty Media), and Dish Network accounted for just 12% of that country's $1.6 trillion (CDN$) media economy. While vertical integration in the US jumped on account of AT&T's acquisition of Time Warner in 2018, AT&T spun off its stake in the rebranded Warner Media in 2022 into a joint venture with Discovery, Warner Media Discovery. AT&T still owns three-quarters of Warner Media Discovery, but it does not

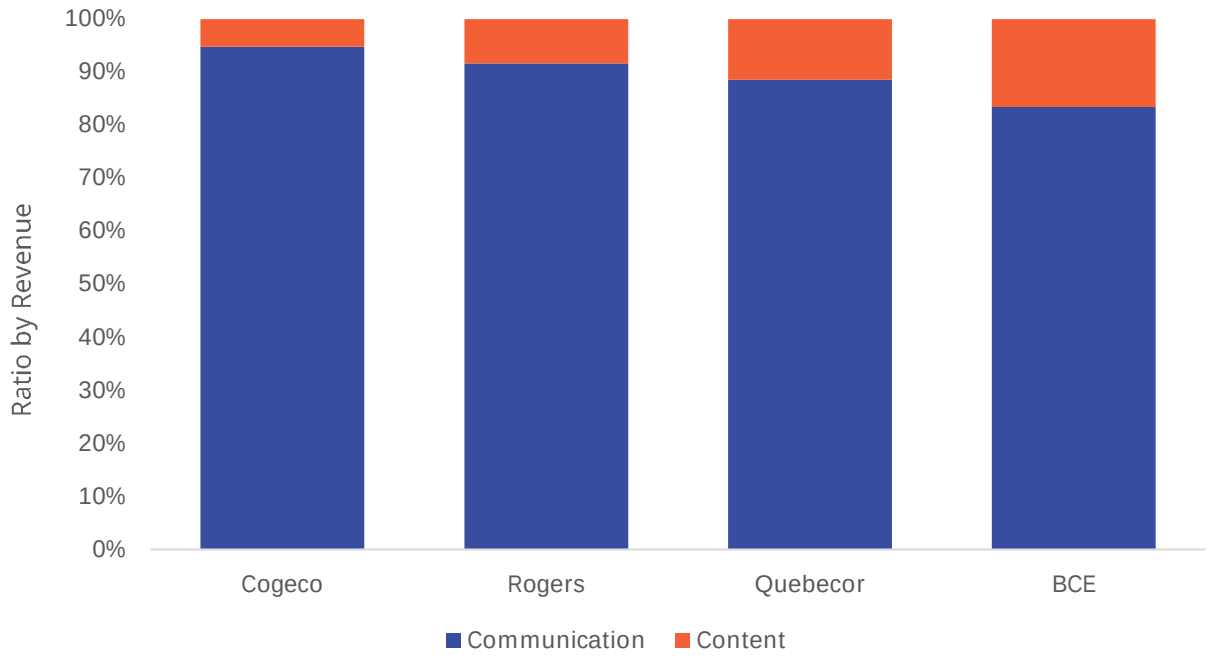
have control or even a seat on its board of directors. The telecoms company appears set to exit the media business altogether given that Warner Media Discovery is now up for sale, with three main bidders circling about it: Paramount SkyDance, Comcast and Netflix. If Comcast acquires the company, this will expand horizontal and diagonal integration across the US media and entertainment business and boost vertical integration between carriage and content. The acquisition of Warner Bros. Discovery by Paramount Sky Dance would have a similar effect in terms of the horizontal integration and diagonal integration but also vertically integrate the giant media conglomerate into the Oracle cloud computing empire, all under common ownership control by the Ellison family, a close friend and ally of Donald Trump for the past thirty years.[173]

Despite the extent of broadcasting and other media divisions within the big three vertically integrated conglomerate structures in Canada, those divisions are dwarfed by the far larger and more lucrative communications side of their operations.

In Europe, some telecoms operators own broadcast and pay television services in, for example, the Netherlands, Belgium, Italy, France, UK, Germany, Finland, Denmark, and few other countries, but the scale of vertical integration in those countries pales compared to Canada. These results also align with findings from a 2016 international study which found that Canada had the third-highest level of vertical integration of the twenty-eight countries examined.[174] Thus far, the GMICP contributors have not unearthed any cases of vertical integration matching the scale found in Canada.

Despite the extent of broadcasting and other media divisions within the big three vertically integrated conglomerate structures in Canada, those divisions are dwarfed by the far larger and more lucrative communications side of their operations. In fact, the media divisions account for a mere 10-15% of revenue at Quebecor, Bell and Rogers, while telecom brings in 80-90% of their revenue. Figure 15 below illustrates the point.

Figure 15: Communication vs. content within Canada's vertically integrated telecom and media companies, 2024 (ratio by revenue)



Sources: see Figure 15 in the Excel workbook accompanying this report and each of the sector sheets in the GMIC Project—Canada open data sets for the revenues of each company covered in this figure.

In some ways, the media content services at these vertically integrated conglomerates are but ornaments on the national carriers' corporate edifice. They are important, but the companies' most significant sources of revenue—and profit—come from telecom services. The real purpose of these companies' media branches seems to be to be part of their marketing, advertising, and public relations strategies and to drive the take-up of their vastly bigger and more lucrative wireless, broadband internet, and cable services.

The upshot is that broadcasting and media in Canada have been, and continue to be, structurally subordinate to and dependent on the vertically integrated conglomerates' vastly bigger and more profitable activities in communications services. Unsurprisingly, their priorities reflect such realities. It is these companies, their interests and business models, and the structural subordination of a large swathe of the broadcasting and publishing industries that have defined the Canadian network media economy ever since. It cannot be stressed enough just how exceptional this structural arrangement is by the standards of Canada's own history, concentration metrics, and international standards, where very few, if any, comparable country defined by the extent of vertical integration and cross media ownership that has defined conditions in Canada for nearly two decades.

4. Competition and concentration in the network media industries

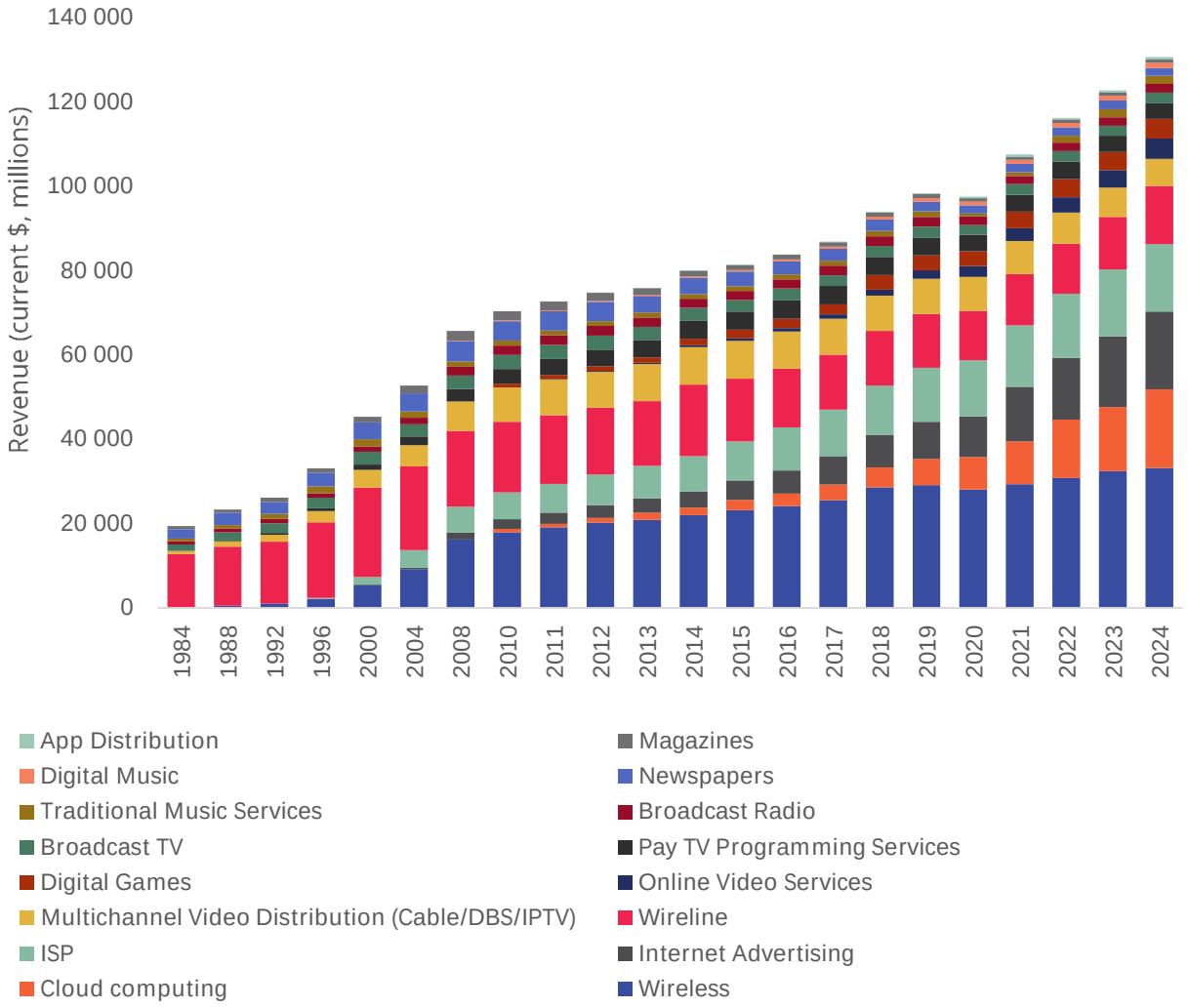
The following sections analyze developments since the turn-of-the-21st Century sector-by-sector in the three main categories we use to group each of the industries covered in this report:

- telecoms and internet infrastructure: wireline telecoms; mobile wireless service; internet access service providers; Broadcasting Distribution Undertaking (Cable, Sat & IPTV); cloud computing
- online and traditional media services: broadcast TV; pay & specialty TV; online video services (SVOD, TVOD, AVOD); radio (ad-funded, public service and paid subscription); internet advertising; traditional music (physical, publishing, live concerts); online music (paid subscription and ad-funded streaming services and downloads); games (console, PC and mobile); app distribution; newspapers; magazines
- core internet applications and sectors: online news sources; search engines; social media and video sharing platforms; mobile and desktop operating systems; and mobile and desktop browsers

The aim is to highlight the broad trends and specific details observable so that we can know which industries are growing, which may be stagnating, and which are on the wane. The aim is also to reveal how the unique characteristics of different media can lead to different evolutionary paths and outcomes, as will be elaborated on in the pages ahead.

Figure 16 below sets the scene for this chapter by giving a long-term view of the evolution of each of the media sectors contained within the network media industries concept. It demonstrates remarkable growth from nearly $20 billion in 1984 to $130.7 billion in 2024. Many new sectors have been added, and the pie has grown vastly bigger. Most sectors have flourished, but some appear to be terminal decline.

Figure 16: Separate media, distinct evolutionary paths and the network media economy, 1984–2023 (current $, millions)



Source: See Figure 16 sheet in the Excel workbook accompanying this report and the "Total Revenue" sheet in the GMIC Project—Canada open data sets.

Telecom and internet infrastructure—the "Big Picture"

In 2024, there were 72.5 million telecom 'lines' in service, split roughly 50/50 between wireline services and mobile wireless. The following pages focus on the wireline side of the telecom industry, which includes for our purposes residential internet, POTS (plain old telephone service) and broadcasting distribution (aka cable television or broadcasting distribution undertakings in CRTC jargon). The wireline telecom sector also consists of a grab bag of private lines, data services, and the carriers' newest ventures into health information and content moderation fields (e.g. TELUS), data analytics (e.g. Bell's acquisition of Environics), smart home monitoring and security systems (all of them), as well as many other non-voice services that come-and-go as industry fashions dictate.

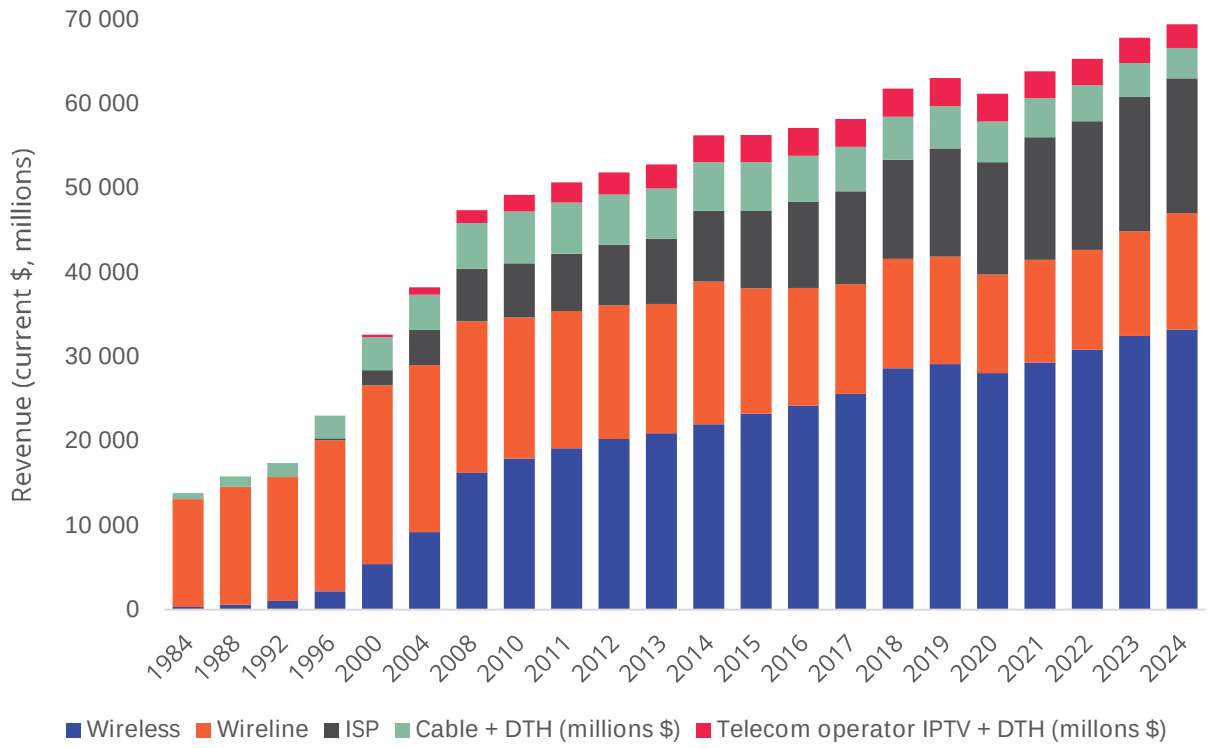
This mix of services makes it hard to establish the size of the industry, but the most important companies—e.g., Bell, Rogers, TELUS, SaskTel, Vidéotron, and Cogeco—publish enough data to allow solid estimates to be made for their retail internet access and BDU service subscriber numbers and revenue. None of them, however, provide enough to examine POTS on a stand-alone basis because it is now mixed indiscriminately with the many of the new lines of business that the companies lump together in the wireline category.[175]

Based on this broad definition of the industry, the wireline telecom market continued to grow until 2000, when it peaked at $21.2 billion, but then declined steadily until 2020, before turning around. Revenue has risen close to one-and-a-half billion dollars since to reach $13.8 billion in 2024.

The CRTC more narrowly defines the wireline sector as including just POTS, private lines and data services, which leads it to a significantly lower figure of $7.5 billion.[176] The gap between that result and ours is obviously significant, but not decisive in the analysis one way or another that follows. While the Commission's approach is reasonable given the scope of its regulatory remit, our approach aligns better with how the telecom operators themselves assign revenue within the wireline segment.

As the types of communications services have diversified, telecom markets have expanded greatly and more than enough to offset the long-term decline in both POTS and cable television. In fact, combined revenue for mobile wireless, internet access, POTS and broadcasting distribution services more than doubled from $32.6 billion in 2000 to $69.5 billion in 2024, a little more than half of the $130.7 billion network media economy in 2024. Figure 17 depicts that growth over the last forty years.

Figure 17: Revenues for the telecoms and internet access sectors,1984-2024 (current $, millions)



Sources: see the Figure 17 sheet in the Excel workbook accompanying this report and the GMIC Project—Canada open data sets for the revenues of each company covered in this figure.

On its own, the mobile wireless market is the biggest individual telecom market, with $33.2 billion in revenue in 2024, the wireline sector is bigger once all its branches are accounted for: internet access ($16.5 billion), broadcasting distribution services ($6.4 billion), and "wireline-plus" ($13.8 billion). Tally up those sums and wireline telecom services had $36.2 billion in revenue in 2024. The average household in Canada spent an estimated $3,008.77 for a bundle of broadband, POTS, cable and mobile wireless services, or $250.73 per month in 2024. Of that bill, $123.45 was for mobile wireless services while $127.28 was for wireline services.

To get an impression of the scale of the wireless and mobile wireless industries, and the positions of the big four therein, recall that in 2024 there were 72.5 million subscriber connections to mobile wireless, retail internet, BDU, and POTS services. These are the gateways through which personal communications, media, and internet-based content, applications, and services must pass. They also comprise the triple and 4-play bundles that

telecom operators use to attract and retain customers. Collectively, Bell, TELUS, Rogers, and Vidéotron operated 86% of those connections in 2024—a level up significantly in the last two years on account of the Rogers-Shaw merger. Figure 18 below illustrates the big four telecoms' share of subscribers in 2024.

Figure 18: Market share by subscribers and type of service, 2024

	Bell	Rogers	TELUS	Vidéotron	Big 4 Total	Grand Total	Big 4 Share of Total
POTS Subs	1,834.19	1,568.00	1,047.50	641.80	5,091.49	10,791.50	47%
Mobile Subs	10,287.81	11,741.50	10,115.50	3,951.55	36,096.36	37,208.10	97%
Internet Subs	4,443.90	4,217.50	2,693.00	1,730.10	13,084.50	15,442.81	85%
BDU Subs	2,721.41	2,684.00	1,391.50	1,325.00	8,121.91	9,050.68	90%
Total Lines	19,287.31	20,211.00	15,247.50	7,648.45	62,394.26	72,493.08	86%
POTS Subs (%)	17%	15%	10%	6%			47%
Mobile Subs Share (%)	28%	32%	27%	11%			97%
Internet Subs Share (%)	29%	27%	17%	11%			85%
BDU Subs (%)	30%	30%	15%	15%			90%
Total Lines Share (%)	27%	28%	21%	11%			86%

Sources: see Figure 18 sheet in the Excel workbook accompanying this report and the GMIC Project—Canada open data sets for the revenues of each company covered in this figure.

As the types of communications services have diversified, telecom markets have expanded more than enough to offset the long-term revenue decline from the demise of POTS. Adding mobile wireless, internet access and broadcasting distribution services to the picture shows that combined revenue for these services has more than doubled from $32.6 billion in 2000 to $69.5 billion in 2024. The big four account for 90% the total, up significantly from 85% two years earlier due to Rogers' takeover of Shaw. Overall, this is a story of very large players getting even bigger within a bigger market and one, moreover, defined by lush profit margins. Figure 19, below, depicts their share of revenue across the

combined wireless, internet access, wireline (POTS) and broadcasting distribution sectors in 2024.

Figure 19: Market share by revenue and type of service, 2024

	Bell	Rogers	TELUS	Vidéotron	Big 4 Total	Grand Total	Big 4 Share of Total
Wireline (Millions $)	5,788.9	1,983.9	4,935.7	248.90	12,957.39	13,822.15	94%
Mobile Revenue (Millions $)	9,864.00	10,595.00	9,355.00	2,355.10	32,169.10	33,230.00	97%
ISP Revenue (Millions $)	4,049.2	3,842.9	2,453.8	1,250.00	11,595.92	15,962.00	73%
BDU (Millions $)	1,889.90	2,049.20	838.50	777.90	5,555.49	6,443.86	86%
Total Revenue (Millions $)	21,592.00	18,471.00	17,583.00	4,631.90	62,277.90	69,458.01	90%
Wireline Revenue Share (%)	42%	14%	36%	17%			94%
Mobile Revenue Share (%)	30%	32%	28%	7%			97%
BDU Revenue Share (%)	25%	24%	15%	8%			73%
POTS Revenue Share (%)	29%	32%	13%	12%			86%
Total Revenue Share (%)	31%	27%	25%	7%			90%

Sources: see Figure 19 sheet in the Excel workbook accompanying this report and the GMIC Project—Canada open data sets for the revenues of each company covered in this figure.

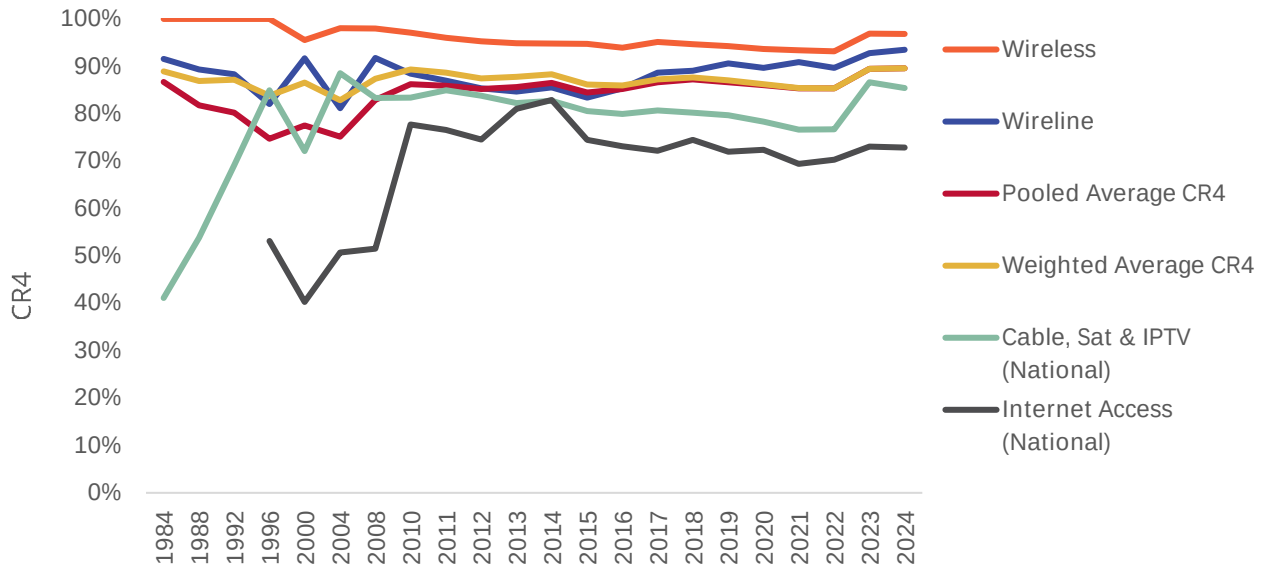
Another thing that stands out in this research exercise is that concentration levels across all four of the sectors—i.e. wireline telecoms, mobile wireless, retail internet access and BDU services—remained high and jumped even higher when Rogers takeover of Shaw was consummated in 2023. As a result, today's big four telecoms' share of the far bigger and more complex telecoms landscape is much greater than it was ten or twenty years ago.

That point is revealed more starkly in Figures 20 and 21, below, which depict the CR4 and HHI scores for each segment of the wireline and wireless market as well as the weighted

CR4 and HHI scores for these sectors combined.[177] They also reveal the pronounced effect of Rogers' takeover of Shaw across each of the measures shown as soon as the deal was consummated, as the dogleg upwards in 2023 indicates.

Figure 20 shows the CR4 scores for each sector of the telecoms and internet access grouping jumping four to ten points after Rogers acquisition of Shaw. The pooled and weighted CR4 also show that Bell, TELUS, Rogers, and Vidéotron's share of the market leapt from 85% to just under 90%. To put this another way, whereas competition had improved modestly in the last decade, the largest telecoms consolidation Canadian history stopped that tendency dead in its tracks and pushed things in the opposite direction.

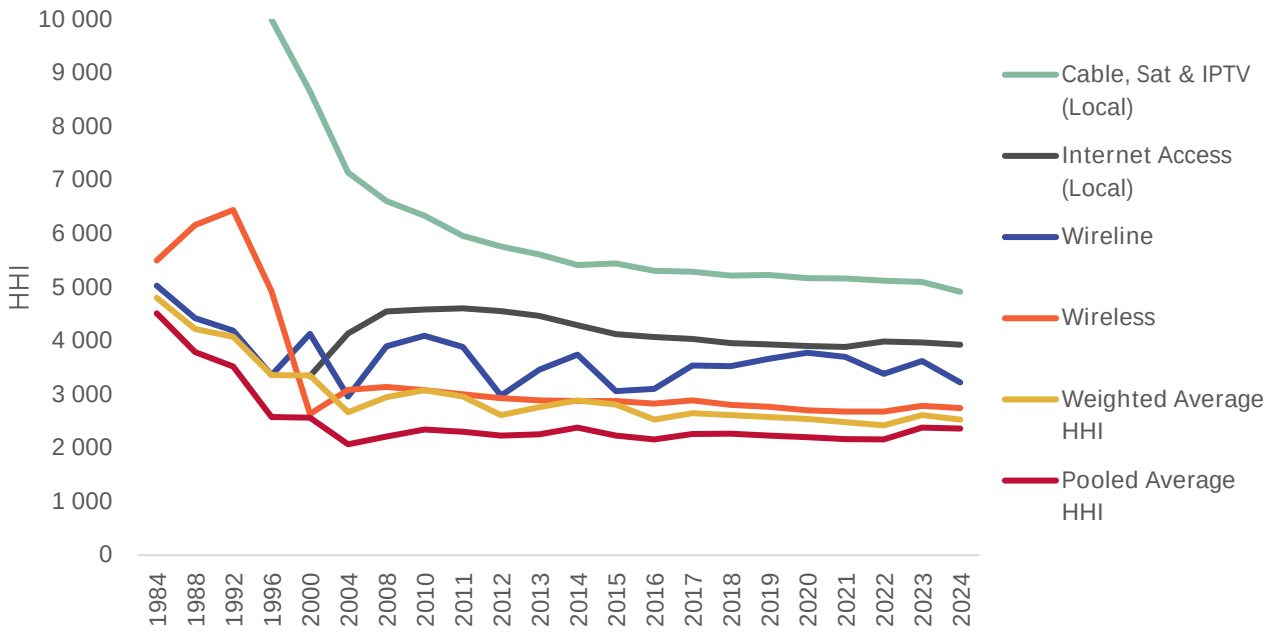
Figure 20: CR4 scores for telecom and internet access sectors, 1984-2024 (based on revenue)



Source: see Figure 20 sheet in the Excel workbook accompanying this report and the "Concentration Metrics" sheet in the *GMIC Project—Canada open data sets* for the revenues of each company covered in this figure.

Turning to the HHI measure in Figure 21 reinforces the portrait being painted here. The HHI for each sector jumped between 110 and 240 points, respectively, while the pooled and weighted HHI scores shot up by roughly 200 points in each case, with two exceptions: local internet access and local broadcasting distribution. These are exceptions because Rogers replacement of Shaw in Alberta and BC did not alter the number of competitors available to consumers. However, the national measures shows that both sectors saw a jump in the HHI by 250 and 500 points, respectively, a point taken up further below.

Figure 21: HHI scores for the telecom & internet access sectors, 1984–2024 (based on revenue)



Source: see Figure 21 sheet in the Excel workbook accompanying this report and the "Concentration Metrics" sheet in the GMIC Project—Canada open data sets for the revenues of each company covered in this figure.

Recalling the discussion from chapter 2 about recent changes to the *Competition Act*, the newly implement bright-line rules presume a merger to be anti-competitive if it lifts the HHI by more than 100 points, pushes the post-merger HHI above 1,800, or yields a post-merger firm with more than a 30% market share. Rogers' takeover of Shaw smashed through every one of these measures. For this reason, it can be surmised that had these reforms been in place *before* the deal, there is a good chance that it would have been dead on arrival. The irony is that the lack of these conditions allowed those pushing for reforms to use the lessons of the Rogers-Shaw deal to secure the changes to the wanted. From one angle, it could be said that the Competition Bureau lost a noble battle but won the war for tougher competition laws in Canada. Seen from another, though, with the deal done, this is a classic case of locking the barn door well after the horse has bolted.

Stepping back to take a longer view, Figures 20 and 21 above also show that the embrace of market liberalization, promotion of new technologies, and a shift toward 'lighter touch' regulation in the 1980s and 1990s initially did have their desired effect. Concentration levels fell significantly during this time for wireline and wireless services (except for cable television) based on the national CR4. That tendency was even more pronounced for cable television and internet access services at the local versus the national level based on the

HHI. During those years, the regulated natural monopoly regime in wireline telecom gave way to more providers as the number of ISPs exploded. The cable monopoly was also breached after direct-to-home (DTH) satellite television services were introduced in the late 1990s and even more significantly when telecoms rolled out IPTV services, initially in Western Canada in the mid-2000s and after 2010 in Central Canada and the Atlantic Provinces. Thereafter, the fall of the cable monopoly was especially marked.

In no case, however, was the trend enough to change the status of telecom markets from "highly concentrated" to one that implied robust competition and pluralism. As such, two things stand out from the perspective of this report: First, concentration has remained at the high to very high end of the CR4 and HHI scales throughout the period we cover. Two, policy interventions and regulators resolved to address such realities head on have had a positive effect in subduing the harshest edges of the baseline fact that telecoms markets are inherently prone to high concentration.

The following section takes up these long-term trends and recent developments in the context of each of the sectors that make up the telecoms and internet access markets: mobile wireless; internet access; and BDUs, i.e. cable, DTH satellite, and internet protocol television (IPTV) services.

Mobile network competition and the mobile internet

The mobile sector is a key piece of the networked digital media ecology and is the largest sector of the network media economy on a stand-alone basis (versus the group of services that make up the wireline industry). Mobile wireless services began as luxuries and business tools, but by the turn of the century they were on track to hit the mainstream. They have expanded quickly ever since. They overtook POTS in 2009 in terms of revenue, while the number of households subscribing exclusively to mobile services for their voice calling needs exceeded those relying exclusively on landlines for the first time five years later.[178]

The growth of this sector has included an expanding array of devices that are connected to mobile wireless networks (tablets, smart watches, cars, etc.). Consequently, mobile data traffic has grown 40-50% growth a year in Canada for close to a decade. The transition to 5G was expected to drive mobile data usage growth even faster, but so far over-hyped expectations have failed to materialize. Instead, Canada's mobile operators appear to be marketing 5G services mainly as a premium service that few people seem willing to pay extra for.

The mobile wireless market has grown tremendously since its debut in the early 1980s to $2.2 billion at the turn of the 21st century, and $33.2 billion in 2024. Roughly 95% of Canadians now have a mobile broadband subscription.[179] Canada's mobile wireless market is also the 6th largest mobile market in the world, based on revenue, as Figure 22 depicts.

Figure 22: **World's biggest mobile wireless markets ranked by revenue, 2024** (current $, millions)

Rank	Country	2021	2022	2023	2024
1	United States	390606.9	420029.7	422470.9	466143.2
2	China	146890.8	168390.4	166313.4	164192.7
3	Japan	107628.0	112514.3	99182.7	95469.6
4	Germany	39294.2	37705.1	40287.7	40690.2
5	India	25472.7	25181.6	29000.0	39100.0
6	Canada	29268.0	30868.1	32478.0	33230.0
7	Korea	27567.2	25922.0	26691.9	25707.2
8	France	22032.9	21141.1	23140.6	23539.9
9	United Kingdom	21178.1	20749.3	22775.9	24698.1
10	Australia	19371.3	20687.9	19890.6	25298.0
11	Brazil	15554.3	19901.3	23288.0	23709.2
12	Mexico	14013.2	15657.8	17967.4	19640.5
13	Russia	17809.5	20609.7	18672.0	18502.3
14	Italy	15453.7	13676.8	14497.7	14358.6
15	South Africa	9668.3	9728.1	8795.9	9898.2
16	Spain	12536.5	11237.6	12003.9	11939.4
17	Nigeria	8587.0	5909.2	11446.9	16934.8
18	Turkey	7272.0	7264.5	7916.9	7916.9
19	Netherlands	6399.9	5716.2	6470.4	6909.6
20	Argentina	5135.8	4747.0	6426.0	7636.0
21	Switzerland	6351.8	6190.3	6784.9	7566.2
22	Poland	4353.7	4214.9	4925.2	5511.0
23	Belgium	5037.8	4677.6	5087.8	5230.8
24	Portugal	3509.1	3622.4	3833.6	4087.0
25	Sweden	4304.0	3860.9	3918.5	4045.9
26	Austria	3748.5	3618.5	4100.3	4298.7
27	Kenya	4080.0	3135.4	3275.1	4340.1
28	Denmark	3151.5	3046.3	3258.7	3335.6
29	Finland	3027.9	2906.3	3208.4	3436.3
30	Chile	2301.6	2799.1	3120.5	4264.2
31	Czech Republic	2878.4	2622.6	2968.3	3095.4
32	Norway	2983.7	2524.1	2760.4	2802.8
33	Israel	2860.3	2820.7	2745.5	3035.8
34	Ireland	2318.8	2462.0	2522.4	2998.3
35	New Zealand	2569.2	2727.9	2794.8	2742.7
36	Slovakia	1461.7	1444.9	1122.5	1186.0

Note: See Figure 22 sheet in the Excel workbook accompanying this report.

Canada's mobile wireless market is also growing faster than the vast majority of thirty-six countries included in Figure 22. Many mobile markets seem to have tapped out and are now simply treading water, including Germany, France, Russia, South Africa, Belgium, and Denmark. Others are beginning to contract, for example Japan, Korea, Italy, Spain, Sweden, Norway, and Slovakia. Take out the countries where inflation and currency devaluations make comparisons over time tricky such as Brazil, Russia, Nigeria, Kenya, Turkey, Chile, and Argentina, and average growth rate 2021 and 2024 for the thirty-six countries was 2.5% per year. In Canada, it was 3.4%, although the pace of growth is slowing and stagnation is likely not too far off on the horizon.

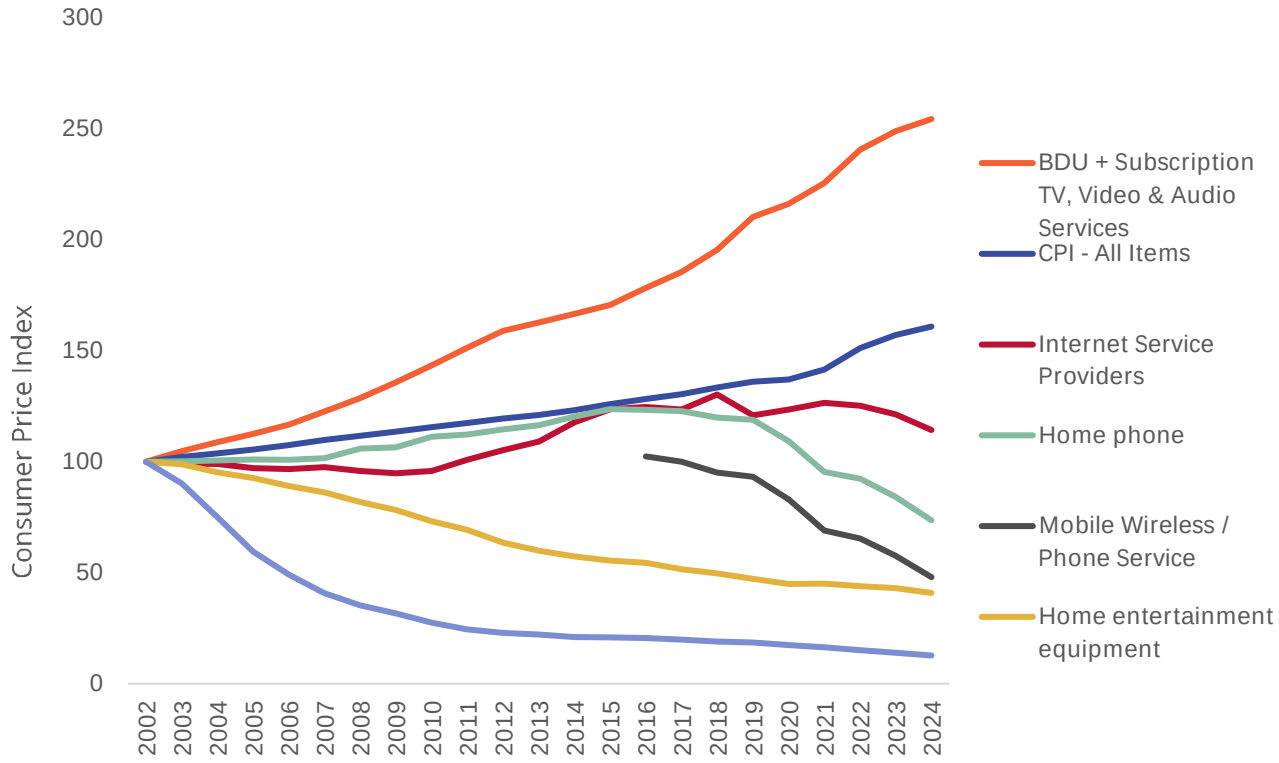
The Canadian mobile communications market is also extremely profitable, as it has been for decades. The CRTC reports average earnings before interest, taxes, depreciation, and amortization (EBITDA) of 48.2% in 2024 and 44.5% over the last ten years.[180]

The temporary losses of the Covid-19 pandemic in 2020, when revenue had declined by $1.1 billion as mobile operators suspended overage fees and international roaming fees dried up as travel was suspended, is increasingly in the rearview mirror. The mobile wireless operators' revenues recovered starting in 2021 after pandemic restrictions being relaxed, subscriber growth, and an expanding array of services. Those revenue declines only struck the big three national mobile operators, Bell, Rogers, and TELUS, however, while regional competitors such as Vidéotron, Freedom Mobile, SaskTel, Tbaytel, and Eastlink continued to grow. That contrast between regional and national operators is nonetheless another indicator that the regional rivals continue to have an impact on market dynamics, the result not just of entrepreneurial innovation but also of concerted policy efforts to improve outcomes in this sector.

New competitors have helped to drive up subscription and data usage rates in recent years by offering a wider variety of affordable service plans that have proven attractive, especially to low- and middle-income families. According to testimony in 2021 from the association of Freedom Mobile dealers during the review of Rogers' bid to acquire Shaw Communications, for example, "the primary customer segments that rely on Freedom retail services are mid-to-low income earners, new Canadians, visible minorities, students and seniors."[181] New competitors' strategy of targeting previously unaddressed market segments with low-priced offers has created clear and measurable improvements in smartphone adoption and mobile internet use in recent years.

Part of this positive trend has been driven by calls from the Liberal government since 2020 for carriers to reduce prices for plans that include unlimited calling and between 2 and 6 GB of data per month by 25%. The carriers have exceeded that call, with prices for this specific range of service offerings falling by nearly half since 2016, with year-over-year pricing falling by another 27% from 2023 to 2024.[182] CRTC data also shows steep price declines for 50 GB plans, and more modest declines for 10 GB plans.[183] Figure 23 illustrates the decline of mobile wireless service relative to the consumer price index.

Figure 23: Communication services and device prices vs. the consumer price index, 2002-2024



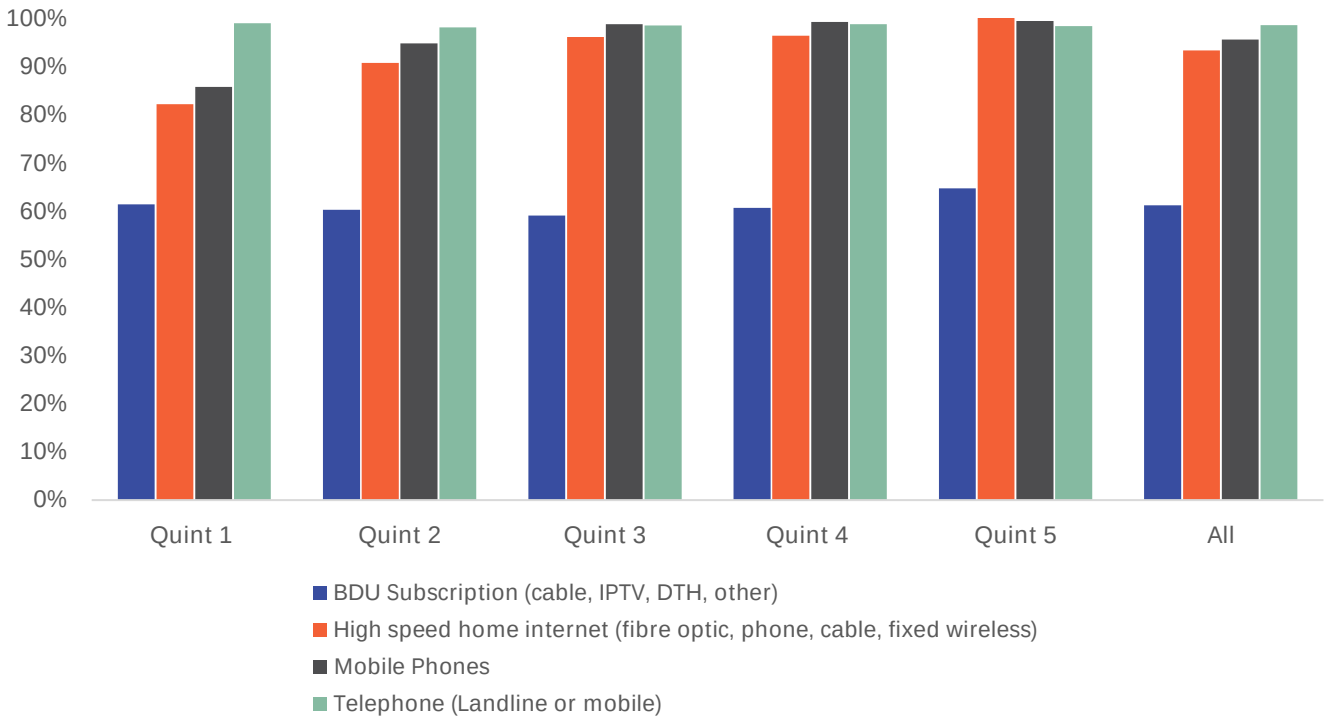
Source: Statistics Canada. Table: 18-10-0005-01 (formerly CANSIM 326-0021)—*Consumer Price Index, annual* (2002=100).

The more competitive and consistently regulated mobile wireless market has delivered significant benefits. Smartphone adoption has risen significantly from 84% to 94.3% since 2016. Mobile data usage has more than tripled from 2 GB per month per subscriber to 8.75 GB since 2017.[184] The benefits for low-income households have been especially significant, with the increase in subscriber uptake the greatest for the lowest two income quintiles, but negligible for high income households. For the latter, affordability ceased to be an issue long ago and uptake has been nearly universal.

By and large, this is a good news story. It is also an overly generous reading of the results. For example, 14% of households in the lowest income quintile did not subscribe to a mobile wireless service in 2023 (the closest year for which data is available). In the top three income brackets, wireless uptake is essentially universal, highlighting what adoption rates are like when affordability is not a barrier. That barrier, however, has been reduced in recent years, but is also now under pressure as the carriers seek to reset prices on more favorable terms for themselves.[185] Figure 24 illustrates the adoption levels

for mobile phones by income quintiles for home internet, broadband internet, and cable television as of 2023.

Figure 24: Household adoption of information and communication technologies by income quintile, 2023[186]



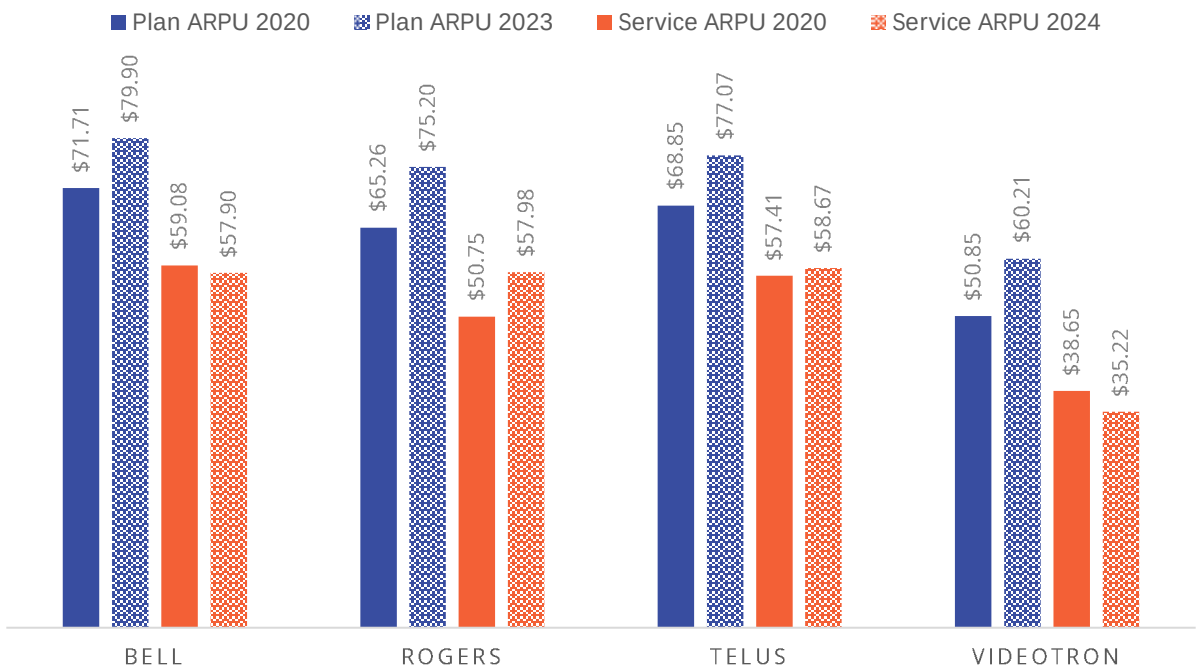
Source: Statistics Canada (2025). Survey of Household Spending, 2023.

In addition, in terms of affordability and pricing, the evidence is not all to one positive side, either. Household spending on mobile wireless services has risen from $92.08 per month in 2016 to $123.50 in 2024 (current dollars), for example.[187] It is also up from $115.12 over to $123.50 In inflation adjusted dollar over the same period, in contrast to industry and government clarion call that prices are down dramatically. The government's target also only focused on reducing prices for a specific type of plan—one that consisted of 2-6 GB of data per month--and on a per gigabyte basis, which the carriers have readily achieved. Yet this neglected the fact that the companies themselves report that total average plan ARPU inclusive of overage fees, international roaming costs, and device financing charges, amongst other sundry items, has continued to climb. CRTC data shows the same, except for a slight decline in 2024.[188] In sum, while there is no doubt considerable improvement in mobile

wireless pricing in Canada, the total price that people pay for mobile wireless services, on average, has continued to increase on *most measures*.

In contrast to this focus on the total monthly bill that consumers face, in recent years Bell, Rogers, TELUS and Vidéotron have been presenting figures for "service" revenue per user which exclude things like device financing charges, international roaming costs, and overage fees. This approach shows that price increases since 2020 have been modest for Rogers and TELUS, while for Bell and Vidéotron they have gone down. This way of parsing the data might be appealing for advertising, public relations, and lobbying governments about how Canadians are getting a good deal on world class communication services, but it is a self-serving gauge. It is also an outlier relative to the preponderance of independent analysis. In the spirit of fair play, though, Figure 25 shows the total price that people pay for a plan at the end of the month (plan ARPU) versus the price of just the service part of the plan according to the companies (service ARPU).

Figure 25**: National mobile operators' "plan" versus "service" average revenue per** user, 2020 vs. 2024



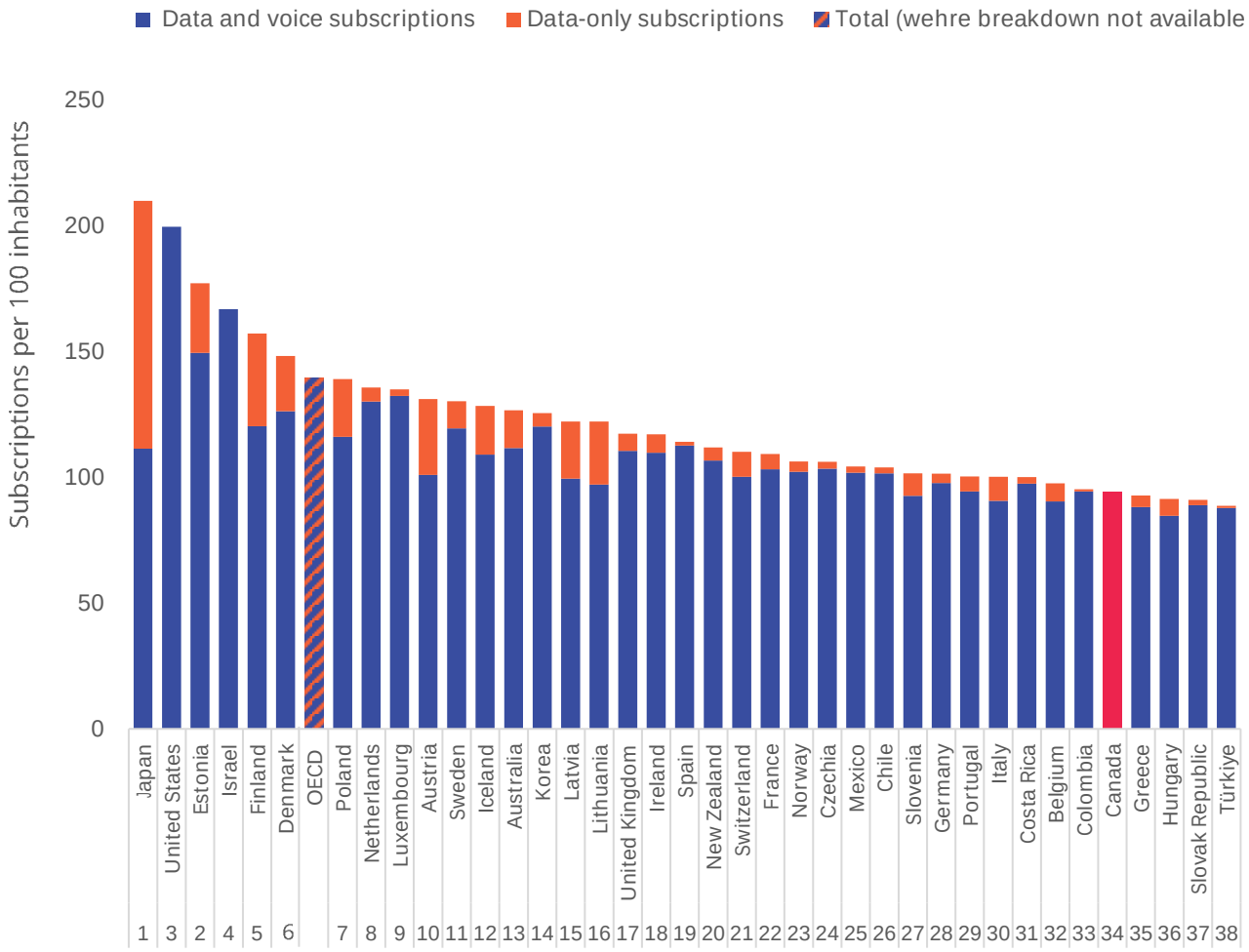
Sources and notes: Company annual reports.

Another fly in the ointment of the good news story that the carriers and government like to tell is that mobile wireless prices remain high by international standards.[189] The CRTC concluded its most recent 2021 review of mobile markets by observing that, "[m]ost international studies provided or referred to by parties found retail prices in Canada to be among the highest in the world."[190] It also rejected a 'expert study' commissioned by TELUS that came to the opposite conclusion, finding that "selection bias in the data sheds doubt on the validity of the conclusions drawn in the study."[191] International comparative studies have repeatedly found that mobile wireless services in Canada across different tiers of service (i.e. low, medium and high usage) are at the very top of the international price rankings, with only Japan and the US being more expensive for certain plans.[192]

In fact, despite significant growth in adoption rates from 85% in 2016 to 94.3% in 2024, mobile broadband (i.e. mobile internet) adoption and usage is still low by international comparative standards. In fact, in 2024 Canada ranked 34th out of 38 OECD countries on this measure, slipping two places year-over-year. The reality remains that high prices have translated into wireless adoption rates that have languished below peer countries like the US, UK, Denmark, and Australia—and nearly all OECD members—for decades.[193] Figure 26, below presents the mobile adoption rates for OECD countries as of December 2024.

International comparative studies have repeatedly found that mobile wireless services in Canada across different tiers of service (i.e. low, medium and high usage) are at the very top of the international price rankings, with only Japan and the US being more expensive for certain plans.

Figure 26: OECD Wireless broadband subscriptions per 100 inhabitants, by technology, December 2024

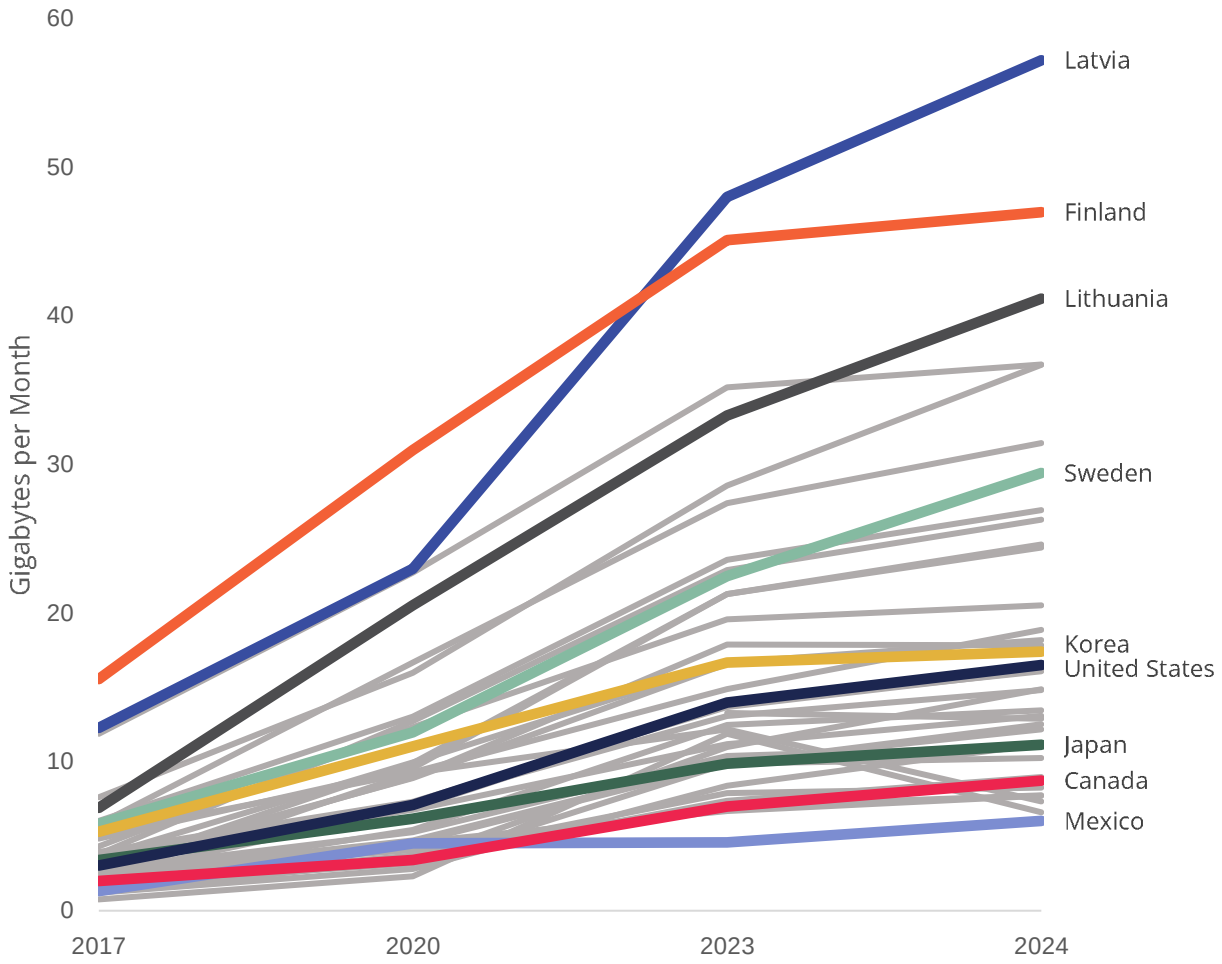


Source: OECD *Broadband statistics* (December 2024). Data for Canada is from CRTC. (2025). Communications market report, open data—mobile. Tab MB-S6 Mobile subscriber penetration rates, as a percentage of total population, by province/territory (%), 2015-2024.

Significant improvement can also be seen in terms of mobile internet use. Mobile data usage per subscriber in 2024 was 8.75 GB, four-and-a-half times what it was seven years earlier. However, average mobile data usage in Canada is still less than three-fifths the OECD average and far behind usage levels in, for example, Latvia and Finland (the top two countries, with 57 GB per month and 47 GB per month, respectively), Austria (36.7 GB), Sweden (22.5 GB), France (18.2 GB), Korea (17.4), and the US (16.5GB). [194]

The rate of mobile internet usage in Canada growth has caught up and slightly exceeded the OECD average in the last several years, meaning that the country is finally making up for lost ground.[195] That said, there is still a lot of catching up to do. As of 2024, Canada ranked 32nd of the 38 OECD countries that reported this information. Figure 27, below, depicts mobile data usage among OECD countries over the past five years, with a few select countries and the OECD average highlighted to illustrate the persistently low levels of mobile internet usage in Canada relative to other OECD countries.

Figure 27: Mobile data usage per mobile broadband subscription, 2024



Source: OECD. *Broadband statistics*. Mobile data usage per mobile broadband subscription. December 2024.

Canadians are getting far bigger data allowances in their mobile plans than in the past, but what is needed now are lower priced data plans tailored to the amount of data that people use—i.e. 8.75 GB per month on average—rather than offering 50-100 GB per month where most of the data goes unused. Options that better meet people's actual needs will help to improve affordability and close the gap with other countries where such options are more readily available and smartphone adoption and usage rates higher.[196]

The effective suppression of mobile adoption and internet usage in Canada for decades has also likely stifled innovation in, for example, video games, live streaming ecommerce, social media, and online news services that have taken-off in other countries, giving rise to what some call "social media entertainment."[197] Although it's impossible to predict what might have been under different conditions, the cost of prohibitively expensive mobile services have also likely put further strain on traditional media industries—newspapers, magazines, and broadcast television and radio—which likely would have benefited from improved mobile internet accessibility. This is especially so during commute times, where catching up on missed television series and the news, and playing games, are popular activities. These drags on mobile internet development have compounded the challenges that legacy advertising-funded media have confronted in the face of steadily mounting competition for people's time, attention and money. There is also no doubt that the same factors have imposed significant burdens on people's lives.

Concentration and competition in mobile wireless markets: National and regional dynamics and trends

The concentrated structure of mobile wireless markets at the national and provincial/regional levels, and the diagonally integrated nature of the firms that operate in them, are key parts of the explanation for what had been persistently poor outcomes until very recently.[198] Incoherent policies, inconsistent actions and regulatory hesitance by the CRTC, Competition Bureau, and ISED/Industry Canada have also contributed greatly to this state of affairs.[199] The big question at present is whether the consummation of Rogers' $26 billion acquisition of Shaw in 2023 will kill the fragile accomplishments that have been made over the years with respect to mobile wireless competition in many regions.[200]

In its opposition to the transaction, the Competition Bureau warned that the merger

> . . . will result in a transfer of wealth from low- and moderate-income groups in society to the Respondents [i.e. Rogers and Shaw], whose shareholders include ultra-rich members of the family ownership groups of these companies.[201]

The Bureau ultimately failed to win its case, but its unflagging opposition was a key factor in bringing about the spin-off remedy that Rogers accepted to get the deal approved. Two years later, we can ask whether the deal has been as bad for Canadians as the Bureau and

critics, including us, said it would be or as fabulous for Canada and Canadians as Rogers, Shaw, and their cheerleaders pledged?

The case is not clear cut. On one side, Vidéotron continues to set the pace by offering plans that are more affordable and have larger data allowances than Bell, Rogers, and TELUS. In addition, the Quebec-based communications giant announced a new international plan ion 2024 that includes 45GB of data and free international roaming in 100 countries for $60 per month.[202] This is unprecedented and thus Vidéotron can be applauded for sticking to its "maverick" strategy of breaking ranks with the national three-way wireless oligopoly, to the benefit of Canadians.

That strategy follows in the footsteps of T-Mobile in the US a decade ago when it embraced its maverick strategy and offered a similar plan after the Obama-era Department of Justice let it be known that it would not approve AT&T's bid to take over the company. With the consolidation path closed, T-Mobile was forced to compete more assertively and creatively than it had. It turned to a "maverick" strategy to disrupt the cozy AT&T, Verizon, and regional carrier oligopoly. Within years it doubled its market share before it acquired Sprint and reverted to the norm. The competitive intensity of the US market softened as a result.[203]

From the opposite side of the coin, we must also ask if Vidéotron, like T-Mobile, will revert to the status quo after having elbowed its way into the ranks of the national mobile operators? As we have seen, the downward pressure on what people pay for mobile services has stalled and, by some measures, prices drifting upwards again. Lower-priced options are also harder to find as customers are upsold to pricier plans with a lot more data than they may need. Lastly, the steady decline in concentration at the national and provincial levels has also stalled and, in fact, increased, as the following pages will show.

Concentration and competition in mobile wireless markets: National dynamics and trends

Regardless of these twists and turns over time, representatives of the mobile wireless industry have had one consistent message: "There is no competition problem in mobile wireless services in Canada."[204] According to them, Canadians have it good by any standard: affordability, adoption, network quality, investment, and international comparisons.[205] The CRTC, Competition Bureau, and ISED, however, have disagreed over the years, pointing instead to: high prices; low mobile usage and adoption (especially among lower income groups); poor customer service; and exclusionary tactics. A stack of independent research and scholarship reaches similar conclusions.[206]

Industry Canada has used licensing and spectrum policy to promote competition since first issuing competing licenses in the early 1980s to the Stentor consortium of incumbent telephone companies and the Rogers/Cantel/AT&T group, as discussed earlier. It also tried

to foster more competition by licensing two new carriers in 1995—Clearnet and Fido—but they were taken over by TELUS (2001) and Rogers (2004-5). Industry Canada and the Conservative government doubled down on the policy of setting spectrum aside for the exclusive use of new entrants in the 2008 AWS spectrum auction based on the recognition that ongoing government intervention is needed to improve competition, affordability, adoption and quality in wireless services.

New entrants got a foothold as a result, but in a recurring story they were short-lived, as TELUS in 2013 acquired Public Mobile, Rogers swallowed Mobilicity in 2015, Shaw bought Wind Mobile in 2016, and Bell took over MTS in 2017. Shaw's takeover of new entrant Wind Mobile was especially significant because it was the last of the stand-alone mobile network operators (MNOs) in Canada. Stand-alone MNOs, in turn, are important because they tend to offer subscriptions for a fraction of the price and with data plans that are many times higher than mobile operators owned by companies that also focus on wireline telecom services. In the US, in contrast, for example, T-Mobile remains a stand-alone MNO, while Vodafone is a good proxy for this type of wireless provider in countries around the world where it operates (although it has also moved into wireline telecoms in some countries in recent years). As the Finnish consultancy Rewheel concluded, the disappearance of the stand-alone mobile operator in Canada in 2016 goes a long way to explaining why it has among the most expensive mobile wireless prices in the world.[207]

Having taken over Wind Mobile in 2016 and rebranding it Freedom Mobile, however, Shaw bucked that expectation by introducing its pioneering "Big Gig" plans in 2017 that offered an unprecedented 10GB for $50. The next year it added its 100GB Big Binge plan that gave subscribers to its Big Gig plans who also bought a phone, 100GB in data that would be automatically applied if they exceeded their monthly data cap.[208]

Although not a new wireless entrant itself, Manitoba-based telecoms operator MTS was also acquired by Bell in 2017. In that case, the Competition Bureau blessed Bell's takeover of MTS by including a now-failed consent agreement that tried to create a new mobile rival out of the rural fixed wireless provider Xplornet. The effort foundered and then failed, however, when Xplornet sold the mobile wireless division to a US private equity firm which shut it down in 2022.[209] As a result of this recurring pattern of new entrants being taken over by incumbent operators within a few years, mobile wireless markets have continued to be dominated by Rogers, Bell, and TELUS for the last two decades, and arguably since wireless services were introduced into Canada in the 1980s.

Despite the classic two-steps forward, one-step back nature of these events, regional rivals and alternative carriers like Freedom Mobile in Ontario, BC, and Alberta, Vidéotron in Quebec, SaskTel in Saskatchewan, Tbaytel in Thunder Bay, and Eastlink in the Atlantic Provinces, have steadily clawed away at the three-way oligopoly that had been held for so long by their national counterparts, Bell, Rogers, and TELUS, but progress has been slow. In 2008, regional and alternative mobile operators accounted for about 4% of the market;

their share grew to 10.3% by 2022. It slipped the next year but then regained that lost ground in 2024—an indicator that Vidéotron is making good on bringing its maverick-like behaviour from Quebec to Ontario and Western Canada after acquiring Freedom Mobile. The HHI had also drifted steadily downward from 2008 until 2022, followed by an uptick since. Even at their lowest ebb in 2022, the big three national mobile operators still held 86% of the market by subscribers and 89% by revenue. Those figures have stayed much the same since. This, in turn, can be interpreted in two ways: the effect of Rogers' takeover of Shaw has been minimal because of the spin-off of Freedom Mobile or, conversely, that the transaction slammed the brakes on what had been steady incremental improvements to the competitive situation.

Given these enduring realities, the three Canadian regulators responsible for the mobile wireless market—ISED, the CRTC, and the Competition Bureau—have regularly expressed concern over the persistently high concentration levels in mobile wireless markets. In 2015, for example, the CRTC noted that, "at the national level, there has been very little change in retail market shares (either by revenue or by number of subscribers) in Canada in the past five years, despite entry into the market by several wireless carriers."[210] In 2019, the Competition Bureau concluded that

> Bell, TELUS and Rogers . . . possess market power at both the retail and wholesale level in most regions in Canada . . . [and] enjoy high levels of profitability compared to both their international and domestic peers.[211]

Just one week after Rogers and Shaw announced their merger plans, the CRTC updated its policy for mobile markets, again finding that

> Bell Mobility, RCCI [Rogers], and TCI [TELUS] . . . together exercise market power in the provision of retail mobile wireless services in all provinces except Saskatchewan, where SaskTel exercises sole market power.[212]

It also found that "barriers to entry into the retail market remain high and adversely impact new market entry or market expansion by regional wireless carriers and others."[213] It pointed approvingly at falling mobile wireless prices but emphasized that this was a feature mainly in provinces and regions where a fourth "maverick" player or independent carrier had obtained a market share of 5% or more and that prices in Canada remain high by international standards.[214] Examples of the dynamic generated by regional competitors include the launch of unlimited data plans, plans that allow unused data allowances to be rolled over from month to month, better customer service, and other service features that have had a disciplining influence on the big three national carriers.[215]

Given the modest and fragile gains so far, ISED continues to use spectrum licensing and other policy levers to foster greater competition in all regions of the country from small providers. The CRTC also continues to regulate the roaming rates that Bell, Rogers, and TELUS charge to regional competitors. It has also pushed the wireless carriers to offer

"lower-priced data-only services" tailored to those who struggle to afford entry-level services. It has also recently expanded the range of services that must be offered to help regional carriers expand their footprint. That intervention has had little measurable effect to date, although there are some cracks in the veneer, as will be shown in a moment.

Meanwhile, network sharing agreements between the big three national carriers continue to provide them with an edge.[216] More promising, however, the CRTC has also declared that its policies will apply to 5G networks, indicating that pro-competition measures will continue to be necessary for the foreseeable future.[217] Beyond price and adoption, the Commission has taken steps to address undue preference rulings against Bell's use of its mobile networks to deliver its own catalogue of broadcast programming and effectively banning Bell from "zero rating" specific content or applications as a means of distinguishing its service from rivals.[218] The rulings were a significant win for both competition and common carriage or, in contemporary parlance, net neutrality.

Assessing Rogers' $26-billion blockbuster takeover of Shaw Communications

Rogers' acquisition of Shaw Communications was a big deal by any standard. It was the biggest telecom ownership transaction in Canadian history, and sixth-highest valued corporate takeover ever in the country. In its original conception, Rogers sought to take over a wireless competitor that had made serious inroads into three of Canada's most populous and prosperous provinces: Ontario, Alberta, and BC. Rogers and Shaw's original proposal had had no intention of spinning off Freedom Mobile to Vidéotron. That was a significant concession made only after significant political and regulatory pressure. Yet, placed in context, the $2.85 billion price tag for Freedom Mobile also revealed that it was a small fraction of the $26 billion deal and that much more was at stake. Indeed, there was, as will be shown in the pages ahead.

When Rogers first announced its plan to acquire Shaw in 2021, the bid included both Freedom and Shaw Mobile. This meant that the fourth carrier policy would have been dead in BC, Alberta, and Ontario *if* the deal had gone ahead as originally conceived. It did not. Instead, it was reconfigured in the hope of overcoming opposition by two parliamentary committees, which issued reports opposing the deal, and skepticism from then ISED Minister François-Philippe Champagne.[219] The Competition Bureau tenaciously opposed the takeover on the grounds it was anti-competitive, opposed to the policies of the Liberal government and previous Conservative ones, and would result in a unfair transfer of wealth from consumers to investors and the family owners of Rogers and Shaw.[220] The CRTC, under the industry-friendly leadership of Ian Scott at the time, capitulated from the start.

Rogers began to back away from its initial bargaining position, however, once it became apparent that the Competition Bureau would not relent in its opposition to the deal. The

Bureau's stance was bolstered in the spring of 2022 when Champagne announced that he would oppose the "wholesale transfer" of Freedom's spectrum to Rogers. Vidéotron declared itself a potential buyer for Freedom Mobile from the outset, thereby offering Rogers and Shaw a chance to save the wireline combination that is really at the heart of the deal (see below). Instead, Rogers and Shaw initially put up two "paper tiger" options for a spin-off of Freedom Mobile but ultimately embraced Vidéotron *after* the Bureau filed its application for a full block of the deal.

Rogers' acquisition of Shaw finally cleared all regulatory hurdles and closed in early 2023. A realistic appraisal raises questions about whether the modifications that got the Rogers-Shaw deal over the finish line put the gains since 2008 in jeopardy or, conversely, it will turn out to have been the least bad outcome given Vidéotron's proven track-record.

On the positive side, Vidéotron's achievements in Quebec put it in a good position to export that success to Ontario, Alberta, and BC. In addition, while the CRTC's 2021 decision on mobile virtual network operators (MVNOs) spurned mandated access for unlicensed MVNOs to the incumbents' networks, it did permit facilities-based mobile network operators to do so outside their home markets on a temporary basis. That decision was specifically tailored to Freedom, regardless of whether it was owned by Shaw or Vidéotron, and could bode well for a positive outcome. Indeed, the Competition Tribunal's ruling banks on just such a prospect. As one mark in favour of such arrangements, Vidéotron appears to have been using the MVNO framework to test out entry into new markets such as Manitoba and then building its own facilities when business conditions merit it.[221]

Vidéotron has so far met the occasion and continues to challenge Canada's wireless oligopoly by offering more affordable plans with larger data allowances than Bell, Rogers, and TELUS. Its unprecedented $60/month international plan, including 45GB of data and free roaming in 100 countries, also underscores its commitment to competing head on with the big three national telecom giants and providing better options for Canadians.[222]

Vidéotron has become the fourth de facto national MNO based on its significant presence in four of Canada's largest provinces—Quebec, Ontario, Albert and B.C—and is poised to enter Manitoba in 2026. The CRTC's regulated facilities-based MVNO framework means that it can offer service in most of the country. Quebecor's national market share based on revenue has doubled from 3.6% to 7.1% and to 10.6% by subscribers, respectively, due to its takeover of Freedom Mobile and growth in Quebec.

On the opposite side of the ledger, the potential for future success still meant trading off an existing competitor with a strong proven track record (Shaw) for a new one (Vidéotron) whose prospects outside Quebec hinge on so many unknowns.[223] In addition, Quebecor's past record of having acquired spectrum licenses to only flip them years later for a tidy profit after its original business plans fail to pan out also raised concerns that it could do the same again.[224]

The crux of the matter, however, is that the potential for Freedom Mobile's future success depends on a complex web of sweetheart deals struck between Rogers and Vidéotron that will be difficult for authorities to effectively monitor and enforce.[225] The Competition Bureau remained skeptical all along of the companies' proposed spin-off remedy on the grounds that Vidéotron's success would hinge on Rogers, one of its biggest rivals, upholding its end of the bargain. Speculation and experience became reality in short order with the companies calling in the CRTC to arbitrate on the conditions of access and rates under the MVNO framework. It decided in the latter's favour.[226] At each step since, Rogers, often joined with Bell, TELUS and other incumbent telecoms operators, has sought to impose the narrowest of interpretations on the terms of the MVNO framework that form the bedrock of those deals. Each time the Commission has rebuffed such calls so far.[227]

But beyond trying to predict the future, examining the existing facts reveals lost ground that can never be reclaimed. This reflects the fact that Shaw slammed on the brakes with respect to its own aggressive "maverick strategy" immediately after agreeing to Rogers' takeover bid. Indeed, days after the deal hit the headlines, Shaw withdrew promotion and marketing materials from its planned launch of 5G services.[228] It also sat out the 3500 MHz auction in 2021, meaning it did not obtain the spectrum needed to effectively roll-out 5G service. Shaw also slashed investment in its wireless division in half in 2022 compared to a year earlier, and down further from before the transaction was announced.[229] It also dropped its plans to enter the business services market.[230] As Shaw downed tools on its maverick strategy, its previous path of steady revenue, subscriber, and market share growth stalled, or even fell, while the gap between Freedom Mobile's pioneering plans and similar offers from Bell, Rogers, or TELUS continued to close.[231]

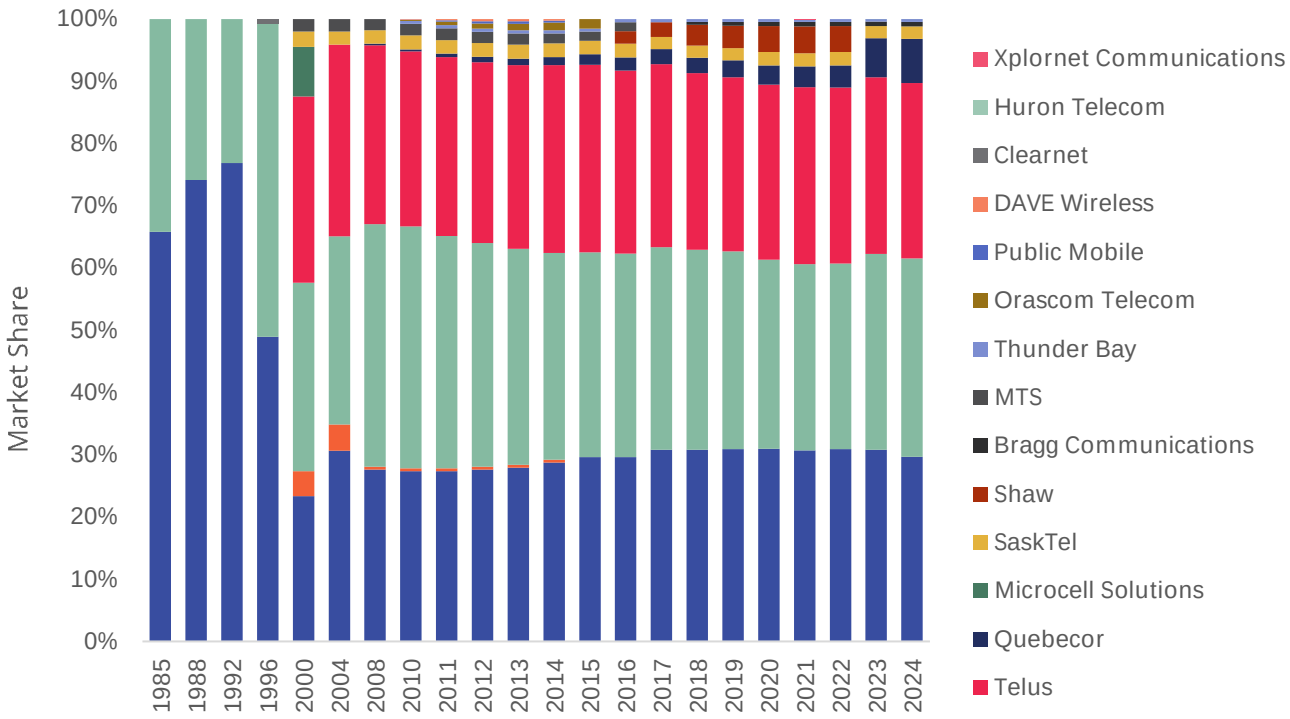
The consummation of the Rogers-Shaw transactions has not had much effect on the big 3 national mobile operators' market share based on subscribers or revenue. By subscriber, their share has bounced around since the takeover in the 86-87% range. Their share based on revenue rose from 89% to 91% between 2022 and 2023 but drifted down to 90% a year later. In other words, while the spin-off of Freedom Mobile kept an already oligopolistic market from getting even more concentrated, it did nothing to alleviate ongoing findings that, as the Commission put in 2025, provide "strong evidence that . . . the national wireless carriers together exercise market power . . . across Canada, except in Saskatchewan, where SaskTel exercises market power, and in the territories, where Bell Mobility exercises market power".[232] According to the Commission, the national carriers' market share remains high, barriers to entry are prohibitive, switching costs are significant, few reasonable alternatives exist, evidence of rivalrous behaviour is limited, and carriers can bestow unreasonable or undue preferences and disadvantage on their own and other's services. Customers do not have countervailing power sufficient enough to effectively change the carriers' behaviour or market dynamics.[233]

All told, Rogers is now the largest mobile operator in Canada, with 11.7 million subscribers, with its national market share rising from 30.3% to 31.6% by subscriber and from 29.8% to

31.9% by revenue between 2022 and 2024 on account of its acquisition of Shaw. Despite spinning off Freedom Mobile, Rogers still gained more than a half million subscribers in Alberta and BC from its acquisition of Shaw Mobile. Yet immediately after getting those subscribers, Rogers shuttered Shaw Mobile while grandfathering existing customers. Those grandfathered plans will likely become more annoying to keep, especially as Rogers tries to push them onto new plans with a higher ARPU.

Bell trails Rogers at 27.6% by subscriber and 29.7% by revenue while TELUS has a share of 27.2% by subscribers and 28.2% by revenue. The collective market share of new entrants (including Vidéotron) and alternative carriers has held steady at 10.3% by revenue over the last four years, while the HHI rose more than 100 points from 2,676 to 2,789 in 2022-2023 before it slipped back to 2,745 last year. Figure 28 below tells the story. These figures are significant because by the criteria of the toughened posture of the revised *Competition Act*, a takeover the increases the HHI dial by more than 100 points, pushes the post-merger HHI above 1,800, or yields a post-merger firm with more than a 30% market share is presumed to be anti-competitive. Rogers rings the bell on each one of these criteria.

Figure 28**: Mobile wireless operators' national market shares, 1985**-2024 (by revenue)



Sources: see Figure 28 sheet in the Excel workbook accompanying this report and the "wireless" entry in the GMIC Project—Canada open data sets for the revenues of each company covered in this figure.

In sum, the decks have been shuffled in Vidéotron's favour. It has made a good showing thus far and people have benefitted. Nonethelss, the concentrated structure of the mobile communications market has not changed. And the industry now talks incessantly about the need to restore market order and pricing discipline. None of this is unusual. As a matter of fact concentration in mobile communications in Canada is on the low side by international standards according to findings by GMICP contributors. This is not to downplay conditions in Canada but rather to say that regulators around the world, including Canada, must steel their resolve in the face of such seemingly immutable facts if public interest goals are to be advanced. The consequences relayed in these pages so far are more than enough to justify such a stance.

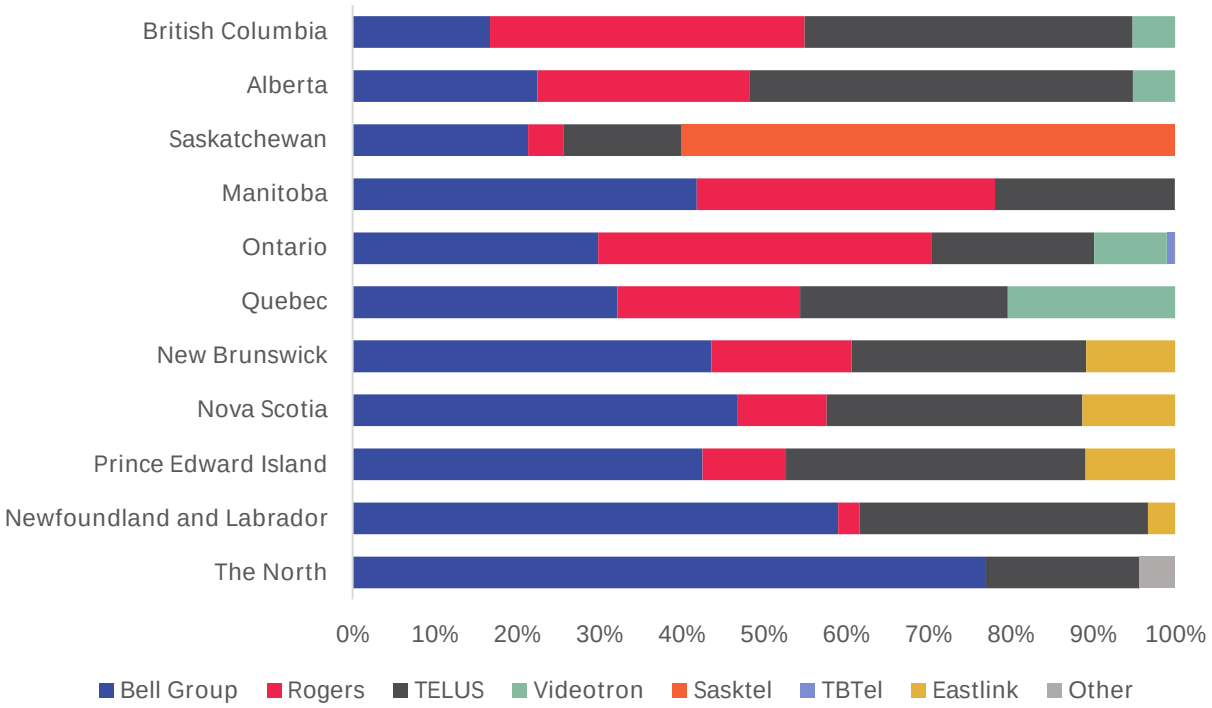
Concentration and competition in mobile wireless markets: Regional dynamics and trends

Instead of seeing Canada as having one uniform national telecom market in many ways it is better to see it as consisting of a series of contiguous regional, provincial and local markets, each with its own history, dynamics, and trends. Before starting to analyze those markets, however, an important caveat is in order: there is no readily available data that breaks down subscribers, revenue, and market share by provider on a province-by-province basis. Obviously, this makes such an analysis difficult. However, using the limited data that the CRTC does publish on the topic, clues left in the public record of the Rogers-Shaw merger review, other regulatory proceedings, corporate documents, and media coverage, it is possible to piece together defensible estimates of the situation on the ground. And if those estimates happen to be awry, hopefully others will offer better ones.

Based on our estimates, Figures 29 and 30 below depict these wide variations in market conditions on a provincial and regional basis as of 2024.

> Given the history and conditions reprised so far about the wireless market and the history of communications in Canada in general, it should not be surprising that the intensity of competition varies considerably from one province to the next.

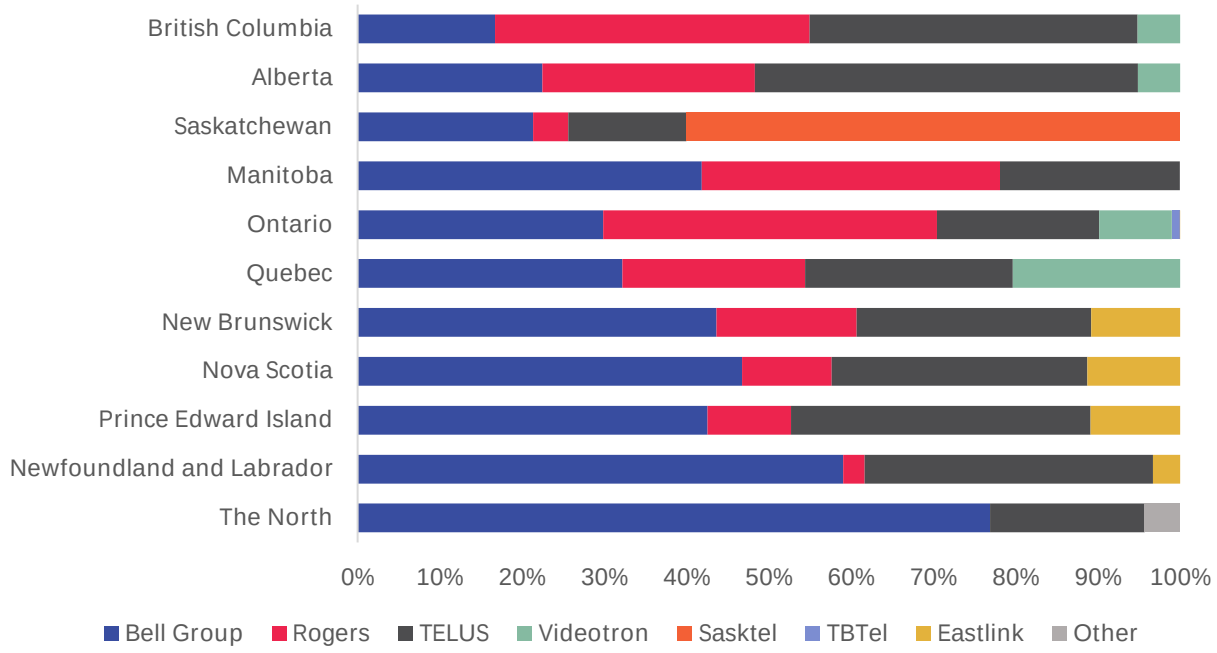
Figure 29: Province mobile wireless market shares, by subscriber, 2024



	CR3	HHI	Weighted HHI
British Columbia	93.5%	3310.5	484.7
Alberta	93.5%	3297.4	411.3
Saskatchewan	95.3%	4145.8	126.6
Manitoba	10%	3531.1	133.3
Ontario	87.9%	2926.9	1156.3
Quebec	78.3%	2532.9	492.9
New Brunswick	88%	3030.3	70.1
Nova Scotia	88.8%	3290.7	95.8
Prince Edward Island	89.6%	3269.2	38
Newfoundland and Labrador	97.3%	4648	21.2
The North	96.1%	6049.7	15.1

Source: see Figure 29 sheet in the Excel workbook accompanying this report.

Figure 30: Province mobile wireless market shares, by revenue, 2024



	CR3	HHI	Weighted HHI
British Columbia	94.8%	3359.8	471.8
Alberta	94.9%	3367.3	407.7
Saskatchewan	95.7%	4282.9	144.5
Manitoba	100%	3543.1	122.5
Ontario	90.1%	3006	1218.0
Quebec	79.6%	2581.3	512.0
New Brunswick	89.2%	3123.2	65.2
Nova Scotia	89.1%	3395.6	85.6
Prince Edward Island	89.8%	3356.6	14.4
Newfoundland and Labrador	97.4%	4733	63.9
The North	100%	6267.1	17.4

Source: see Figure 30 sheet in the Excel workbook accompanying this report.

Given the history and conditions reprised so far about the wireless market and the history of communications in Canada in general, it should not be surprising that the intensity of competition varies considerably from one province to the next. In all cases, however, one fact stands out in the wireless market in 2024: concentration levels are high by HHI standards (by subscribers and revenue), ranging from the 2,500-2,600 range in Quebec to 3-3,500 in most provinces and close to 6,000 and higher in the North. The weighted HHI average by subscriber and revenue across all regions is about 3050-3125—a figure well-above the threshold of 2,500 used to designate a market as being highly concentrated.

Yet, within this context, Quebec has the most competitive regional/provincial market, with the lowest CR4 scores, HHI indicators, and ARPU. The real success story of pro-competition policy positions taken over the last fifteen years or so has been Vidéotron. In 2023, it usurped Rogers as the second-largest player in Quebec based on subscribers and solidified its position in that place in 2024. It stands third in terms of revenue, ahead of Rogers but still trailing TELUS and Bell. In 2024, its market share hit 20.4% by revenue and 24.8% by subscribers, results that remained flat of down slightly year-over-year. That outcome could suggest that that Vidéotron's decade-and-a half long run of cutting down the big national MNOs' market share in the province may be grinding to a halt. Adoption rates in Quebec have climbed in recent years after lagging the rest of the country during the early stages of mobile wireless development. These achievements vindicate government policy support for new entrants while underscoring Vidéotron's ability to compete head-to-head with the big three telecoms.

Quebecor's acquisition of Freedom Mobile in 2023 added 1.8 million subscribers in Ontario, Alberta and BC to those that Vidéotron already served in Quebec. Consequently, the Quebec-based communications conglomerate's year-over-year average subscriber base jumped from 2.3 million to 3.8 million, growing to 4.1 billion in 2024. Its revenue also surged from $1.1 billion to just over $2 billion in 2023 and to $2.4 billion a year later.[234] The company's share of the national wireless market has also doubled from 3.6% before its takeover of Freedom Mobile to 7.1%. As a result, Vidéotron is no longer predominantly a Quebec-based wireless competitor but a national one, at least in Ontario, Alberta and BC, while roaming agreements. Backed by the CRTC's facilities-based MVNO regime it also offers service nationwide.

Vidéotron already had a toehold in Ontario through its presence in Ottawa before acquiring Freedom Mobile, although with less than an estimated 40,000 subscribers that presence was tiny. Nonetheless, with five mobile operators competing for customers, Ottawa was probably the most competitive local wireless market in Canada. With Freedom Mobile now under Quebecor's ownership, that number fell to four, a small loss from a national perspective, to be sure, but a loss all the same.

To help gauge how Quebecor's acquisition of Freedom Mobile changed market conditions in Canada, it is helpful to recall that Shaw had acquired Wind Mobile in 2016 and shortly

afterwards rebranded it as Freedom Mobile. Four years later it launched its eponymously named Shaw Mobile in 2020 to offer bundled packages of internet, cable, wireless and home phone services to better compete with TELUS in its home base provinces in Western Canada. By 2022, Shaw's Freedom Mobile and Shaw Mobile had 2.3 million subscribers between them, 6.5% national market share by subscribers (and 4.2% by revenue) and a market share of 8-13% by subscribers and 5-9% by revenue in Ontario, Alberta, and BC.

As a result, Bell, Rogers and TELUS were facing a substantial rival in Freedom Mobile in Ontario, BC, and Alberta, from Vidéotron in Quebec, SaskTel in Saskatchewan, and from Eastlink in the Atlantic provinces. These new entrants' combined national market share based on revenue almost doubled from 4.1% in 2016 to 7.8% in 2022, while the weighted average HHI score for provincial and regional markets based on subscribers had also come down from over 3,020 in 2021 to 2,980 a year later.

Those trends came to a halt in 2023. New entrants' collective market share slid to 6.9% and the HHI also returned to where it had been four and five years earlier. Effectively, Rogers' takeover of Shaw Mobile and the spin-off of Freedom Mobile, as well as the damage already done when Shaw aborted its business, investment, and spectrum acquisition plans, had turned back the clock by close to half-a-decade. No matter how well Quebecor executes its takeover of Freedom Mobile from here on out, those lost years cannot be recovered.

Rogers' gains from its acquisition of Shaw Mobile also translated into lost market share for new entrants in Ontario, Alberta, and BC. This is because even though Quebecor-owned Freedom Mobile has ably picked up where its predecessor left off, its customer base is smaller by a half million subscribers because Rogers got them when it bought Shaw Mobile. Rogers also gained another quarter of a million new customers from "organic" growth since acquiring Shaw. Having grown its market share by 4.6% and 6.5% in BC and Alberta, Rogers now stands equal to TELUS in BC and second in Alberta. The gap between Rogers and TELUS, on the one hand, and Bell, on the other, in Western Canada has also widened as a result. In BC, for example, Bell's market share of 16.7% based on revenue is less than half that of Rogers (38.3%) and TELUS (39.9%).

With its market standing strengthened, Rogers has been keen to up the stakes with the dominant player in Western Canada, TELUS. This has prompted both companies to roll out aggressive competitive offerings of their own to better compete with one another and to push back the inroads made by new entrants, even if selectively targeted and with prices set higher or lower depending on local conditions. With investors breathing down their necks, they are also feeling the pressure to ensure that efforts to stare down one another and beat back new entrants with more aggressive pricing strategies than they would prefer, do not devolve into ruinous competition and even price wars.

From cable and broadband to a unified digital communications system

The next section reviews wireline telecom services growth, development, and concentration trends. It also reviews how the government and CRTC's optimistic assumptions that the competition and convergence policy framework they adopted in the mid-1990s could be used to effectively monitor and correct the abuse of dominant market power. That faith has since proven to be misguided, albeit without ever failing entirely to meet some of their goals. The section concludes by examining the growing clash between Canadian telecom conglomerates and international big tech (Alphabet, Amazon, Bytedance, Meta, Microsoft), streaming media giants (Netflix, Spotify), and US media conglomerates (e.g. Disney, Paramount and Warner Media Discovery) whose services are being offered direct to consumers over the internet (including through app distribution platforms like Apple's App Store and Google's Play Store).

Wireline telecom continues to be the bedrock of the telecom industry and central to an increasingly unified digital communications and media distribution system.[235] In 2024, it was valued at $69.5 billion. The mobile wireless market accounted for $33.2 billion of that, while three other sectors that make up the wireline side accounted for the rest: internet access, broadcasting distribution, and a grab bag of wireline-plus services from POTS to home monitoring, smart farming, data analytics, health information, and other such things. Canada's big four telecom conglomerates straddle the wireline and wireless sides of the business, but their own presentations increasingly unify their operations under single labels such as "tech co" rather than a "telco" (BCE) or as a "Technology Solutions (TTech)" company (TELUS). Rogers now similarly blends cable television, internet access, home phone and home security into an omnibus cable segment that blurs the lines between those business lines.

Ultimately, despite extensive vertical integration and diversification into an ever-changing set of new services, telecoms still account for 80-90% of these companies' revenue, while broadcasting, information, and media services make up the rest (see below). Given that telecom revenue weighs so heavily in these firms' organization and that it represents two-thirds of the network media economy (or just over half without cloud computing)—while streaming media services, online advertising, app distribution, broadcasting and publishing make up the rest—it is fair to say that control of communications, not content, is king of the internet-centric digital communications and media universe. The next several pages examine internet access and broadcasting distribution (aka cable, IPTV, and DTH satellite).

Internet access and broadcasting distribution markets: What Rogers really wanted…and got

While the spotlight has been on the mobile wireless dimension of the Rogers-Shaw transaction ever since it was announced, it was not the most significant part of the deal by a long shot. This was clearly signaled by the fact that while the spin-off of Freedom Mobile to Vidéotron was a significant concession, its $2.85 billion price tag belied the fact that it was only a small fraction of the $26 billion deal. The biggest and most coveted part of the deal was, in fact, Shaw's extensive wireline system. Having acquired that, Rogers doubled its share of internet access and broadcasting distribution markets and catapulted itself into being a national player that is now much closer to being on par with Bell.

Shaw's wireline assets were the bedrock of its business and growth opportunities. With revenue of $4 billion the year before its takeover, Shaw's wireline division was three times the size of the company's mobile wireless revenues of $1.3 billion in 2022. Cord-cutting had been a drain on Shaw's cable television division, but those losses were offset by gains on the internet access side, in line with trends across the industry. Shaw's profits were also much higher on that bigger revenue stream than for its mobile wireless branch.[236] Wireline networks have also become more important in the context of 5G networks because they depend on many small antennae spaced closely together and connected to one another through a wireline connection. It should not be surprising, then, that even as Shaw had slashed investment in half for its mobile wireless division amidst its pending takeover, it was plowing investment into the wireline side of its business.

The real crown jewels in Shaw's communication empire were its cable monopoly, retail internet access services, and the regional, national, and Canada-US backhaul capacity it had acquired twenty years earlier from the bankruptcy of 360Networks after the dot-com bubble burst.[237] Shaw had integrated that new capacity and additional investment into its Big Pipe project with its existing cable system to build out its broadband internet and cable television services in Western Canada and its national business and wholesale services for business and government clients as well as independent ISPs across the country.

Rogers, in contrast, had hardly any such capacity in Western Canada. It had traded away what little it did have in its 2000 deal with Shaw to divvy up Canada into Cable Monopoly East and Cable Monopoly West discussed earlier. Fast forward twenty years and Rogers' acquisition of Shaw gave it a dominant position in retail internet access, broadcasting distribution, and mobile wireless markets in Western Canada. It also now comes close to rivaling Bell in size and scope.

The above discussion of cable swaps between Shaw and Rogers, the acquisition of assets from bankruptcy proceedings that have been integrated into internet infrastructure, as well as cable distribution at the local retail and regional and national wholesale markets, reveal that all of these intersect at the point of wireline telecom. This also means that cable television, internet access services, and POTS have been yoked ever more tightly together

from the 1990s onwards as the internet access market took off in Canada. As such it is helpful to tell their story together.

Cable television and internet access market developments, circa 1990 to 2010

Just as internet access was gaining traction in the late 1990s, cable television revenue was exploding and the promise of a 500 channel digital media universe gave the technology and industry a high-tech allure. POTS was universal and affordable but soon set to decline forever. As high-speed broadband took hold just after the turn of the century, it gradually undercut POTS and cable television, pointing to a future where those services and many others would increasingly converge into an integrated digital communications and media distribution system.

Cable television flourished in the 1980s and 1990s. By 1996, three-quarters of Canadian households subscribed to a cable or DTH satellite service compared to 15% thirty-five years earlier. Annual revenue had also soared from $37 million in 1969 to $716 million in 1984, before quadrupling again by 1996.

Going into the 1990s, the cable industry still consisted of hundreds of local cable systems, with the top four cable system operators—Rogers, Shaw, Maclean-Hunter, and Moffatt—having a combined market share of just 41%. That changed rapidly, however, as Rogers' acquisition of Maclean-Hunter in 1994 spearheaded a round of consolidation that doubled the CR4 for the national cable market to 85% by 1996. Meanwhile, the advent of DTH satellite services helped to expand the broadcasting distribution market and to counteract the ongoing consolidation among local cable monopolies. Consequently, the top four firms' market share was whittled down to 72% by the turn of the century, with a concurrent decline in the HHI from 2,315 to 1,567.

That trend, however, was cut short by four acquisitions at the close of the 20th century:

- Shaw's consolidation of control of DTH satellite television distribution company Star Choice as part of its broader acquisition of Western International Communication's broadcasting assets in 1998.
- Shaw and Rogers' cable system swap in BC and Ontario that carved up the country into Cable Monopoly West and Cable Monopoly East, while striking an informal deal between the two cable giants to not compete with one another in their respective back yards.[238]
- Quebecor's acquisition of Vidéotron in 2000, with backing from the Quebec government's investment arm, Caisse de dépôt et placement du Québec, which traded investment for a 25% stake in the company, all to avoid the company falling into the hands of Toronto-based Rogers (the Caisse held its stake until 2015, but had divested it by 2018).

- Bell consolidated its control over DTH satellite television distribution company ExpressVu in 2000 from a consortium, including itself, that had launched the service in Canada in 1997.

These transactions drove concentration levels to unprecedented heights. By 2004, the collective market share of the top four broadcasting distribution undertakings (BDUs in CRTC parlance)—Shaw, Rogers, Bell and Vidéotron—reached 89% in a market then worth more than $5 billion annually. The market was split between cable system operators (about $4.2 billion) and Shaw's Star Choice and Bell's ExpressVu ($869 million combined). Adoption rates continued to climb, and by 2004 84% of households (about 8.9 million homes) had a BDU subscription and paid $47.19 per month on average. This was a steep increase over the $29.43 paid in 1996. Thus, despite facing some competition from ExpressVu and Star Choice, local cable monopolists still had enough market power to hike prices well above the CPI.

While common indicators of market concentration had gone down, competition had been neutralized by Shaw's takeover of Star Choice. This helped to ensure that satellite television would develop as a complement to its cable systems in Western Canada rather than as a threat to them. Bell had strong incentives, in contrast, to use ExpressVu to compete with Rogers, Vidéotron, and Cogeco in central Canada and the Atlantic provinces, and it did. At the same time, however, its investment in satellite television distribution undercut its case for investing in fibre networks. Thus, while MTS, SaskTel, and TELUS began increasing investment in fibre networks and rolling out internet Protocol television (IPTV) services in the 2004-2007 period to compete with Shaw, Bell waited several more years. This was because investing in fibre and rolling out IPTV services of its own was sure to compete with and therefore cannibalize its profits from ExpressVu. Consequently, Bell waited until 2011-2012 before doing so in Ontario, Quebec, and the Atlantic provinces. It also did so gingerly at first to minimize the effects of shifting its television distribution business away from ExpressVu to Bell Fibe, but with increasing alacrity as time went on.

The internet access market blossoms, circa 1996 onwards

During the run of events just described in the broadcasting distribution market, the internet was taking off. During the "competitive ISP era" in the late-1990s, one new entrant after another entered and cultivated the field: e.g. AOL, 360Networks, Axxent, GT Telecom, Fibrelink, AT&T, Call-Net (Sprint), and hundreds of others. On the surface, it appeared that federal policies put into place to promote competition were having their desired effects.

As of 1996, the internet was still in its infancy and revenue was tiny at $239 million, just 1% of the $23-billion telecom industry. Small ISPs took advantage of the CRTC's regulated wholesale access framework from the start to garner a third of the nascent internet access market in the late 1990s. Meanwhile, the incumbent telephone and cable carriers waited

until the nascent market's potential became obvious before launching retail internet access services of their own.

They did not have to wait long because by 2000 the internet access market in Canada was valued at $1.8 billion. It has grown by leaps and bounds ever since, reaching $6.4 billion in 2010 and $16 billion in 2024.

The fate of independent and smaller ISPs' changed for the worse, however, as the telcos and cable operators made deeper forays into the internet access market and after the dot-com bubble collapsed in 2000. The failure of many of the new entrants mostly redounded to the benefit of the larger Canadian companies who picked up their pieces at fire-sale prices and integrated them into their own efforts to expand into new markets in their traditional operating territories and beyond.[239] To help bolster prospects for their own internet access services, Bell, Rogers, TELUS, Shaw, Vidéotron, etc. jumped fully into the now burgeoning market and used a wall of obstructionist tactics meant to kill off what was left of the independent ISP movement.

The market share of small ISPs crumpled to just 6% in the early 2000s as a result. This exposed the Liberal government's convergence policy strategy and the CRTC's 1994 regulatory framework as exceedingly weak in terms of securing competition in telecoms and internet access services. It was a redux of early-20th century telephone history and a portent of what was to come ever since, but now with the internet on the line, as the following pages will show.

As broadband became more ubiquitous in the 2000s, independent ISPs faced a half-decade regulatory battle for survival before a series of CRTC rulings from 2006-2011 helped turn things around.[240] The "speed matching" decision in 2010 was decisive in this regard because the CRTC mandated that independent ISPs be given access to the resources they needed to match the basic, express, and ultra-fast services of the telecom and cable companies.[241] Without such access, they would be limited to offering the most basic—and slowest—tier of services, which would have been a sure and speedy path to their demise.

With a sturdier regulated wholesale access regime now in place, small ISPs could better compete with the incumbents across the full range of retail internet access services based on speed, data allowances, quality, service, and price. As that happened, independent ISPs like Distributel, TekSavvy, VMedia, and too many others to name, doubled their market share to a high of 14% based on revenue (15.1% based on subscribers) in 2019. Household internet adoption climbed in tandem to 91% that year.[242]

At the same time, however, the frontiers were already shifting as the incumbent telecoms companies began ramping up their investing in fibre networks and IPTV services. This led to mounting competition between the telecoms operators and cable companies, and thus to the demise of local cable monopolies (see below). It also shifted the regulatory goal posts, however, as the telecom and cable groups asserted that the regulated wholesale access

regime and speed matching rule that the CRTC had crafted for copper and co-axial cable did not apply to new investments in fibre. This clashed with the doctrine of "technological neutrality" that was wielded on every other front, as expressed in the *Telecommunications Act* and the *Broadcasting Act*. Most importantly, though, it posed another potential existential crisis for the independent ISPs whose future depended on getting secure access to the new generation of fibre-based internet infrastructure. From 2015 until now, this led to the incumbents opening yet another multiyear, multipronged campaign to shut down that future as swiftly as they could, as will be shown in a moment.

The transition to fibre: Next gen networks or competition's demise?

Susan Crawford calls fibre to the premises (FTTP) the gold standard of telecom networks and sees it as a requirement for future economic growth and social well-being.[243] IPTV services are important in this regard because they generate the demand and revenue that telecom operators need to support the economic and business case for investing in fibre optic broadband networks. The fast growth and burgeoning demand for streaming video, games, and music services similarly drives the potential for investment in and subscriber uptake of FTTP.

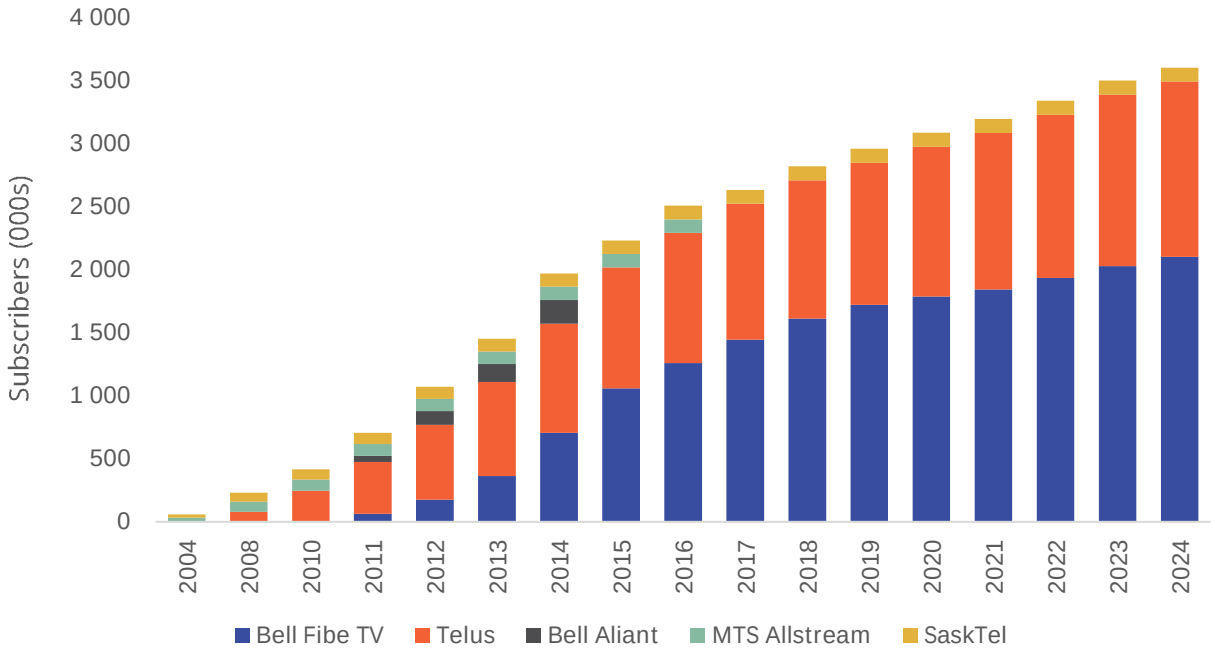
Telecoms operators and cable companies have been increasingly bundling fibre internet services with discounted television subscriptions to lure customers to higher margin retail internet services. The end of cable monopolies, however, was drawing nearer due to mounting rivalry with the telecoms' IPTV services. MTS and SaskTel in the prairies were the first to roll out IPTV services beginning in 2004, followed by TELUS in Western Canada in 2007/2008, years in advance of Bell. Bell only began to build out its fibre network in a substantial way after 2010, while speeding up its "rip-and-replace" approach to its old copper network in the last decade. It was not until the company—Canada's biggest communications conglomerate—started to roll out its own IPTV services in a concerted way in Ontario, Quebec, and the Atlantic provinces after 2012, however, that both competition in the cable market and the deployment of fibre-based networks gathered steam.

But steam they did gather, and the local cable monopoly has been relegated to the dustbin of history as a result, although, concentration levels are still sky high. Until 1996, the HHI for local cable markets was 10,000, or a complete monopoly. By 2004, however, the HHI for local broadcasting distribution services—or BDU, as they are called in Canadian regulatory parlance—had fallen on average to 7,135—close to three times the threshold used to designate a market as "highly concentrated" but no longer a monopoly.

By the end of 2024, the telecoms operators' internet-based television services had more than 3.6 million subscribers, as shown in Figure 31, below. Consequently, they were competing intensely with traditional cable television services, whose market share had been cut to 57%. By this time, the telecoms' IPTV services garnered close to a third of the TV distribution

market by revenue and 40% based on subscribers. The figure was 43% once Bell's satellite TV service is brought into the picture.

Figure 31: The growth of IPTV subscribers, 2004-2024



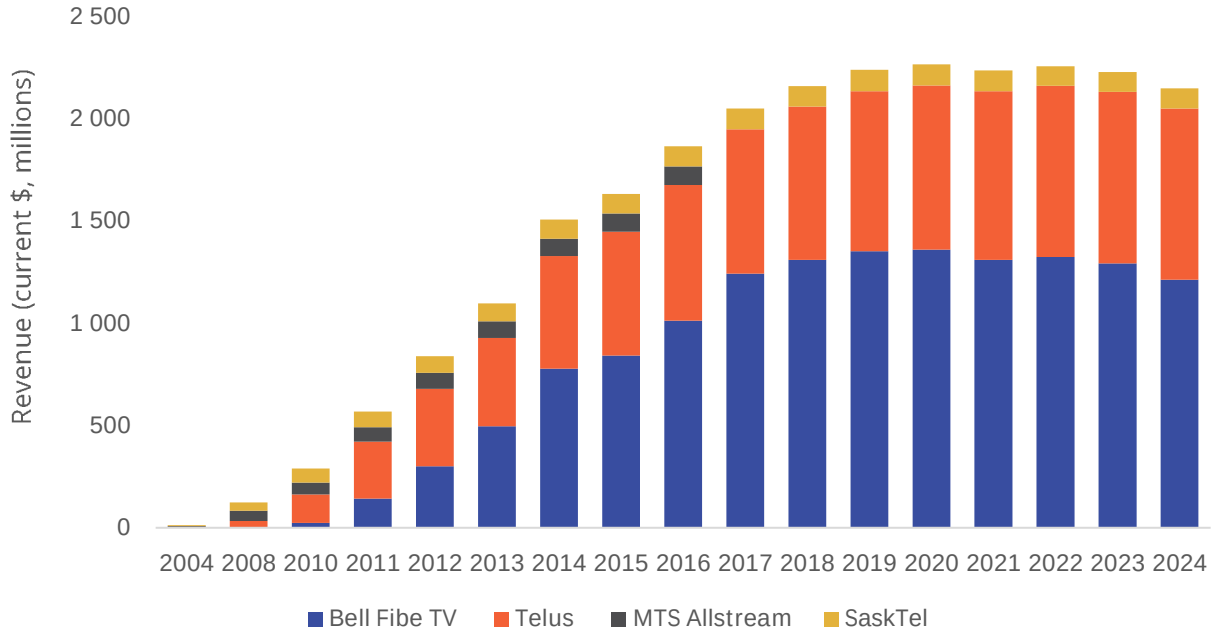
Source: see Figure 31 in the Excel workbook accompanying this report and the "Multichannel video distribution" sheet in the GMIC Project—Canada open data sets.

By 2024, the telcos' IPTV services accounted for 40% of the TV distribution market based on subscribers, or 33% by revenue. The figures were 41% and 43%, respectively, once Bell's satellite TV service is brought into the picture. The telecoms operators-cum-television distribution and programming service providers have also been bundling fibre internet services with discount pricing on their IPTV services as part of a broader strategy to lure subscribers to higher margin fibre-based retail internet services, a subsidy in all but name and central to the battle of the bundles that characterizes telco versus cable competition in midsize to large cities across Canada.

The telcos' IPTV revenue increased sharply from $1 billion in 2013 to almost $2.3 billion in 2020 but has run out of steam since, held back by the decline of broadcasting distribution markets. Revenue for the BDU sector dropped from $7 billion to $6.4 billion in 2024—a year-over-year decline of 8.3%. The rate of decline for the traditional BDU sector is also accelerating. Consequently, even the telecoms operators' IPTV services saw revenue slip to

$2.2 billion in 2024—still about a third of the total for the industry but trending down from the highs of previous years. Figure 32 below shows the telcos' IPTV service revenue for the last twenty years. It also shows that their days of rising revenue has also come to an end.

Figure 32: The growth of IPTV revenue, 2004-2024 (current $, millions)



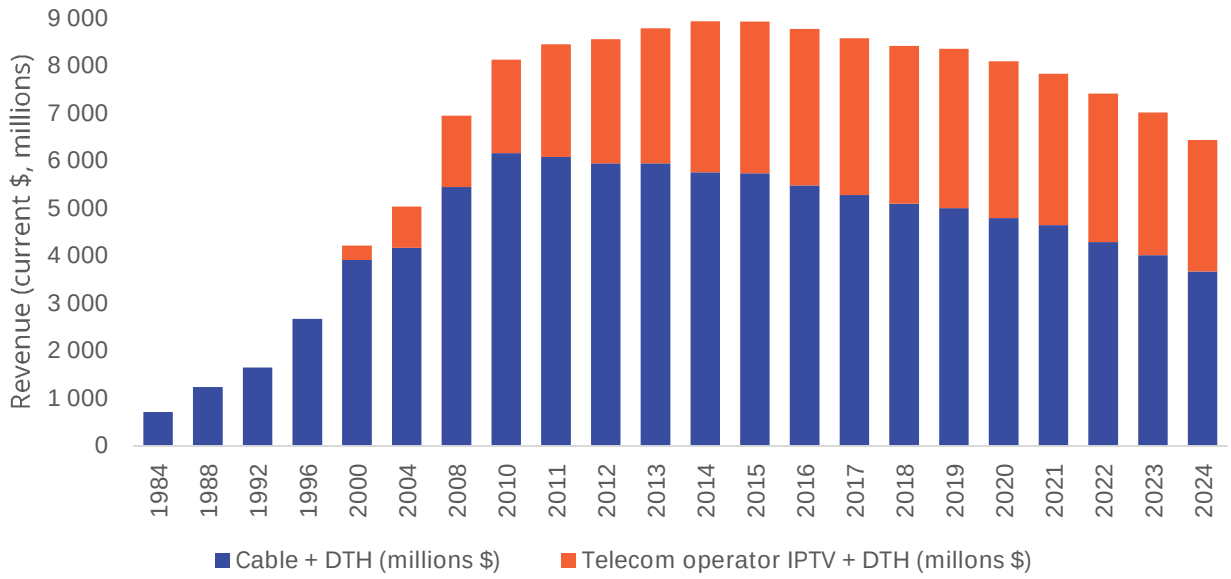
Source: see Figure 32 data sheet in the Excel workbook accompanying this report and the "Multichannel video distribution" sheet in the GMIC Project—Canada open data sets.

Driven on by the trends and dynamics being described in these pages, IPTV uptake in Canada as a percentage of total BDU subscribers is multiple times higher than in the US. In the US, IPTV subscriptions have fallen to just 5% in 2023 as telecom operators like Verizon and AT&T exit the pay television market versus 40% in Canada, as was shown a moment ago.[244]

Figure 33 below shows the rise and fall of the broadcasting distribution market over the past forty years. It also shows that the telecom firms have gained market share while cord cutting has gathered steam.[245] The competitive pressure that the cable companies face from the telcos' IPTV services have compounded their woes. For the telcos, broadcasting distribution was a new market to enter and to reap the benefits from while they could. Both groups, however, now face the fact the number of BDU subscribers has plunged from 85.6% of households at its highpoint in 2011 to 58.6% in 2024 (9.4 million subscribers). The

CRTC puts the rate even lower at 54%, probably because it counts total households (16.7 million) versus just the number of *occupied* dwellings (15.45 million).[246] Regardless, the subscriber loss in both cases translates has led to revenue falling from its all-time high of $8.9 billion in 2014-2015 to $6.4 billion in 2024, a decline of 28%.

Figure 33: Broadcasting distribution revenues by type of provider, 2004–2024 (current $, millions)



Sources: see Figure 33 data in the Excel workbook accompanying this report and the "Multichannel video distribution" entry in the GMIC Project—Canada open data sets.

The former cable monopolies such as Rogers, Vidéotron, and Cogeco have taken the brunt of these losses. Their revenue has fallen by $2.1 billion over the decade, a drop of more than a third and one which implies that for every dollar they lost, the telcos picked up a dollar and change. Cable companies have also been switching over to IPTV standards in recent years as they replace legacy coaxial cable systems with fibre networks but trail far behind the telephone companies in their efforts. Their growing investments in fibre and IPTV based network and service architecture and set-top boxes nonetheless means that they and the telcos are converging around FTTH and IPTV protocols. They are also using their own migration to next generation fibre networks to freeze out additional rivals from that future on the grounds that the regulated wholesale access regime, upon which the survival of independent ISPs depends, was built for copper and coaxial cable, not fibre.

If these conditions were not challenging enough incumbent telecoms and cable system operators are increasingly competing with US and international streaming services such as

Netflix and digital content aggregation and distribution platforms online, from Apple's App Store and Google Play to Amazon. Today, a quarter of Canadians watch television services exclusively online—a figure that has tripled over the decade.[247] This intensifying tendency will be developed further in the pages ahead.

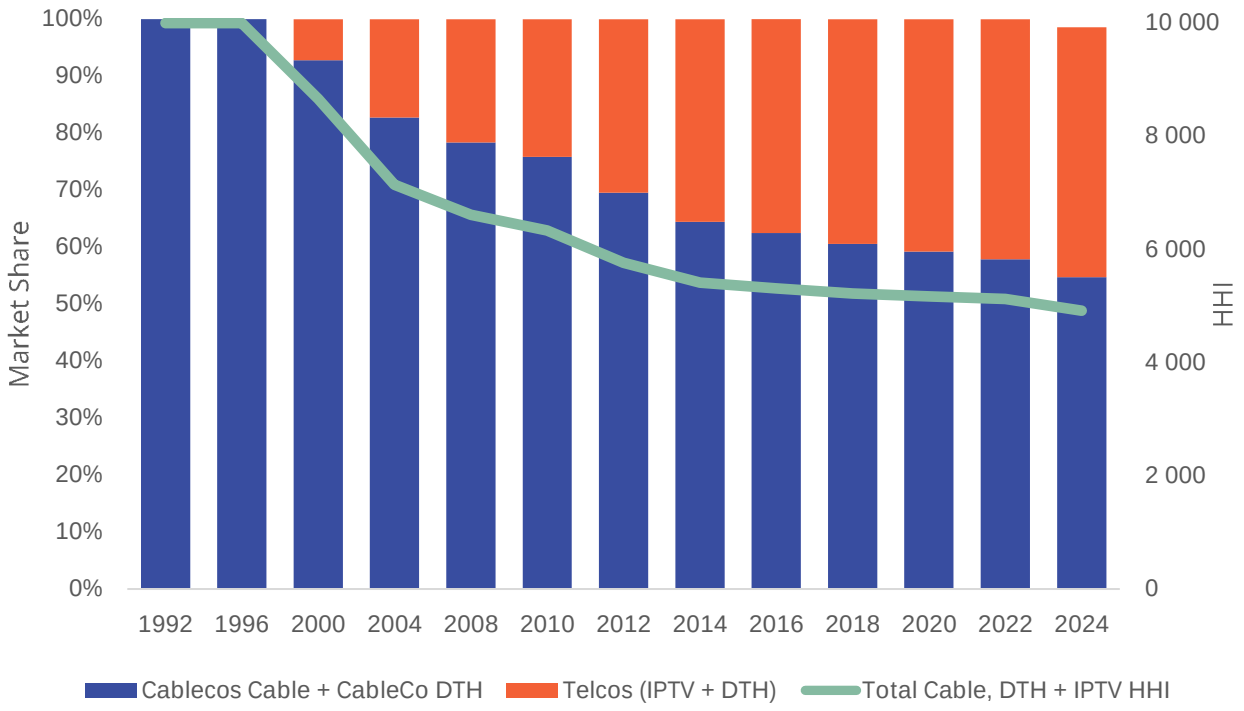
The end of the cable monopoly

The growth of IPTV services demonstrates both the potential and the limits of facilities-based competition: a market that was once served by regional monopolies now faces competition as cable and telephone operators competing head-to-head in their respective regions. As telephone company IPTV services have gained traction, both the CR4 and the HHI scores for the BDU sector have dropped significantly at the national and local levels. At its high point 2024, the national market share for the top four firms—Rogers, Shaw, Bell and Vidéotron—was 89%; by 2022, they accounted for 77-78% of the market based on revenue and subscribers. Over the same period, the national HHI also fell from 2,298 to 1,827. By the numbers, the national cable television market had become more diverse than it has been since the early 1990s. That tendency came to an end, however, when Rogers' acquisition of Shaw in 2023 restored concentration levels to what they had been twenty years earlier.

When we consider things from the more fine-grained vantage point of the local and regional level where people live and subscribe to such services, the cable TV market has never been as diverse and competitive as the improving conditions at the national level imply. Indeed, seen from the local and regional angle, up until 1996, the HHI was 10,000, or a complete monopoly. By 2004, however, the HHI for BDU services at the local level had fallen on average to 7,145—close to three times the threshold used to designate a market as "highly concentrated" but no longer a monopoly. Fast forward twenty years, and the market share of traditional cable firms had been cut to 57%, while the telephone company share had swelled to 43% (including Bell's satellite TV). The HHI had fallen below 5,000 in step with these tendencies.

Figure 34 illustrates the demise of monopoly cable TV and the rise of duopolistic rivalry between incumbent cable companies and telephone companies since 1996—the year when the Chrétien Liberal government dropped the ban on cross-industry competition between the two groups of companies, as described earlier in this report.[248] Its main point can be summarized as follows: while the local cable monopoly has indeed been relegated to the dustbin of history, concentration levels are still sky high.

Figure 34: The decline of monopoly cable: Cable versus telephone companies, 1996-2024



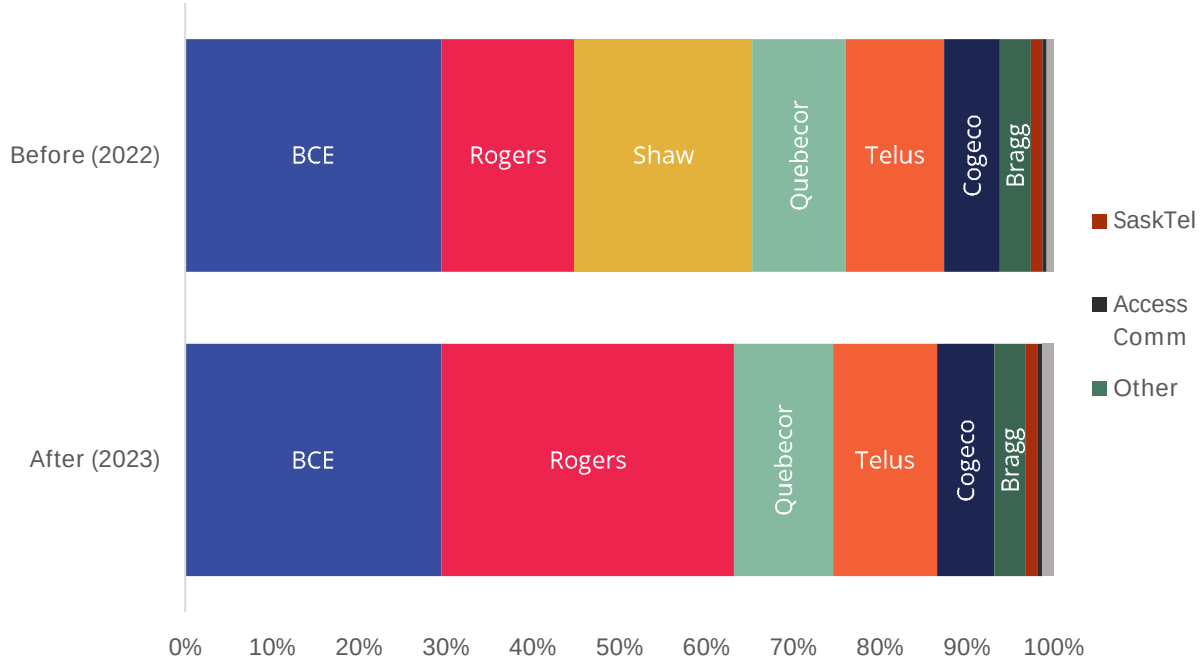
Sources: see Figure 34 sheet in the Excel workbook accompanying this report and the "Multichannel video distribution" sheet in the GMIC Project—Canada open data sets.

Rogers' takeover of Shaw did not move the dial one way or another with respect to the structure of local cable markets because they did not compete head-to-head in those markets, but it did fundamentally alter their dynamics. This was because, as was shown earlier, the two firms had struck a pact in 2000 that explicitly carved up the country into Cable Monopole East (Rogers) and Cable Monopoly West (Shaw) to nip any potential for direct competition between them in this field in the bud.

However, swing back to the national perspective and post-merger Rogers more than doubled its share of the BDU market from 15.3% based on revenue to 33.7% while rising from 15.6% to 34.3% based on subscribers. It also threw the positive momentum in concentration ratios into reverse, with the CR4 rising from 76.1% of the national BDU market based on revenue to 86.6%, and from 78.1% to 87.3% based on subscribers. The HHI also reversed from mid-scale (approximately 1,800 based on revenue and subscribers alike) to bumping up against the highly concentrated zone as its HHI rose to 2,339. These were the highest CR4 and HHI scores the national cable market had ever been. Figure 35

below illustrates the "before" and "after" impact of the Rogers-Shaw merger on the national BDU market based on revenue.

Figure 35**: National BDU market: "Before" vs. "after" Rogers**-Shaw deal based on revenue



Before merger Rogers market share	15%
After merger Rogers market share	34%
Before merger Rogers-Shaw CR4	76%
After merger Rogers-Shaw CR4	87%
Before merger Rogers-Shaw HHI	1824.8
After merger Rogers-Shaw HHI	2338.6

Sources: see Figure 35 in the Excel workbook accompanying this report and the "ISP" sheet in the GMIC Project—Canada open data sets.

Despite the scale of this transformation, the CRTC took a happy-go-lucky approach to the merger, waving it through ostensibly because Rogers and Shaw did not compete head-to-

head in the same geographical markets. It did not consider the impact on internet access markets, either, because this was supposedly outside its remit. This was an exceedingly narrow view of its remit and the transaction, both of which the Commission could have framed otherwise. Even within this narrow framing of the issue, the Commission showed little concern that for television program producers and rights holders Shaw had been one more door to knock on in the English-language television distribution market. Once the "public benefits" contributions to various media production and other funds had been established, the CRTC gave the deal the green light.[249]

After Shaw vanished from the scene, the number of doors into the broadcasting distribution market dropped to four across the country, and from three to two in the English-language regions of Canada. If program producers and content rights holders could not strike a deal with Bell or Rogers in Central and Western Canada, they would be either out of luck or tied up in regulatory disputes in a fast-shifting media landscape just as Netflix, Amazon, YouTube Premium, and Apple move steadily deeper into Canada.[250]

As predicted, the number of undue preference complaints to the CRTC has doubled or even tripled since 2022, with Rogers frequently being the central subject of them.[251] A complaint filed by Corus Entertainment captured the point when it accused Rogers of discouraging subscriptions to its services by demoting their discoverability on the cable giant's cable and streaming platforms in favour of services and special promotional offers for the Disney+ streaming service.[252]

The sharp rise in undue preference cases have highlighted the weakness of the CRTC's undue preference rules that have governed the imbalanced terms of trade between broadcasting distributors and programming services since the 1980s. Those rules were supposedly fortified by the *Vertical Integration Code* (2011) and its successor, the *Wholesale Code* (2018), that were crafted in response to a tsunami of vertical integration between telecoms operators and broadcasting programming services, circa 2006-2013 (see below). However, they have proven to be weak reeds upon which to build a diverse and pluralistic audiovisual media system, as even the former chair of the Commission who spearheaded the creation of the *Vertical Integration Code* conceded years ago.[253]

Rogers' acquisition of Shaw and the big tech platforms, app stores, and streaming services' rise as powerful media aggregation and distribution platforms have put these weaknesses under the spotlight. In response, the CRTC opened its *Market Dynamics and Sustainability* proceeding on the potential impact on these issues on the Canadian broadcasting system and other media and cultural policy goals in early 2025.[254]

The results of that proceeding have yet to be delivered, but already the big tech, international streamers and US media giants have appealed an earlier Commission ruling that imposed interim undue preference rules on traditional and online broadcast distribution platforms, set baseline contribution levels to Canadian media production

funds, and set information disclosure obligations regarding their operations in Canada.[255] They argue that the Commission does not have the authority to do any of these things and assert that its focus on gatekeeping power, undue preference and market dominance are misplaced because these are no longer legitimate concerns given the role played by the internet in the digital audiovisual media marketplace. Their efforts have been aided by the Trump administration's targeting of Canada's *Online Streaming Act* (and the *Online News Act* amongst others) and the EU's *Digital Services Act* and *Digital Markets Act* as illegitimate trade barriers while hectoring both jurisdictions and the rest of the world about the threats that any attempt to regulate online services allegedly poses to freedom of expression.[256] How these issues play out will shape the media landscape in Canada for years. These matters will be taken up further in the pages ahead.

As small ISPs' struggle for survival collapses, a new era struggles to be born

As previous pages indicate, small and independent ISPs have always had to fight to survive. This was so in the late 1990s as the internet access market took off, followed by another phase from 2006 to 2011, during which a trilogy of wholesale access and speed matching decisions kept their prospects alive. The frontiers shifted again as the telecoms and cable carriers switched more of their plant to fibre and IPTV. While the switch to IPTV and fibre by telecom operators put a nail in the coffin of local cable monopolies, both the telecoms and cable groups insisted that the CRTC's regulated wholesale access regime and speed matching rules that were created for copper and co-axial cable in 2010 should not apply to new investments in fibre. Without seamless access to each new generation of telecom infrastructure, smaller ISPs like TekSavvy, VMedia, and EBOX must perpetually go back to policy makers to plead their case every few years, each time with their survival at stake.

Since 2015, the incumbents have carried on a multipronged campaign to shut down that future, arguing against the application of the wholesale access regime to fibre broadband. Their initial case was rebuffed in 2015, when the CRTC revised its regulatory framework to ensure that small ISPs would not wither as internet access shifted from copper and coaxial cables to fibre to the neighborhood (FTTN) and premises (FTTP). Its ruling was emphatic: "There is limited rivalrous behaviour to constrain upstream market power," "incumbent carriers continu[e] to dominate the retail internet access services market," and whatever "competition . . . does exist today is . . . a result of regulatory intervention."[257] The decision was supposed to allow independent ISPs to use the "last mile" portions of next generation fibre networks owned by Bell, Rogers, and Shaw to deliver their own services to subscribers.

True to form, Bell appealed the CRTC's ruling to Cabinet, but it was rejected in May 2016.[258] Progress was nonetheless impeded by disputes over the terms and costs of implementing the wholesale access to fibre regime. Three years later, the CRTC ordered the incumbents

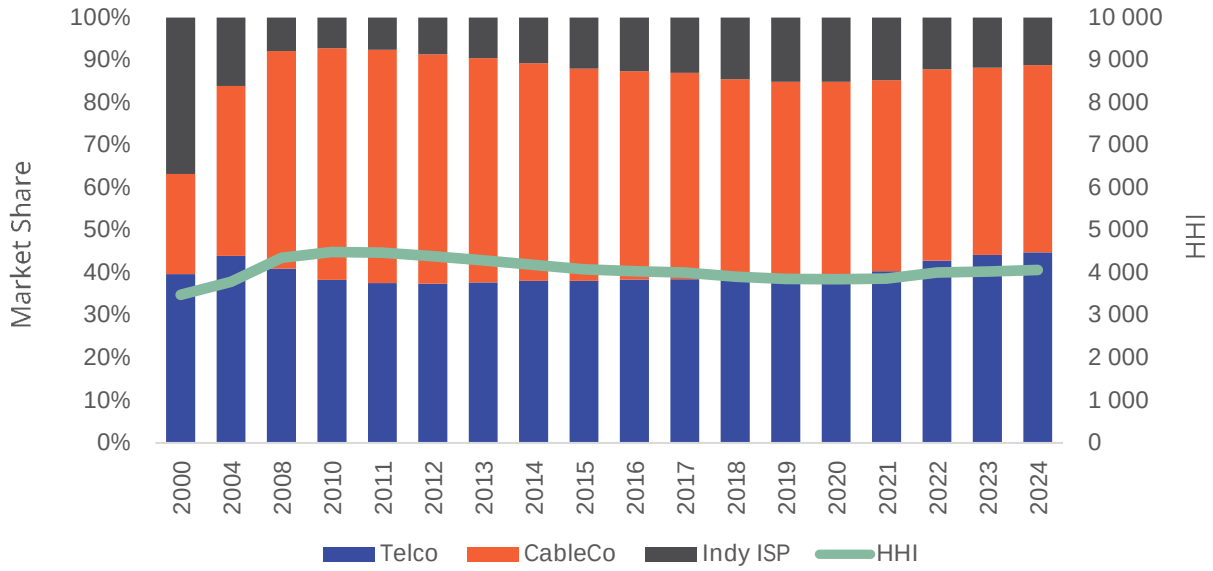
to correct the excessive rates they were charging independent ISPs and to repay them the hundreds of millions of dollars they had overcharged.[259] This was another decisive victory for the independent ISPs, but only if the story ended there. It did not.

Instead, the companies appealed to Cabinet again and the Supreme Court of Canada to reverse the CRTC's ruling but were rebuffed both times. In 2020, with a former TELUS executive and industry-friendly chair at the helm, the incumbents convinced the CRTC to revisit its wholesale access to fibre regime.[260] This effectively meant the Commission had to start all over again, with the chances for survival by independent ISPs, let alone success, diminishing as time passed.

The damage to the independent ISP sector was swift. At their highpoint, they along with facilities-based competitors had amassed market shares of 15% by subscribers and 14% by revenue. But with the Commission backsliding on the wireline wholesale access regime, that progress stalled before being cut between 2020 and 2024 as many small ISPs were taken over by the incumbents and the largest of them, TekSavvy, put up for sale. Since 2022, Bell has acquired EBOX and Distributel, Vidéotron bought VMedia, TELUS took-over Start.ca and Altima, Cogeco purchased Oxio, and Rogers swallowed Comwave in addition to acquiring Shaw. Consequently, the number of independent ISP subscribers consequently plunged by 40% across Canada and by nearly half in Ontario and Quebec.[261] By 2024, BCE, Rogers, TELUS, and Quebecor, controlled 84% of the national internet access market by subscribers and just under three quarters by revenue. Locally, the telecom and cable ISP duopoly held an 88.2% share of the market by subscribers and 87.3% share of the market by revenue. Figures 36 and 37 below depict the rise and fall of the independent ISP sector since 2000.

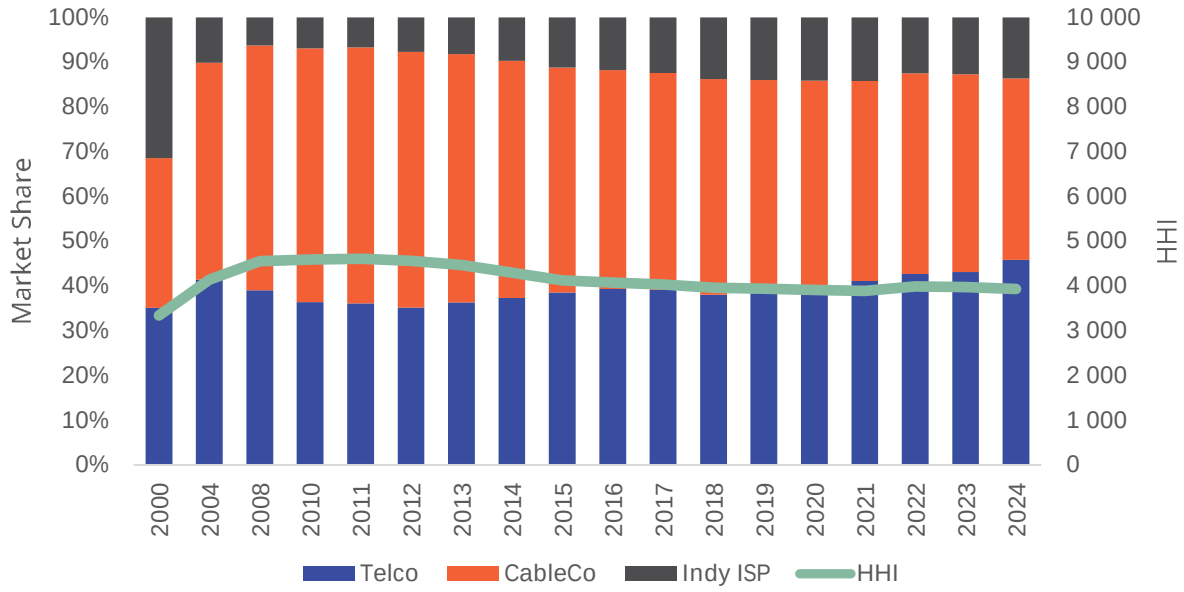
> When we consider things from the more fine-grained vantage point of the local and regional level where people live and subscribe to such services, the cable TV market has never been as diverse and competitive as the improving conditions at the national level imply.

Figure 36: Local residential internet access services by type of ISP: Market share based on subscribers, 2000-2024



Sources and notes: CRTC (2025) Communication Markets Report. Figure 15: Residential internet service subscriptions, by type of service provider (thousands), 2013-2024.

Figure 37: Local residential internet access services by type of ISP: Market share based on revenue, 2000-2024



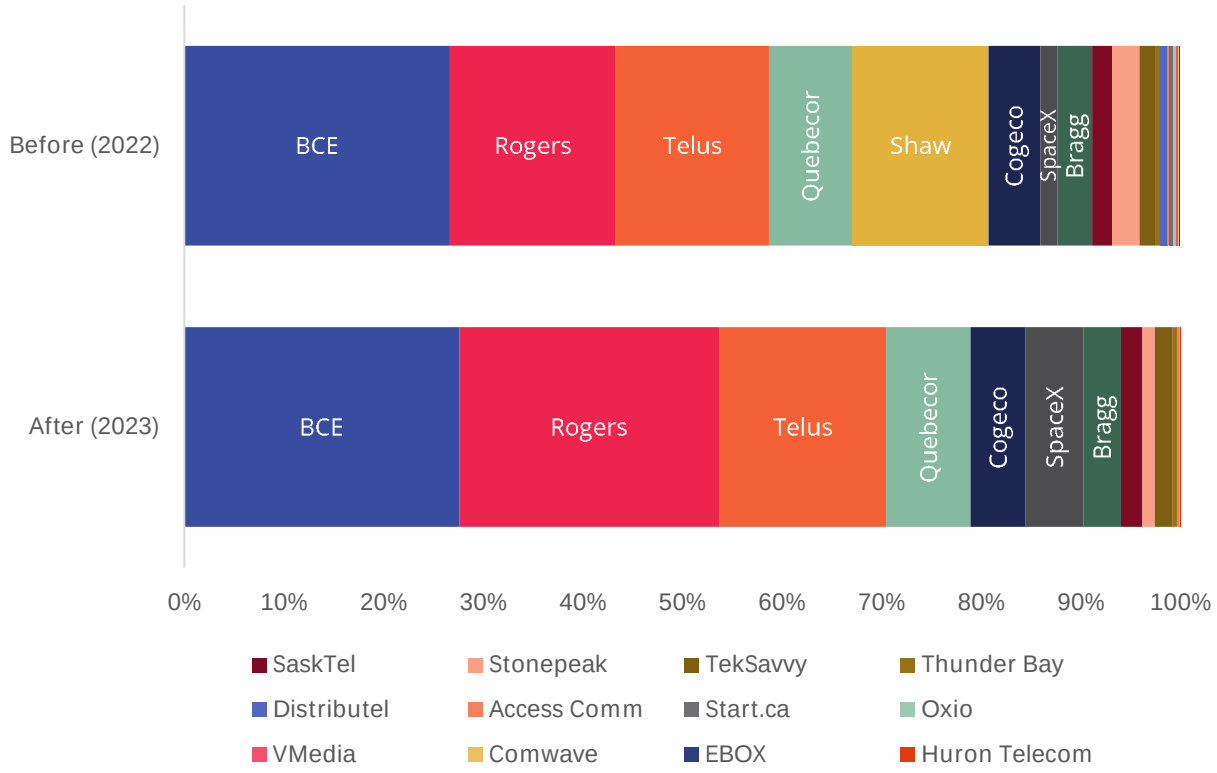
Sources and notes: CRTC (2025) Communication Markets Report. Figure 14: Residential internet service subscriptions, by type of service provider (thousands), 2013-2024.

There was some hope that the appointment of new leadership at the CRTC in late 2022 would turn things around. A speedy ruling in early 2023 gave small ISPs interim rates for access to the carriers' FTTP networks while the Commission worked out a more permanent fix to this festering problem.[262] That hope was dashed, however, when the CRTC set the final wholesale access rates at levels higher than the retail prices that incumbents tout in some markets.[263] In addition, the ruling's inclusion of a sunset clause under which the mandated access conditions will expire in seven years rests on the outmoded "ladder of investment" theory which says that this temporary runway will give new entrants sufficient time to invest in their own systems but will be taken away once that goal is achieved or time runs out. Yet, this approach implies unnecessarily duplicating network investment and is, therefore, inefficient. It also rewards the incumbents' time-tested tactics of obstruction in the hope that they can lawyer and lobby up to run out the clock before small ISPs do what the CRTC's decision assumes they will do: build their own facilities. Given the unrealistic assumptions behind the ladder of investment theory, its original author has long since, not surprisingly, abandoned it.[264] The Commission and others that still support the approach should do the same.

In line with our assertion that Rogers' takeover of Shaw was always primarily about acquiring its extensive wireline system, Rogers doubled its share of the internet access market on account of that deal and bumped it up a bit more by buying the independent ISP Comwave in late 2023. Whereas it accounted for 16.2% of the retail internet access market by revenue before its takeover of Shaw (and 15.9% by subscribers), Rogers controlled 25.4% of the national retail internet access market post-merger by revenue and 27.3% by subscribers, leaving it neck-and-neck with Bell based on revenue and just behind Bell on subscribers. The transaction caused a spike in the CR4, from 68.6% to 73.5% based on revenue, or from just over three-quarters to four-fifths based on subscribers. The HHI also surged from 1,829 to 2,339 by revenue and from 1,555 to 2,335 by subscribers. Figure 38 below illustrates the impact of the Rogers-Shaw merger on the national internet access market.

The Rogers-Shaw deal drove a substantial increase in concentration in the national internet and cable markets, and more modest changes in the mobile wireless market on account of the divestiture of Freedom Mobile to Vidéotron.

Figure 38: **National retail internet access market: "Before" vs. "after" Rogers**-Shaw deal (based on 2022 and 2023 revenue)



Before merger Rogers market share	16%
After merger Rogers market share	24%
Before merger Rogers-Shaw CR4	70%
After merger Rogers-Shaw CR4	73%
Before merger Rogers-Shaw HHI	1367.8
After merger Rogers-Shaw HHI	1618.9

Sources: See Figure 38 sheet in the Excel workbook accompanying this report.

It is often asserted that because the cable television and internet access services offered by Rogers and Shaw did not serve the same geographical areas, the merger would have no effect on these markets. However, this assumption is incorrect. For instance, while they did not compete head-to-head, Shaw's earlier embrace than Rogers of new cable system and set-top box technologies revealed it to be the more innovative of the two.[265] TELUS (which did compete with Shaw in these markets) was forced to respond in kind, which led it to roll out internet Protocol television and fibre-to-the-home in Western Canada five years earlier than Bell did in Ontario and Quebec.

In addition, Shaw's decision to not enforce monthly data limits on subscribers in Western Canada after the arrival of Netflix in 2010 was a welcome break while Rogers and Bell took the opposite approach. In the process, Shaw's decision highlighted the fact that not only are data caps an artificial construct, but that it is also important for people to have a diversity of choices for essential services like internet access. Will Western Canadians now be forced to count their YouTube, CBC/Radio-Canada, and Netflix viewing against a meter? The Competition Bureau's investigation into Rogers' "unlimited" Ignite mobile and internet offerings raise just this issue.[266]

It is also important to recognize that, with data combined from nearly 20 million Canadians across Rogers' and Shaw's multiple cable and internet streaming platforms—internet access, mobile wireless and cable, mobile, devices, and browsers—this was also a "big data" deal. As such, it raises questions about the link between that data, market power, and privacy. Yet, even after the Competition Bureau's efforts to work at the intersection between big data and its own analysis of mergers and market power, nothing was broached on this front.[267]

In sum, the Rogers-Shaw deal drove a substantial increase in concentration in the national internet and cable markets, and more modest changes in the mobile wireless market on account of the divestiture of Freedom Mobile to Vidéotron. The scale of change in the internet access and cable markets would have run afoul of the revised *Competition Act* where bright light rules state that a merger will be presumed anti-competitive if it moves the HHI by more 100 points, pushes a market above an HHI of 1,800, or results in a post-merger company with a market share of more than 30%.[268] That the deal breezed by these guardrails for two of the three markets it implicated—internet access and cable—while being borderline for the mobile wireless market, reveals the audacity of those who pushed it. Under the revised *Competition Act*—updated in part because of the weaknesses it exposed—the Rogers-Shaw deal would likely be a non-starter. There is also no "efficiencies defense" left in the act that would save it.

The irony is that the Rogers-Shaw deal was ultimately approved by the Competition Tribunal because the web of sweetheart deals that Rogers struck with Vidéotron and backed by the CRTC's wireline wholesale access regime, ensured that Freedom Mobile's chances of success under new ownership were good. The CRTC's facilities-based MVNO regime would ensure that it had access to the tower, roaming services and other resources

it needed to expand its own wireless network coverage in Ontario, Alberta, and BC, while the regulated access regime on the wireline side would allow Freedom Mobile to offer bundled internet, television, and mobile wireless services wherever it competed with the incumbents. From this perspective, the Tribunal accepted that the biggest telecoms takeover in Canadian history would deliver pro-competitive results to the benefit of Canadians. The square was thus circled. The Tribunal's ruling was upheld by the Federal Court of Appeal on appeal by the Competition Bureau and the deal closed early in 2023.[269]

Yet, piling irony upon irony, just as the phase of internet access competition that has been half-heartedly supported for the past three decades appears be ending, another one is struggling to be born after TELUS turned to using the same wholesale access regimes that underpin Freedom Mobile's prospects for success to compete in internet access markets outside of Alberta and BC. That is, TELUS has begun to compete with Rogers and BCE in their home turf in Ontario and Quebec using the same regulatory tools that allowed Rogers and Freedom Mobile to get their deal blessed by the Competition Tribunal. Perhaps unsurprisingly, Rogers, BCE, Cogeco, Eastlink, and Sasktel have forged an unholy alliance with the remaining independent ISPs and are drawing on every arrow in their quiver—appeals to Cabinet and the Commission itself to revise or reverse such decisions—to fight this prospect. Those appeals have fallen on deaf ears and, therefore, this new phase of regulated competition is now a reality and gathering steam.[270]

With the regulated wholesale access regime in place on both the wireline and wireless side of the telecoms industry, TELUS and Freedom Mobile can now compete head-to-head with Bell, Rogers and regional operators in Ontario, Quebec and the Atlantic Provinces such as Cogeco and Eastlink. They can do so not just for individual services such as retail internet or mobile wireless on a stand-alone basis but also by offering multiservice bundles made up of a full range of broadband, mobile wireless, television, POTs, and other services.

With well-resourced communications conglomerates like Quebecor's Vidéotron and Freedom Mobile and TELUS competing head-to-head with BCE, Rogers, Sasktel, Cogeco, Eastlink, and so on, such competition could be both more fierce and more sustainable than the previous three- to four-decades of propping up small and feisty, but under-resourced new entrants in both wireline and wireless markets only to see them eventually be acquired by the incumbents or go under. On the flip side of the coin, however, another potential is that a new wave of consolidation could see BCE and Rogers acquire the two biggest regional rivals now challenging their national dominance: TELUS and Quebecor, leading to a national duopoly and the most concentrated communications, internet, broadcasting and media system Canadians have ever seen. Whether the revised and fortified *Competition Act* would permit that, on the paper, the answer is no, although in the real world where billions in profit, merger and acquisition fees, wealth, power and politics are decisive, the answer is not so clear.

Cable and broadband prices, adoption and network quality: Decent service at a poor price

Despite the greater competition between the cable operators and telephone companies, along with new options from online video services such as Netflix and Crave, early hopes that such conditions would drive down consumer prices have since been dashed. In fact, total household outlay for cable television and online video and audio services has continued to climb because of the far-above-CPI price hikes that have been instituted by streaming services, as the following paragraphs show.

Whereas household spending on cable, DTH, and IPTV services climbed sharply from $39.19 in 2000 on average to $66.08 in 2015, they have steadily declined since. In 2024, subscribers on average spent $59.33 per month for cable services, a considerable drop over the decade, and one that would be even greater if inflation was taken into account.[271] This can be attributed to cord cutting and the shrinking cable market, increased competition between legacy cable and telecoms operators, the law of relatively constant media expenditures, and that a significant number of subscribers have availed themselves of the $25 per month skinny basic cable package mandated by the CRTC since 2016.[272]

While spending on traditional cable services declined, average household spending on streaming video and music services like Crave, Disney+, Netflix, and Spotify have tripled over the last ten years, to reach $521.25 per year, or $43.44 per month.[273] Thus, rather than rivalry between legacy broadcasting distributors and newer digital media distributors who offer their services directly to consumers over the internet driving prices down across the board, once online video services like Netflix, Crave and Spotify gained a strong foothold, prices for those services rose swiftly while being cut by legacy BDUs. People know this intuitively from watching their streaming service bills keep going up. While cable TV prices have come down appreciably, that decline has not matched the increase in spending on streaming services.[274]

Despite this recent softening in prices, Canada still fares poorly in terms of affordability, but reasonably well for wireline internet adoption, average with respect to speed and usage (586 GB per household per month in 2024), and poorly for the deployment and uptake of fibre to the home connections.[275] It is also one of the few countries left where data caps are still a regular part of the service (Australia and the US are also included). In Canada, one-in-five internet subscribers still have wireline internet service with a data cap.[276] These findings have held broadly true for more than fifteen years, although recent changes show some improvement along some of those dimensions, as discussed below.[277]

For a time, incumbent cable and telecom companies were able to hike prices for internet access to offset softening cable prices and as cord cutting gathered pace, with the average internet access subscription cost soaring from $45.17 per month to $56.77 from 2013 to 2017. Such increases continued to be the norm for several years but then stalled. It was

$67.39 in 2024, which was a year-over-year decline of 3.6% as well as the third year running where spending on home internet services had fallen below the average CPI.[278]

Consistent with observations about mobile wireless pricing, broadband internet pricing has improved in recent years when assessed against the CPI. Yet the case is not as strong here as it is for mobile wireless, where prices have been cut in half when measured against the CPI. For home internet, prices have only fallen below the average increase in CPI since 2021, as shown in Figure 23 above.[279] ARPU dipped for the first time in 2024.[280] Reality has finally caught up with claims that industry has made—implausibly—for several years.[281]

While progress is to be recognized, harsher realities must also be observed. For example, while the Liberal government has been pushing the industry from 2016 to bring pricing down to advance the universal and affordable service policy objectives of the *Telecommunications Act*, it took five years for such efforts to really pay off. Nonetheless, Canadian internet access pricing still ranks high in international comparison. The Wall Communications' last report for ISED and the CRTC in 2024, for example, showed that prices across the service tiers in eight surveyed countries—Canada, Australia, France, Germany, Italy, Japan, Germany, the US, and the UK—were all moderating. It also showed that while the gap between Canada and those countries was narrowing, internet, wireless and wireline services in Canada still tended to be expensive in comparison to its peers. The price of mid-range and high-end plans at 100 Mbps and above in Canada, for example, were also either on par with or just slightly better or worse than the US, Australia, and Japan, the most expensive countries. For FTTH, the report found that Canada consistently ranked at the very top with Japan and the US for the most expensive offerings.[282]

Similarly, the 2024 version of the US Federal Communications Commission *Communications Market Report* also ranked Canada 21st out of 26 countries surveyed in terms of affordability for fixed broadband services. This low standing held for both stand-alone wireline and mobile broadband services and when offered as part of a multiservice bundle. This low ranking had also held steady for the three years of data presented by the FCC's report. Canada also ranked dead last out of 26 countries for single and multiline and overall mobile wireless plans and on a GB basis, right after the US.[283]

Whereas the telecoms industry in Canada constantly claims that their world class networks justify the high prices that Canadians pay for service, the FCC's data casts doubt on those claims. Indeed, on no measures regarding network quality such as download and upload speed, latency, and so forth did the FCC's report rank Canada's networks—wireline or wireless (4G or 5G)—as a leader. Occasionally they were ranked in the top ten countries. For example, for fixed broadband mean download speed and 4G mobile broadband download speeds, Canada ranked 8th in 2023. In terms of upload speed, however, it fell to 14th for fixed broadband services and to 24th out of 36 countries for mobile broadband, meaning that the first ranking was achieved at the expense of the latter, which is a knock

against their use for applications that require symmetrical links, like gaming and live events. The results for 5G wireless were worse.

Research by OpenSignal similarly concludes that for mobile broadband download speeds, Canada's telecoms operators fare well but they are nowhere near best in class when it comes to: upload speeds, video and gaming experience, voice app quality or reliability.[284] In sum, study-after-study suggests that Canadians still pay dearly for communication services of average quality.

Of course, high-priced internet services are also likely to elude some who would otherwise use them. Canada, for instance, has typically fared well in terms of broadband adoption. The CRTC's most recent data (2024) shows that this still the case, with 92.5% of households have broadband internet service.[285] While that figure is high, it is not universal. CRTC data also shows that in terms of the availability and uptake of services that meet its broadband universal service target of 50 Mbps up and 10 Mbps down, 93% of households could access such services, less than two-thirds had a service that met that target in 2024.[286] As was shown earlier in Figure 24, adoption of broadband is also divided starkly along income lines, with one-in-five households in the bottom income quintile not having such service and one-in-ten in the next quintile, while for all other households it is universal or nearly so. Significant disparities in access also exist within cities and between urban versus rural and remote areas, while Indigenous communities are especially poorly served.[287]

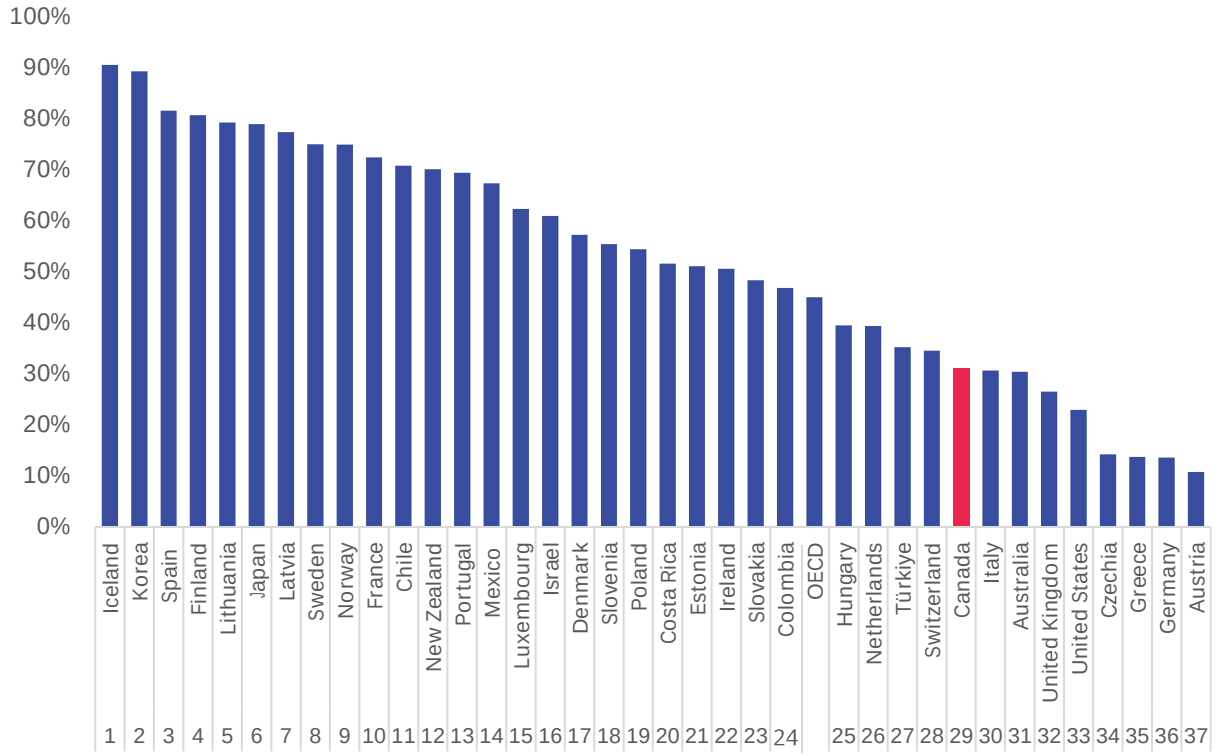
Broadband adoption rates have also dipped in the last two years, which could be a sign that mobile broadband is becoming a more plausible alternative to wireline broadband as wireless plan data limits become less of a concern. That option, however, will likely be exercised more by lower income households than high income ones, where the price of communication services is not a big concern. Perhaps the most important point is that there are still very meaningful internet usage limitations that come with mobile broadband relative to wireline. Those limitations, therefore, will also follow income and class lines.

Finally, Canada has ranked at the top of adoption measures internationally for many decades, whether for POTs in the 1980s or broadband internet in contemporary times. In 2024, however, it slipped out of the top ten for wireline broadband adoption to 12th out of 38 OECD countries.[288]

Canada does not fare well, either, in terms of the proportion of broadband connections that use fibre to the home. A third (34.6%) of broadband internet connections are of that type. This is better than in the US, where thirty percent of broadband connections use fibre, but far below the OECD average of 46.9%. It is also well short of the highwater mark set by Iceland, Korea, Spain, Finland, Lithuania, Japan, Latvia, Sweden, Norway and France, where three-quarters to 90% of total wireline broadband connections are fibre. Canada consequently ranked 29th out of 38 OECD countries in 2024, down one position year-over-year. Therefore, while access to fibre networks has increased in Canada, having started late

and proceeded at a slower clip than many other OECD countries, it still fares poorly by international comparative standards.[289] Figure 39 illustrates the point.

Figure 39: Percentage of fibre connections out of total broadband subscriptions (December 2024)



Source: Percentage of fibre connections in total fixed broadband, December 2024.

Thus, once again, while telecom operators gloat about their world-class networks at affordable prices—and one story after another in the media recycles such claims—the preponderance of evidence suggests that the availability of those networks is thinly spread, expensive, and used less than possible. Consideration of the impact of such realities is deflected by the industry's public relations and its laundering through the press. Even government policymakers and regulators seem excessively willing to take such claims at face value, perhaps because the industry's good news stories imply that policymakers and regulators can take some claims for these alleged benefits, too.

Starlink: broadband for under-served rural and remote Canadians or Trojan horse?*

A new generation of Low Earth Orbit (LEO) satellite constellations—and Elon Musk's Starlink specifically—is improving internet access for rural and remote communities in Canada that have been poorly served for decades. LEOs differ from Geosynchronous (GEO) satellites that hover over a fixed point on earth and have origins in this country stretching back fifty years to provide direct broadcast services, while expanding in recent times to include rural internet services. The increasing application demands of broadband services, and the desire of ubiquity in Canada's Northern and Arctic regions, however, have exposed their limitations in terms of high latitude, low latency coverage. Starlink is helping to fix that.

Individual LEO satellites are not new, however. LEO broadband has only recently been made feasible by lower-cost launches and more affordable ground-based user terminals. The best-known example of this is Elon Musk's Starlink constellation that has been in service in Canada since 2019 and which has grown swiftly to serve towns, farms, cottages, and Indigenous communities where broadband internet access is poor and prohibitively expensive, if it is available at all. Given that such conditions exist in all provinces and the Northwest Territories, Starlink has grown rapidly. By 2024, it had a year-over-year average of 400,000 subscribers and estimated revenue of $672 million, which was a 5.4% share of the national internet access market based on revenue (or 2.6% by subscribers).[290] Consequently, it is now the sixth largest ISP in the country, just after Cogeco and ahead of Eastlink. The Ontario government had committed $100 million to fund user premise equipment starting in June 2025 to boost Starlink's penetration as a broadband ISP in rural Ontario even further, but that was subsequently cancelled amidst Canada's ongoing trade war with the US.[291]

By our reckoning, Starlink surpassed Xplore as the leading satellite-based provider of rural and remote internet access service in Canada in 2022, as Xplore's subscriber base collapsed from 400,000 in 2019 to 80,000 in 2024.[292] With mounting woes elsewhere, including its failure to become a viable mobile wireless operator in Manitoba after Bell's takeover of MTS, and an assist from ISED to help it achieve that goal (as described earlier), Xplore's prospects are dim. It is now in bankruptcy proceedings.

Starlink has been a boon to many Canadians, particularly in areas impacted by forest fires and floods. Subscribers have also shown great innovation by deploying Starlink terminals not just in rural residences and businesses, but also in support of civilian services and by mounting terminals on trucks, boats and trailers. Consequently, social media, online video services, and video conferencing applications like Zoom

and MS Teams have become part of everyday life for those who can pay the hefty price of at least $140 per month in remote and rural communities.

There is no doubt of the technical innovation represented by Starlink. Benefiting from large NASA programs and at least one Department of Defense contract, Musk's company SpaceX has enabled low-cost launches. Starlink already has 6,000 satellites in orbit and reports state that there are another 34,000 to come to complete its constellation. Starlink has clearly demonstrated its viability, and of LEO services more generally in Canada.[293]

Beyond the friendly but sparse press releases, however, we must look at the potential long-term implication of Canadians relying on a private venture ISP based in the US. In assessing the reason for the rapid penetration of Starlink in Canada the most obvious answer is "because it is there." Given the decades-long failure to close the rural divide, Starlink provides our politicians with a lifeboat.

There are other options on the horizon (pardon the pun), demonstrated by ISED's recent commitment of $2.1 billion for Telesat's Lightspeed LEO constellation and the Quebec government offering $400 million on top of that, with the potential of another $600 million for capacity once the Lightspeed constellation deploys in 2026. In the meantime, without faster deployment of Lightspeed, or an economic breakthrough in terrestrial alternatives, Starlink remains the only realistic solution and offers important benefits it would be wrong to deprive rural Canadians of.

There are nonetheless some long-term issues regarding LEO constellations and Starlink specifically that must be considered. As a rural ISP, for example, Starlink provides service to the end user and determines price, technology deployed at the consumer premise (i.e. a proprietary Starlink router/antenna), and content available to the consumer, all entirely controlled from the US. Should Canadians be concerned that Elon Musk owns the entire vertical chain from launch to the end user terminal router, and even content? As Steve Song has also observed, individual access to Starlink in remote/rural communities, also deprives those places of the most vocal advocates for properly public infrastructure.[294]

Alternatively, the Lightspeed option appears to offer wholesale service to local ISPs, thus enabling local communities or existing content providers to be the point of contact, making it potentially more responsive to local and regional concerns. This wholesale access model that Lightspeed contemplates also allows ISPs to provide the user with standards-based consumer terminals (iPhones and FTTH) using local terrestrial cellular or fibre connections for distribution. But will it be ready by 2026, as promised, and can we wait?

Given Musk's strident conception of free speech and his clout in the incoming Trump administration, he will be in a position to influence Canadian broadband policy and even programming offered via streaming media services.[295] What happens, for instance, if the man with the On/Off switch and control over the LEO technology stack were to object to, for instance, CRTC regulations with respect to contributions to the universal broadband fund, information disclosure, and the need to consult with Indigenous communities?

The Ontario government claims that Starlink has given capacity assurances, but capacities and Quality of Service over a large population of users is notoriously difficult to measure, let alone police. In addition, Starlink mentions throttling back basic service in the case of demand from premium service customers, but what if that customer is the Department of Defense or another arm of the US government? Lastly, Musk has been very vocal about his disdain for the Trudeau government and responsive to calls from Pierre Poilievre to slap a "state-owned broadcaster" label on the CBC/Radio-Canada. Of course, he can have his personal political preferences, but with the amount of political power he has and seeming eagerness to wield it to get what he wants, it is right to ask if consumers getting a good deal from Starlink is, in fact, a good deal for Canada.

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Convergence 2.0 and the clash of titans: National champions versus big tech

In fits and starts, during the 1990s and through the first decade-and-a-half of the 21st century, a new kind of communications conglomerate was made the centrepiece of the media economy in Canada: vertically and diagonally integrated telecoms that owned all the main commercial television services in the country. The extent of this outcome, as noted earlier, was unique in the world, and founded on the belief that vertical and cross-media integration would create national champions fit to thrive in an age of globalization, the internet, and the digital revolution. We refer to this development as Convergence 1.0.

As discussed earlier in this report, Convergence 1.0 occurred as the dot-com bubble peaked and then burst at the turn of the 21st century, which resulted in the creation of four domestic communications conglomerates—BCE, Rogers, Shaw and Quebecor—but which also left deep scars and ongoing tensions that can still be seen to this day.

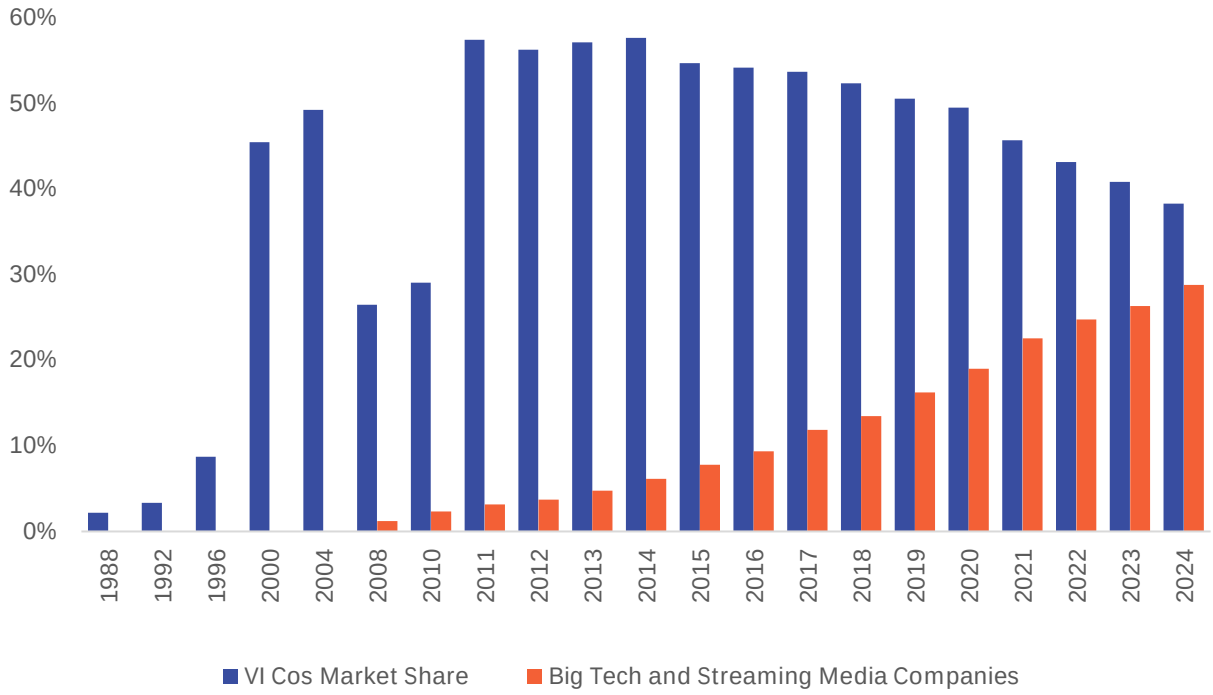
A brief reprisal of those events is needed to set up what follows. Bell's first attempt at convergence involved acquiring CTV and *The Globe and Mail* in 2000-2001 but that effort unraveled within five years as Bell sold off its controlling stakes in both. Similarly, Quebecor struggled under heavy debt after acquiring TVA, the Sun newspaper chain, and Videotron, circa 1999-2001, requiring Quebec government financial assistance to see it through tough times and to fend off a hostile Rogers takeover. As some companies collapsed, rebuilt, and collapsed again amidst the financial crisis, circa 2007-2008, a second wave of vertical and cross-media integration took place from 2007 to 2013 when broadcasters and publishers were taken over and absorbed into the country's biggest telecom giants: Rogers took over CHUM's City TV while CTV acquired CHUM's radio assets (2006-2007); Shaw, backed by financing from Goldman Sachs, bought Alliance Atlantis, one of Canada's biggest television and film production and distribution and pay television companies and Global TV (2007-2010), and Bell re-acquired CTV in 2011 and Astral two years later.

Market dominance by BCE, Rogers, Shaw, and Quebecor peaked in 2013-2014 when they collectively accounted for almost 60% of total revenue (including cloud services).

As the pages above have shown, Bell, Rogers, TELUS, and Quebecor also account for 80-90% of the wireline and wireless connections that constitute the telecoms and internet access system in Canada. Those systems form the infrastructure of an emerging unified digital communication and media distribution system. As mobile internet plans with data allowances of 100 GB or no data caps at all become more common, the mobile internet is becoming a more viable option in this intensifying process of convergence. This is one side of what will be referred to in the pages ahead as Convergence 2.0.

Market dominance by BCE, Rogers, Shaw, and Quebecor peaked in 2013-2014 when they collectively accounted for almost 60% of total revenue (including cloud services). However, just as their dominance was peaking, the international big tech giants (Alphabet, Amazon, Bytedance, Meta, Microsoft), streaming media giants (Netflix, Spotify), and extensions of US marquee media brands like Disney and Paramount were rapidly scaling up their operations in Canada. Their share of the media economy soared from negligible to 29% in 2024, or an estimated $45 billion, while the telecom/media conglomerates' market share fell to 38%. These entities constitute the second side of Convergence 2.0 Figure 40, below, illustrates the point.

Figure 40: Vertically integrated communications conglomerates vs. big tech and streaming media services, 1984-2024 (market share based on revenue)*



** Includes cloud computing.*

Sources: see Figure 40 in the Excel workbook accompanying this report and each of the sector sheets in the GMIC Project—Canada open data sets for the revenues of each company covered in this figure.

The second side of Convergence 2.0 consists of digital infrastructure providers and intermediaries like cloud computing services, digital platforms, and app stores. They play increasingly influential roles across the media aggregation and distribution value chain, from content distribution and hosting, to search, ecommerce, operating systems, browsers, social media, device interfaces, and payment systems. This relatively new class of media aggregation and distribution service includes Alphabet's Google Cloud, Google Play Store, search, online advertising marketplace, YouTube Premium and YouTube video sharing platform, and more, Amazon's AWS cloud computing service, ecommerce platform and Prime delivery, video and music services, Apple's App Store, Apple TV+, Apple Music+, Apple Podcasts, and Apple Wallet, Microsoft's Azure cloud service, Bing search engine and online advertising system, amongst others. Together they ferry digital media from streaming services to audiences, while providing hosting, billing, and distribution services for millions of gaming, video, music, social media, dating, travel, and other apps.

Given the entrenched duopoly in traditional cable services, there is no doubt that consumers can benefit as these new digital media aggregation and distribution platforms greatly expand the range of foreign-based services that are distributed in Canada. As such, for audiences, they represent welcome new participants in the online media universe . They are massive, well-resourced rivals to Canada's media service providers and have become an integral part of how we communicate as well as organize and discover media in the digital world. Since people routinely use services like Apple+, Amazon, YouTube and YouTube Premium, and app stores to replace—or at least complement—the classic cable bundle, we must ask how they fit into the story told so far, and the idea that a nascent media formation known as Convergence 2.0 is emerging.

The advent of these competitive alternatives also benefits television and film producers and rights holders, including the CBC/Radio-Canada, Netflix, Vancouver-based OUTtv, and Shaw/Corus's StackTV, who see Amazon, Apple, and Microsoft as a welcome alternative to the traditional BDUs because they get a better split of subscriber fees and advertising revenue.[296] For an independent television company like OUTtv, the international market has actually become more important than the domestic market, and this is only expected to increase. Even Bell Media and Rogers routinely use cloud service providers, digital platforms, and app stores because the latter give streaming media services better insight into the terms of distribution, marketing, and billing than even their own distribution platforms, while offering access to global audiences. Given the importance of audience data in the networked digital media universe, such advantages are very valuable.

These tech giants have trillion-dollar plus capitalizations, planetary scale with revenues to match, and portfolios with services that have a billion users or more each in, for example, search, social media, video sharing, operating systems, browsers, devices, and more. This means that the telecoms conglomerates in Canada, no matter how big, have met their match. The core internet resources the multinational tech giants provide are platforms upon which many others rely. They are often "free" and are essential to media distribution, billing, discovery, navigation, and audience reach. They are also all either monopolistic or highly concentrated. They are powerful gatekeepers whose business models, technical choices, and corporate policies and politics shape how the online film, television, music and gaming industries work. This, in turn, affects the fate of the people, business and public services that operate and work in the cultural industries.[297]

The following paragraphs give a preview of the scale and scope of these multinational internet giants' dominance, while a more thorough examination of specific online media sectors in which that dominance plays out will be developed further in the pages ahead.

The internet advertising market is a cornerstone of these companies' dominance. In Canada, Alphabet, Meta, and Amazon account for 89% of the $18.4-billion market in 2024. Their dominance is greater yet once the generic internet advertising market is broken down into its constituent parts: search, video, social media and display, and online retail,

respectively. Google dominates an estimated 93.6% of the search advertising market and over half of the video advertising market, while Meta takes about two-thirds of the social media and display advertising segment, and Amazon is believed to hold 75-80% of the online retail advertising market. Concentration is sky-high for internet advertising where the HHI in 2024 was 3,297; for app stores it was 5,043; for cloud computing services it was 2,964; for desktop search it was 6,848; for mobile search it was higher yet at 9,409 (a near monopoly). For desktop operating systems, the HHI was 5,047; for mobile operating systems 5,149; for desktop web browsers 4,103, while for mobile browsers it was 4,228. The shift from the wireline internet to a more mobile internet over the past decade has amplified this tendency toward sky-high concentration levels, as the higher scores for the mobile versions of search, operating systems, and browsers show.

These metrics show concentration levels that are off the charts. They apply across most digital media markets and layers of the internet stack, with some exceptions, as will be shown in later sections of this report, such as online video services, social media, games, and online news sources. Only in the last decade have these intransigent realities contributed to raising popular consciousness of the big tech threat and driven increasingly muscular regulatory responses in many countries, including Australia, Canada, the Netherlands, the European Union, Germany, the UK and even the US itself.[298] The media industries have also put pressure on governments to make app stores, digital platforms and cloud services' terms of carriage, hosting and distribution more transparent, to trim their service fees, and to be governed by similar practices, principles and values that apply to domestic services.

As traditional broadcasting distribution, aka cable television, continues to become a smaller part of the online digital communications and media universe, app stores, digital platforms, and cloud services will continue to step further into the breach. These tendencies and trends are defining elements of the concept of Convergence 2.0. Reflecting this, the following pages take some tentative steps to flesh out their fast-expanding roles and some of the implications thereof for online media, digital communications and online media regulation, and Canadians. The first few passages start with a discussion of app stores and their growing role in digital media aggregation and distribution, followed by an analysis of the growing role of cloud services in Canada and the media and cultural industries specifically.

App Stores: All-purpose digital communications and media aggregation and distribution platforms

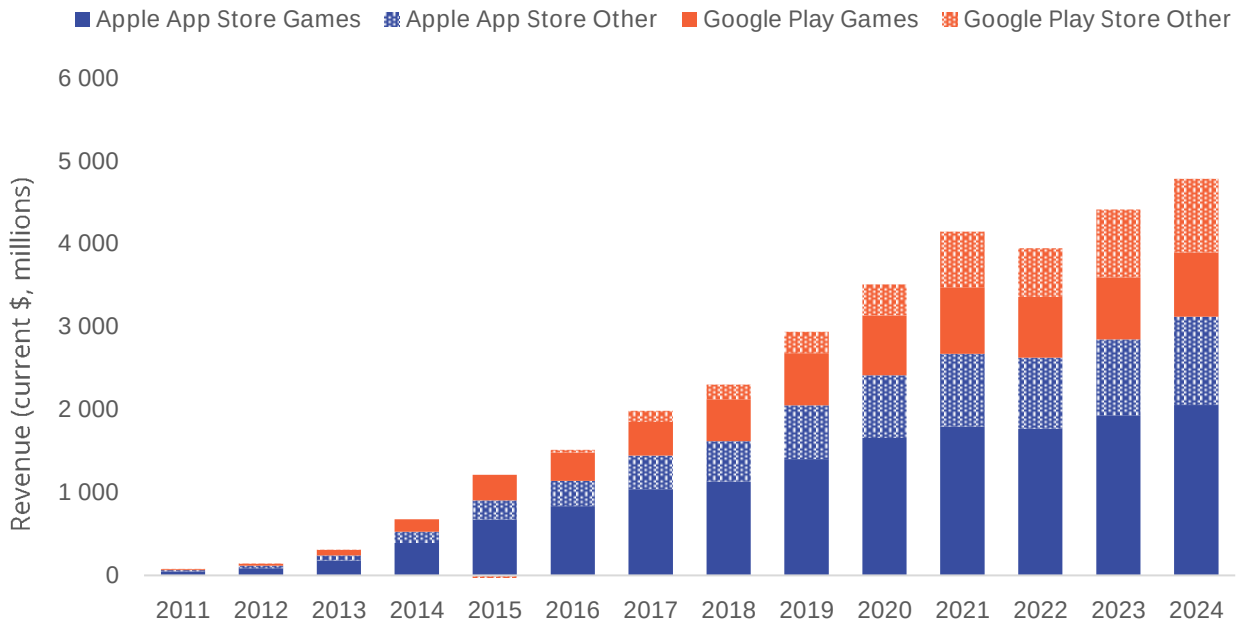
The app distribution market has seen torrid growth since 2008, when Apple launched its App Store alongside the iPhone, and Alphabet debuted the Android Market (rebranded Google Play Store in 2012). The two app stores are estimated to have facilitated an estimated $4.8 billion in transactions in Canada by 2024 from the millions of gaming, video,

music, news, social media, dating, travel, and other apps they host and distribute. While Apple's App Store and Google's Play Store host and distribute a wide variety of apps, mobile games account for between half and two-thirds of the transactions conducted through the two companies' app stores, respectively. In Canada, mobile gaming apps accounted for about three-fifths of the app store revenue in 2024, a figure that has slid over time as the range of apps they distribute continue to diversify and become popular.

Topline revenue in 2024 for Apple's App Store and Google Play was about $3.1 billion and $1.7 billion, respectively, (or a roughly two-thirds/one-third split in favour of Apple).[299] Apple and Alphabet, however, do not keep all the value that their app store marketplaces generate. Given their 25-30% fees on transactions, their combined cut from that total was about $1.2 billion, with the rest going to third party app creators and publishers. Mobile gaming apps account for about three-fifths of app store revenue, which means that app store distribution has become a key pivot point around which the gaming industry swings. Given the singular significance of games distribution to the app stores, and as significant cultural industries themselves, they will be taken up on their own as part of our analysis of the traditional and online media content industries in the pages ahead.

Figure 41 below shows estimated revenue for the app store distribution marketplace since 2011.

Figure 41: App store distribution revenue, 2011-2024 (current $, millions)



Sources: see Figure 41 sheet in the Excel workbook accompanying this report and the entries for each segment in the "Total Revenue (Millions)" sheet in the GMIC Project—Canada open data sets.

It is now fair to say that Apple's App Store and Alphabet's Google Play Store stand at the crossroads of the online media aggregation and distribution market. As Figure 41 also shows, app store revenue was up significantly from $3.5 billion in 2020 when the mobile app business in Canada really took off, driven by restrictions on social interaction brought by the pandemic. This torrid pace of growth added to what had already been a decade-long upsurge. The cumulative annual growth rate (CAGR) of 37.6% since 2011 means that the app store distribution market is the fastest growing digital market covered in these pages.

While app store revenue has a nearly perfect unbroken record of growth, setbacks such as that experienced in 2022 can occur. Why?

There were two principal reasons: first, the games industry suffered a bad year because of a lack of sufficient blockbuster content. As its revenue slipped, so did the app stores.

Second, Apple's App Store and the Google Play store both implemented modest cuts to the transaction fees it chages starting in 2022 on account of regulatory and industry pressures. The cuts were made in the face of criticism and legal challenges from big games firms, notably Epic.[300] While Epic largely lost its legal case, Apple made modest changes to its terms of service and cut its service fees to 25% for some small app developers and publishers but left the standard 30% fee in place for most. Alphabet followed suit quickly. We assume a standard 28% service fee from 2022 onwards to account for these fee reductions.

Amidst the eye-popping figures being bandied about here, it helps to keep things in perspective by recalling that even after a decade of relentless cord-cutting for traditional television distributors (aka cable television), that core sector of media distribution still raked in $6.4 billion in 2024. The trajectory for app distribution and broadcasting distribution are obviously running in opposite directions. This underscores the idea that the former is fast becoming central to digital media distribution while the latter sector wanes, albeit in a context where telecoms operators are holding their own and pushing hard to carve out new vectors of strategic significance within this converging digital communications and media aggregation-distribution system.

The app store marketplace is extremely concentrated

The app store marketplace is extremely concentrated, with a CR2 of 100 and an HHI of 5,042 in 2024. The increasing popularity of Google Play over time has cut into Apple App Store's dominance but what was once a monopoly has now settled into a duopoly not unlike that between telecoms and cable operators which control the last mile links that audiences need to access media services and vice versa. To be sure, Samsung and some games publishers like Epic and Roblox have opened their own digital store fronts and app distribution platforms, but their market share is too small to measure or too specialized to

include them in the discussion here. Nonetheless, we will touch upon them in the pages ahead and highlight the prominent role of App Store and Google Play in the gaming and music industries.

Apple and Alphabet's control of the app store marketplace has drawn regulatory scrutiny by American, Australian, Dutch, and German competition authorities in recent years.[301] It is striking in the broader context of the app distribution marketplace that even the biggest games developers and publishers like Epic Games, Activision Blizzard (before its takeover by Microsoft), EA, Roblox, etc. have raised alarms about the extent of app store and digital platforms' dominance. As they observe, for example, 40-80% of their revenue comes via just five big tech companies: Alphabet, Apple, Microsoft, Nintendo, and Sony.[302] The launch of branded digital store fronts and the resurrection of PC-based platforms such as Steam have created new distribution channels, but this has not put the concerns to rest. Epic Games addresses the nub of the problem as follows:

> We cannot publish our titles without the approval of hardware licensors that are also our competitors. . . . and, in some cases, the exclusive means through which our content reaches gamers on those platforms. . . . If these platforms deny access to our games, modify their current discovery mechanisms, communication channels available to developers, operating systems, terms of service, or other policies (including fees), our business could be negatively impacted.[303]

The games industry itself also stresses that the risks come from big telecom because poor internet connections and weak or no laws governing internet neutrality can lower demand for gaming titles and distribution platforms, drive up the cost of doing business, hinder the functionality and performance of games, and so forth.[304] Once again, those are issues that will be taken up in the section on the games industries below, but for here they underscore the extent to which Convergence 2.0 is not simply a technological phenomenon, or even a corporate-driven one, but one where common themes and problems that have hung about the telecoms industries for 175 years or so are re-appearing in new guises.

Cloud services and Convergence 2.0

The next few pages switch gears to examine the emergence of cloud services in Canada. These pages must be treated as preliminary reflections because the developments covered are nascent and a solid body of primary data does not exist (or is not accessible), but it is clear that cloud services have become critical infrastructure for the Canadian economy and society, and for streaming platforms as they bring their catalogue of programming as close to audiences as possible. Canada's proximity, economic clout, geography and climate have also made it key to the drive by Amazon, Google, Microsoft and other cloud providers' to expand the cloud computing industry in the U.S. and around the world. In 2024, the

industry generated an estimated $18.7 billion in Canada, roughly ten times the sum a decade earlier (see below).

According to Statistics Canada, the information and cultural industries are the biggest users of cloud computing compared to other industries. In fact, between three-quarters and ninety percent of enterprises in web search, archive and library services, broadcasting, film, recorded music, and publishing have incorporated cloud computing into their services, while roughly three-fifths of those in finance, banking and insurance, transportation and utilities do.[305]

The CBC/Radio-Canada, for example, now uses cloud services for streaming audio and video services and for live streaming sports and entertainment events, news conferences and other live events.[306] The public media service's switch over to an all-IP based digital media platform and coverage of live events across all of its platforms and streaming services, Gem and CBC/Radio-Canada.ca, as well as external ones like YouTube and FAST channels hosted by Amazon, for example, have increased the integration of cloud services into its operations. In fact, the use of cloud computing by it and other media services is vast. These range from dynamic ad insertion, encoding signals for distribution across platforms, single-sign-on (SSO) permissions that allow audiences to sign into one service and gain access to all services across all platforms, consent management platforms, and back-office functions, where the use of software-as-a-service for human resources and accounting has become routine. Beyond media enterprises, the ubiquity of personal photo archives and growing popularity of AI and LLM tools are also driving up people's use of cloud storage services like Apple's iCloud or Google's paid service, Google Cloud.

Yet with the fast-growing use of cloud services across the media, economy and society, the industry is also becoming concentrated in a small number of international players and the internet infrastructure itself more centralized. As recent outages of overland and undersea fibre optic cables, data centres such as AWS, and content hosting and distribution networks like Cloudflare, and Rogers telecoms networks in 2022 demonstrate, the centralization of core internet backbone infrastructure make for a brittle and vulnerable internet. Those vulnerabilities reverberate throughout the internet stack to hit all those who depend on them, from streaming and social media to gaming companies, online payment processors, banks and financial services, emergency services, and more.[307] This is one key reason why they are essential services.

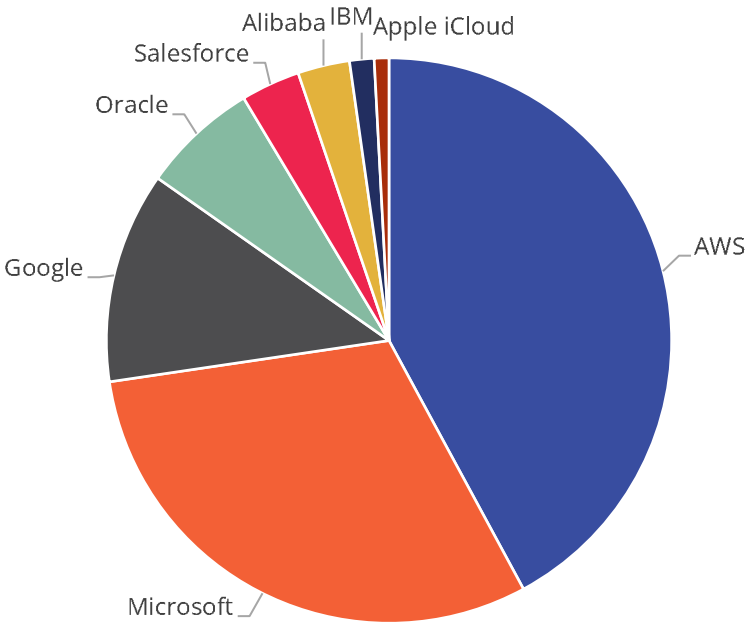
The political implications of infrastructure dependence have also been brought into sharp relief by the fusion of cloud services and media industries with the Trump administration and its effort to lock-in autocracy and oligarchy in the United States. The takeover of Paramount Global by the Ellison family, which owns the world's fourth-largest cloud services operator, Oracle, in 2025 and the family's bid for Warner Bros. Discovery now, plus its position at the front of the line in a consortium of Silicon Valley investors that are favoured to acquire TikTok's divested assets, is a case in point. Should all these pieces fall

into place, a vertically-integrated Paramount-Skydance–Warner Bros. Discovery–TikTok–Oracle colossus would combine a legacy entertainment, social media, and cloud computing juggernaut under one ownership group with tentacles reaching from Washington to New York and Silicon Valley. The Ellison family's close relationship with Donald Trump threatens to do more to roll up the U.S. communications system behind the Trump administration in less than a year than leaders such as Hungary's Victor Orban and Turkey's Recep Tayyip Erdoğan have accomplished in a decade. It would also have portentous implications not just for the already imbalanced power relations between big tech and media in Canada but pose grave concerns about the autonomy of the media industries and national sovereignty.[308]

> Incorporating this estimate into our portrait of the network media industries in Canada has obvious significance. Revenue for the network media industries balloons from $112 billion to $130.7 billion once cloud computing is included, a 14.3% increase.

Reliable estimates of the value of the cloud computing market are hard to come by and vary greatly when they do exist. There is also a seeming bias in those that do exist to inflate the size of the market, probably due the hype cycle that tends to accompany new developments in communications and media technology. The consultancy International Data Corporation, for example, claimed that the cloud services market in Canada was CDN$21.8 billion in 2023.[309] Using reports from Synergy Research Group, CRN, and corporate annual reports for the world's seven biggest cloud providers—Amazon, Microsoft, Google, IBM, Apple, Alibaba, and Salesforce—and estimates for Apple's iCloud, we estimate it to be three-quarters of that amount.[310] In 2024, estimated revenue for cloud services in Canada was $18.7 billion, with the share of the biggest cloud service providers shown in Figure 42 below.

Figure 42: Cloud computing in Canada, market share based on revenue, 2024



Total revenue (millions $)	$18,653.77
CR4	92%
HHI	2,963.29

Sources: see Figure 42 in the Excel workbook accompanying this report and the entries for each company from the "unified sheet" and for each sector from the "Concentration metrics" sheet in the GMIC Project—Canada open data sets.

Incorporating this estimate into our portrait of the network media industries in Canada has obvious significance. Revenue for the network media industries balloons from $112 billion to $130.7 billion once cloud computing is included, a 14.3% increase. This makes cloud computing the second largest sector in the network media economy, trailing far behind mobile wireless services, but on par with internet advertising ($18.4 billion) and ahead of internet access service ($16 billion). Doing so also raises profound questions regarding platforms, media, power and sovereignty, and about the role that the CRTC, ISED and, less obviously at this stage, the Competition Bureau might play in this context.

In a novel approach, Sweden's public radio broadcaster, Sveriges Radio (SR), has addressed some of the concerns around the power of platforms, geopolitics, and national sovereignty through its Open API project and aggressive multiplatform distribution strategy. While SR distributes content across numerous platforms, including Spotify and YouTube, it retains control over the "master digital file" by limiting access to linking and streaming from its own servers and to partners that accept its "eleven golden rules." This model reflects a balance

between its public service value of expanding public access to its programming, protecting its brand and editorial integrity, and preserving trust in its journalism. These priorities have taken on added national security significance in the nearby context of Russia's invasion of Ukraine and Sweden's accession to NATO in 2024.[311]

Concordia University Professor Fenwick McKelvey helped to bring all this into perspective when he told the Senate Committee on Transportation and Communications that reviewed the bill proposing the *Online Streaming Act*:

> The act . . . has one clear objective: ensure that the CRTC has the capacity to regulate large, economically powerful domestic and international firms involved in broadcasting distribution. . . . [T]he mission-critical function of the new act must address the convergence of large online video-on-demand services and the traditional broadcasting distribution undertakings. The maturation of streaming services to a few dominant players indicates that online services have become cable by other means.[312]

The issue of app store distribution and cloud services did not arise directly during debates leading to the *Online Streaming Act*'s passage in 2023, but the concerns raised about powerful domestic and international distributors clearly extend to them. Online aggregators now play a major role in Canada, creating both expanded access for rights holders—especially after the loss of a major buyer in Western Canada following Rogers' takeover of Shaw—and new competitive risks. The emergence of free, ad-supported linear streaming services (FAST) such as Samsung Plus, Tubi, and Pluto TV, which have already become popular alternatives to cable in the United States, signals potentially significant long-term effects.[313]

While current data remain too limited for firm conclusions, three considerations point to caution. First, the operations of streaming, app stores, and cloud services in Canada remain opaque. The *Online Streaming Act*'s disclosure obligations, now being implemented by the CRTC, are intended to align reporting for online services with long-standing requirements for broadcasters, pay television, audio services, and telecoms. These same obligations could readily be extended to app stores and cloud services and could help to clear away some of the fog that currently shrouds such services and digital platforms alike. Although these disclosure rules are modest, they are already being fiercely contested by companies such as Amazon, Apple, Netflix, Paramount, and Spotify, acting both individually and collectively through the Motion Picture Association—Canada.

Second, these firms are also resisting the 5% contribution levy on Canadian revenues from regulated streaming services. The central challenge lies in defining which services and markets fall within the contribution base.[314] The $10 million revenue threshold limits the obligation to large services, while the 5% rate aligns streamers with BDUs and remains well below the 10% ceiling applied to pay television and audio services. It also stands out because the CRTC rejected the many lobby and interest groups who wanted to set the bar

much higher at up to 30% on the grounds that streaming services should be treated the same as the big conventional broadcasting ownership groups. Regrettably, intractable controversies over how to define Canadian content threaten to overwhelm these efforts to create new rules for online media aggregators and distributors by those who believe that CanCon is everything while sneering at anything else as "mere housekeeping."[315]

Third, although digital platforms, app stores, and cloud services currently benefit both consumers and programming services, this dynamic could reverse as their market power grows. Long-standing carriage disputes have already re-emerged online. Twice in less than five years (2021 and 2025), for example, Disney has yanked ESPN, ABC, FX, and some of its other marquee brands from YouTube TV in the US in a dispute "centered around carriage fees, or the per-subscriber rates distributors pay to carry broadcast and cable networks."[316] In the latest dispute, Disney's services were unavailable for two weeks, disrupting access to sports, entertainment, and U.S. election coverage. Similar conflicts have affected Paramount, NBCUniversal, and Fox, though without comparable blackouts.[317]

These disputes, in other words, are now as much a part of the online television and film industry as they have been to the traditional cable and pay television sector for half-a-century. They raise profound public interest concerns, particularly when democratic functions such as election coverage are disrupted. They also expose power asymmetries: while Disney's stock price fell during its dispute with Google, Alphabet's scale enabled it to withstand the conflict. Smaller services and rights holders face much more severe risks, as illustrated by the prolonged blackout affecting TelevisaUnivision in the US[318]

In Canada, CRTC standstill and mandatory bargaining rules prohibit program blackouts during carriage disputes. How these safeguards will apply to streaming services is now being determined through hearings on the *Online Streaming Act*.[319] Yet the experiences with Alphabet's threats to block news distribution during the *Online News Act* debates, and Meta's subsequent withdrawal of news sharing after passage, demonstrate how deeply public values now hinge on the whims of multinational platforms who do not hesitate to threaten the authority of nation-states and to withdraw services when policies and laws that displease them are being contemplated, let alone adopted (see below).

Traditional media organizations in Europe are also increasingly wary of dependence on digital platforms. The BBC's withdrawal of its Global News Podcast and Brexitcast from Google Assistant, Google Podcasts, and other specific Google products after Google imposed its own branding, control, and data analytics illustrates the commercial, editorial, and regulatory costs of platform dependence. Apart from the loss of commercial and marketing value, and over the integrity of its programming, that this entailed, Google's actions interfered with the BBC's ability to meet its obligations to disclose specific kinds of audience information to the UK media regulator, Ofcom. Consequently, the BBC terminated its use of these Google products altogether.[320] For Canadian media services,

which lack comparable market power, the imbalance in bargaining power is even more pronounced—underscoring the necessity of strong regulatory authority.

A further risk arises from the growing potential for self-preferencing and cross-subsidization as Google, Amazon, and Apple expand deeper into television and film markets. Google's integration of search, YouTube, its online advertising stack, and cloud services, and Amazon's linkage between Prime Video and AWS, raise concerns squarely aligned with long-standing telecom rules prohibiting undue preference. [321]

Whether the *Online Streaming Act* is equipped to confront these challenges remains uncertain.[322] Its permissive and discretionary language relies heavily on what the CRTC "may" do rather than what it *must* do, in contrast to the firmer mandates of the *Telecommunications Act* and the *Online News Act*.[323] Moreover, the Act's political framing—centered on Canadian content funding and revenue transfers from foreign platforms—has sidelined the deeper structural issues of market power and gatekeeping. The portrayal of domestic telecom and media conglomerates as national champions confronting foreign "web giants" further weakens confidence in the framework.

In contrast to this pronounced tendency to stress Canadian content, culture and sovereignty concerns at the expense of structural and market power issues, Canada should double down on telecoms regulatory tools such as common carriage and broadcasting distribution's "undue preference" rules while adapting and extending them to the new roster of big tech gatekeepers. The long-standing jurisprudence around such principles that go back to the turn of the 20th Century could provide the basis for a unified principle of "fair carriage" for the increasingly unified digital communications and media distribution system. A unified principle of fair carriage could be applied to the increasingly unified digital communications and media distribution sectors by blending the best parts of common carriage from telecoms and the no undue preference rules in the *Broadcasting Distribution Regulations* and wholesale code as well as "must carry" rules in the *Broadcasting Act* which designate specific services of high public interest value that all BDUs must make available. In CRTC parlance, these are 9.1(h) services that must be carried by all BDUs. A move in this direction can already be seen in the *Online News Act* and, less assertively, the *Online Streaming Act*. It can also be seen in the European Commission's *Digital Services Act*, which can be read as a "must carry" regime for all lawful content, backstopped by rules requiring designated search engines and social media platforms to notify, explain, and provide due process to citizen-consumers and media services that are deplatformed, demoted or demonetized. When the rights of citizens-consumers, publishers or media providers clash with those of distribution platforms and app stores, it is the former that prevail. In cases where an internal review or the courts find that content has been wrongly taken down, blocked, or demonetized, etc., it must be put back up.[324] We will have more to say on principle of fair carriage in the final policy section of this report.

In sum, gatekeeping power is firmly entrenched in traditional BDU markets and is rapidly emerging among online aggregators and distributors such as Amazon, Alphabet, Apple, Microsoft, and Oracle. As Convergence 2.0 accelerates, competition between domestic and international firms will intensify, yielding short-term gains but also demanding expanded authority for both the CRTC and the Competition Bureau. This likely requires asymmetric obligations and power-based thresholds similar to those in Europe's *Digital Services Act*, *Digital Markets Act*, and *Audiovisual Media Services Directive*—issues that will be taken up in the final section of this report.[325]

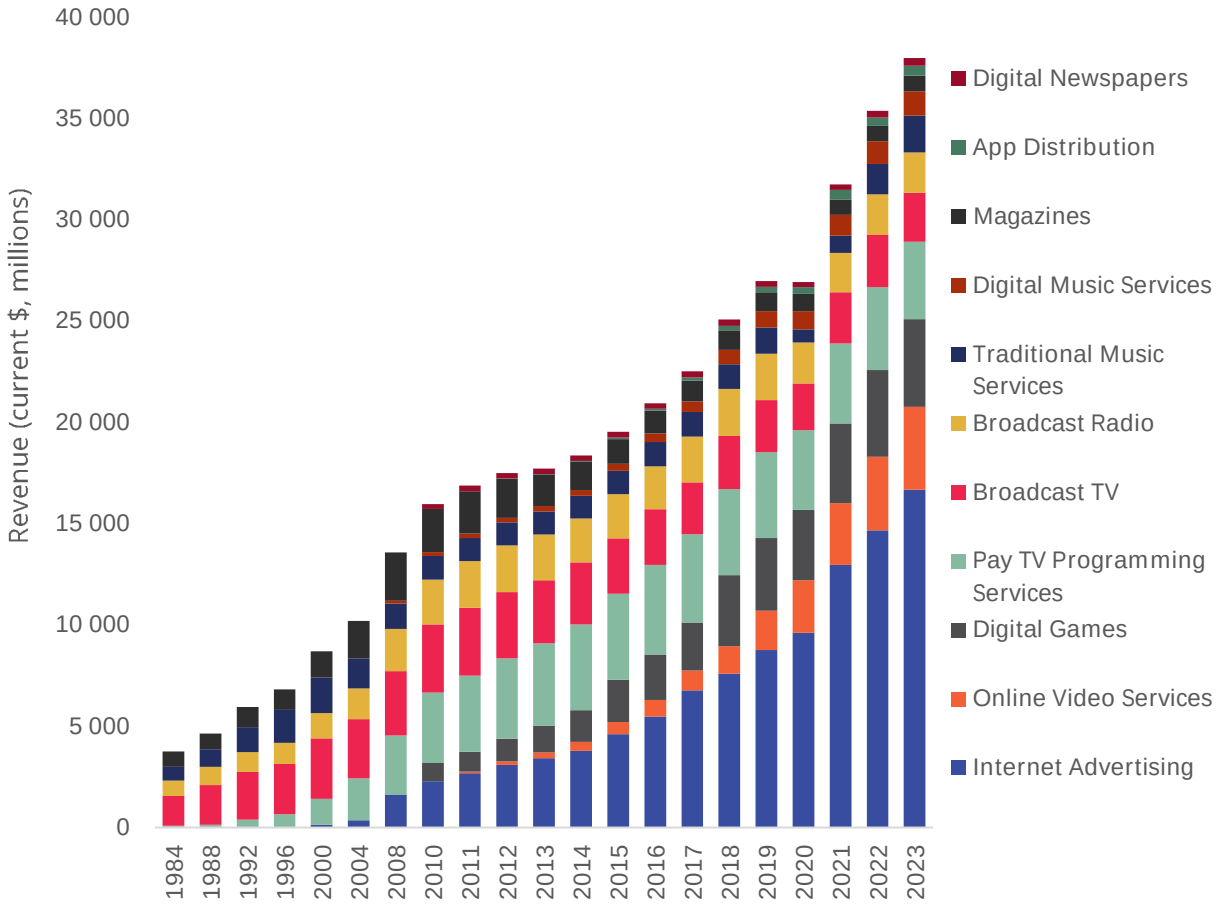
5. Traditional and online media services: From ad-supported content to subscription-based online media

The remainder of this report shifts gears to examine ongoing developments in traditional and online media sectors. The overarching story across the content-oriented traditional and online media covered in the pages ahead is one of enormous but uneven growth, upheaval, and transformation. Ultimately, however, most media sectors are vibrant and growing swiftly while the fate of traditional media that have relied mainly on advertising for most of their history—for example, broadcast television and radio, newspapers, and magazines—is uncertain at best.

Figure 43 below depicts the long-term growth of traditional media (i.e. radio, television, newspapers, magazines, and recorded music) and online media (i.e. internet advertising, streaming video and audio, digital games, app distribution, and online news). Combined revenue for both jumped from $21.5 billion to $42.4 billion over the past decade.

> While the overall picture is one of enormous growth, greater diversification of media, and general upheaval, the story is bleak for the traditional media that relied throughout the 20th century on advertising.

Figure 43: Traditional and online media revenue, 1984–2024 (current $, millions)



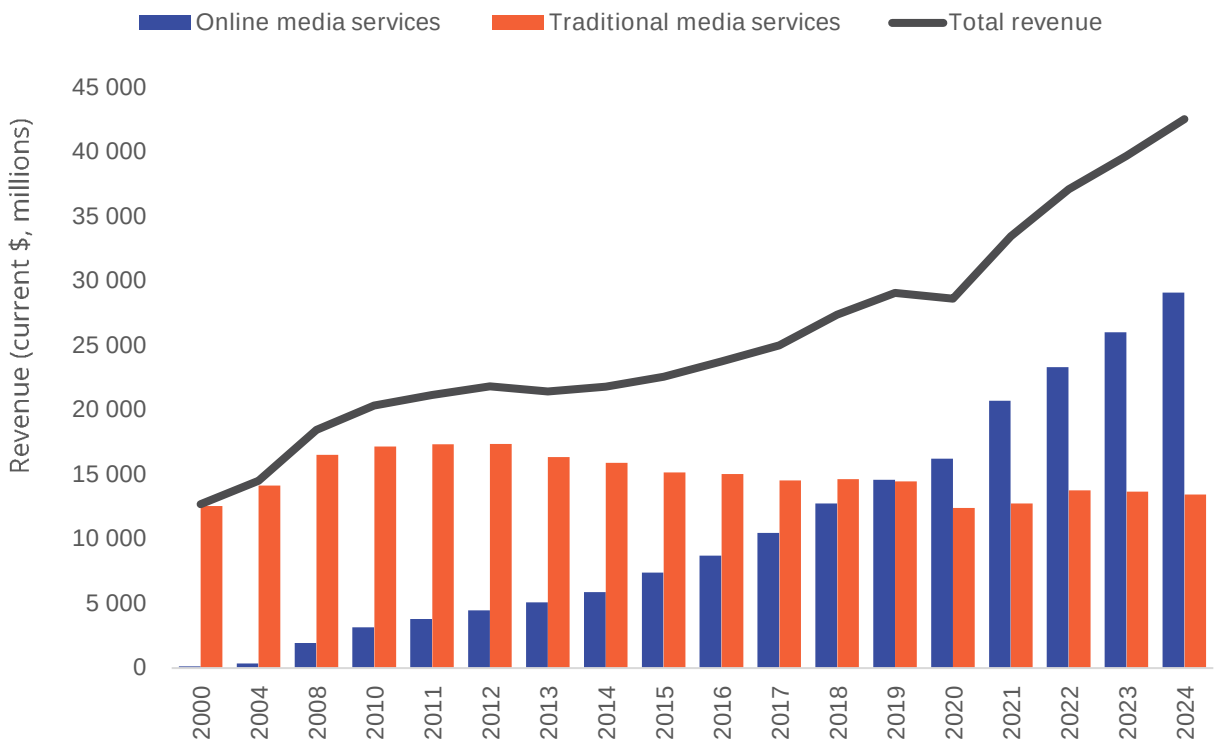
Source: see Figure 43 in the Excel workbook accompanying this report and each of the corresponding sector-specific sheets in the GMIC Project—Canada open data sets.

Inside the overall growth story, however, is a tale of two separate evolutionary trajectories for traditional and online media. The basic story is about a shift to digital media, where a wide range of big tech and streaming media services loom large as people increasingly turn to international big tech and streaming services. The most influential of these include Alphabet, Amazon, Apple, Bytedance (TikTok), CBS Viacom (Paramount), Disney, Meta, Microsoft, Netflix, Sony, Spotify, and Tencent. They aggregate and distribute a wide array of digital content over the internet, including television, film, video, music, games, app distribution, and news. Digital media also got a huge boost from the Covid-19 pandemic as

people spent more time online and with streaming media services. Online media revenue jumped from $14.6 billion in the year prior to the pandemic (2019) to $29.1 billion in 2024.

Figure 44 portrays the development of online and legacy media since 2000, but also the stagnation (2008-2012) and decline of the latter (circa 2011-2012 until now).

Figure 44: Online media services vs. traditional content media, 2000-2024 (current $, millions)

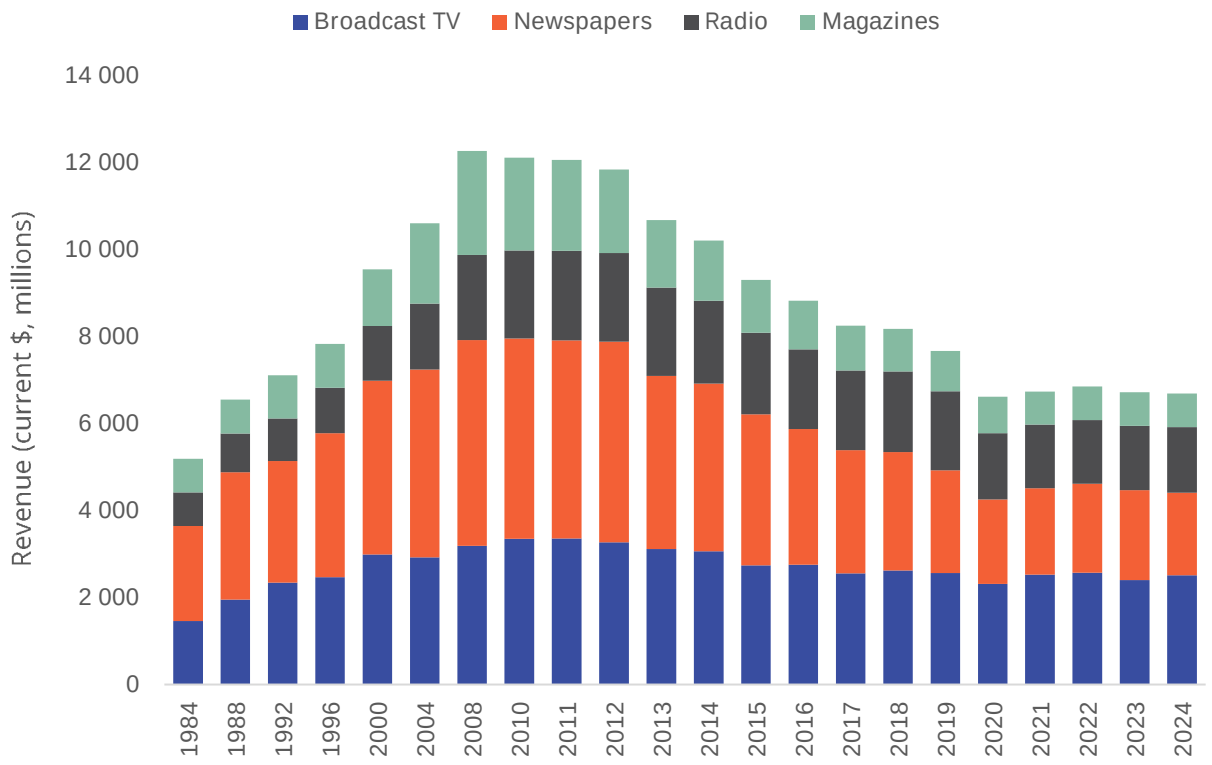


Source: see Figure 44 in the Excel workbook accompanying this report and each of the corresponding sector-specific sheets in the GMIC Project—Canada open data sets.

While the overall picture is one of enormous growth, greater diversification of media, and general upheaval, the story is bleak for the traditional media that relied throughout the 20th century on advertising. Those media include broadcast radio and television, newspapers, and magazines, which are in crisis. Collectively, their revenue has plunged by $5.8 billion since 2008 and is now just over half of what it had been. There was a glimmer of hope sparked by a bump in revenue in 2021 and 2022, but that bump appears to have been

replaced by stable revenue of roughly $6.7 billion per annum since then. The forlorn tale of the last fifteen years or so is depicted in Figure 45 below.

Figure 45: The rise and fall of advertising-funded media, 1984-2024 (current $, millions)



Source: see Figure 45 in the Excel workbook and the "Total Revenue (Millions)" sheet in the GMIC Project—Canada open data sets.

Several observations jump out from the developments just presented and discussed which are the subject of the rest of this report:

- Advertising has increasingly become centralized on the internet and concentrated in a just three big tech conglomerates: Alphabet, Meta and Amazon.
- Most sectors that are vibrant and growing rely primarily on subscriber fees and direct consumer purchases, not advertising.

- A dual media economy is emerging, with premium subscription-based services serving a relatively wealthy audience on one track and "free" content supported by advertising on another.
- Online content aggregators and distributors such as Alphabet, Amazon, Apple, Meta, and Microsoft, are converging and competing more with traditional BDUs. This allows more choice and gives rights holders more doors to knock on but it is also creating market and gatekeeping power that regulators are only starting to address.

In the next section of this report, we take up those over-arching trends in relation to an analysis of the following online and traditional media services:

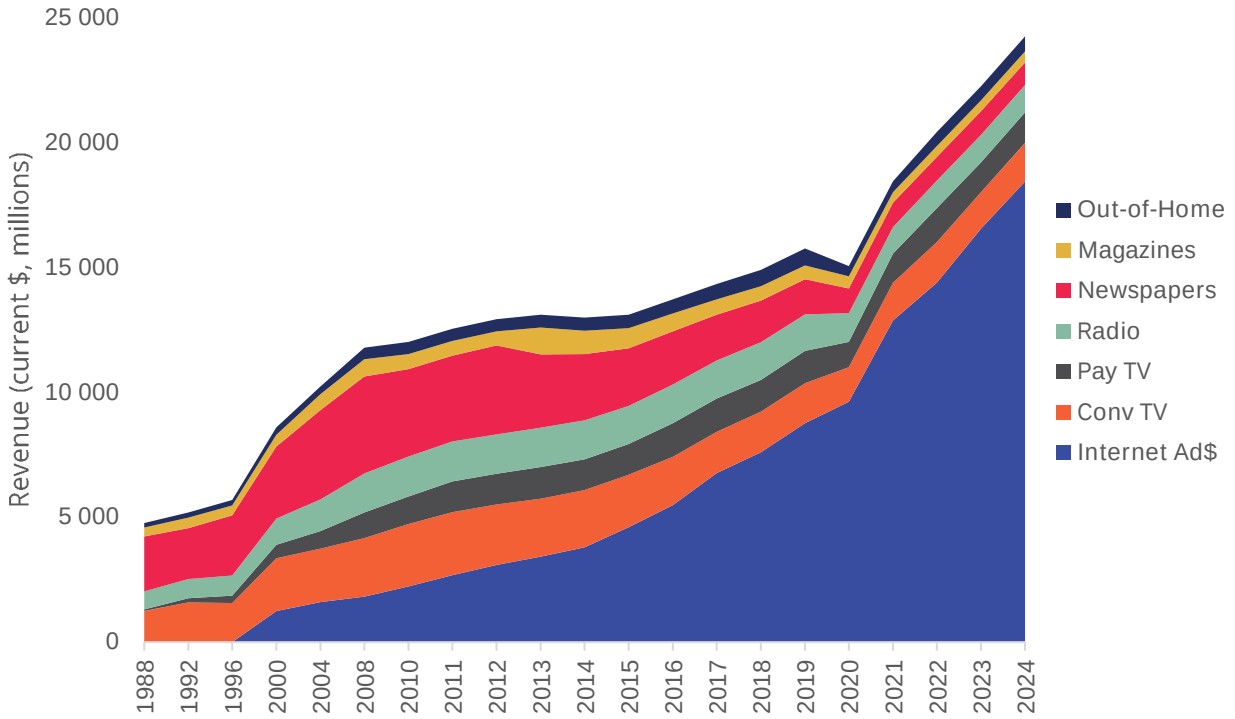
- internet advertising
- pay and specialty television and audio services
- games (console, PC and mobile)
- traditional (physical, publishing, live concerts) and online music (paid subscription and ad-funded streaming services and downloads)
- broadcast television and radio
- online video services (SVOD, TVOD, AVOD)
- app distribution
- newspapers, magazines and online news

Internet advertising

The online advertising market has developed swiftly, reaching $18.4 billion in 2024. This was up 11.4% from $16.6 billion the year prior and double what it was five years earlier. IAB Canada and eMarketer put the figure a little lower, but those slight differences do not distract from the fact that advertising is increasingly moving to the internet.[326] According to IAB Canada, the Canadian online advertising industry is now the 6th largest in the world.[327] This adds further evidence in support of this report's claims about the size of the Canadian media economy generally (i.e. it is the seventh largest in the world, as shown in Figure 2) and the mobile wireless market specifically (where it ranks 6th, as shown in Figure 22).

Advertising spending overall has also become more centralized on the internet, with online advertising now accounting for just over three-quarters of the $24.2 billion advertising spend in Canada. This was up sharply from five years earlier, when it made up slightly more than half. Moreover, the pace of the shift of advertising to the internet has accelerated in recent years. It is also becoming more concentrated in a few dominant players such as Alphabet, Meta and Amazon rather than spread broadly. Figure 46 below illustrates the changing mix of advertising spend across different media.

Figure 46: The centralization of advertising on the internet versus other media,1984-2024 (current $, millions)



Source: see Figure 46 in the Excel workbook accompanying this report and the "Total Revenue (Millions)" sheet in the GMIC Project—Canada open data sets.

Trends in online advertising need to be placed in a broader context that captures key trends and factors shaping the advertising industry in Canada. Advertising spend across all media has increased in recent years, reversing a slump that accompanied anemic and uncertain economic trends for most years after the global financial crisis of 2008-09. Figure 46, above, depicts the period of slow to no growth in advertising spend from 2010 to 2016 before it picked up until 2019 before contracting sharply in 2020 as the Covid-19 pandemic hit. Total advertising spending then surged from $15 billion to $23.8 billion from 2020 to 2024, a remarkable 50% increase overwhelmingly due to gains in online advertising spend (all figures in current dollars, i.e. not adjusted for inflation).

In contrast, over the last four years, traditional media have registered either modest growth (broadcast and pay television, where advertising is up 11.5% and 21%, respectively), modest decline (radio, down 4.9%) or continuing sharp declines consistent with long-term trends (newspapers and magazines, where revenue was down 8% and 10.3%, respectively). Overall, even for legacy media, advertising revenue appears to have stabilized and even

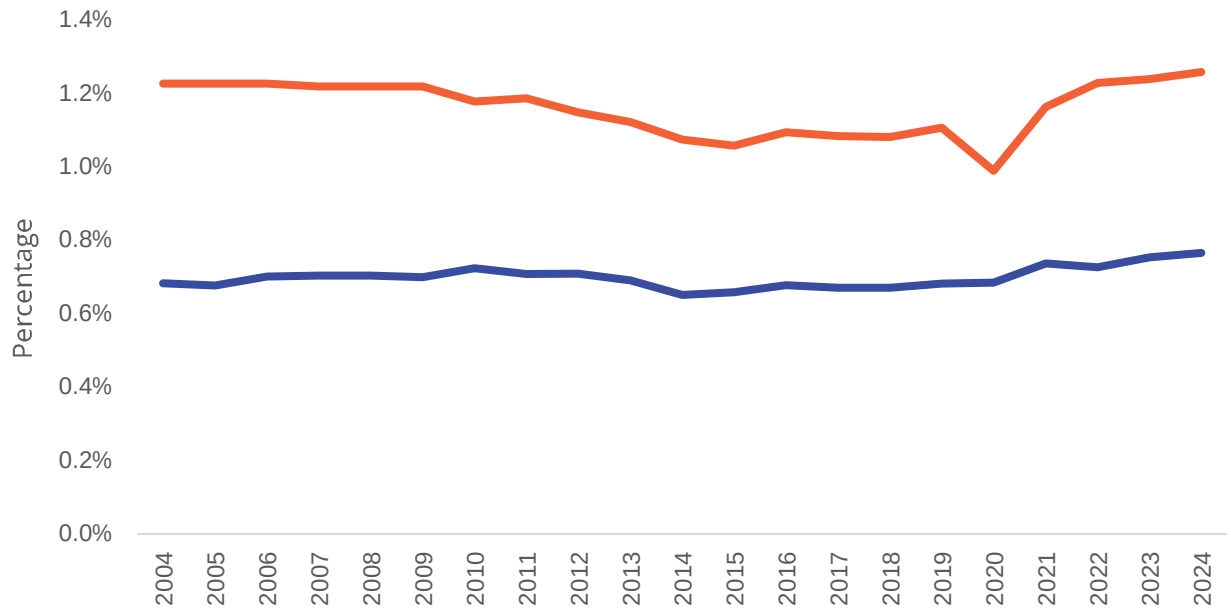
rose slightly after the outbreak of the Covid-19 pandemic in 2020, from $5.4 billion to $5.8 billion in 2024. The harsh reality, however, is that advertising revenue for legacy media in 2024 has fallen by two-fifths from what it was in 2008 while internet advertising has seen an eightfold increase.

Some of the recent relief for *some* media reflects the federal government's increased spending on advertising during the pandemic that was aimed at promoting public health messages, government services, support programs, and bolstering the commercial media economy. Whereas government advertising spend was $45 million in 2019-2020, it surged to $107 million in 2020-2021 and to $140.8 million the next year. The lion's share of this increased spending went to broadcast television groups and pay television services. Newspapers also gained a modest share of that increase, helping to stabilize their revenue after unrelenting decline from 2006-2008. Nonetheless, this short-term reprieve will not reverse the long-term trend of more advertising migrating to the internet as well as Ottawa winding down its temporary bump in advertising spend with only $86 million spent in 2023. It had been cut further in 2024 to $76.4 million, with two-thirds of that amount spent on online advertising.[328]

While the headline is a shift of advertising to the internet, a less obvious story that needs more attention is that advertising spend tracks the economy in lockstep.[329] Indeed, advertising is the canary in the mine shaft, with increased spending signaling economic good times and decreased spending signaling tough times. That can also be seen in Figure 46 above. It can also be seen by tracking advertising spend against the size of the economy, as Figure 47 below does.

> Alphabet is dominant, either single-handedly or where it shares a dominant position with just one or two others in the context of a highly concentrated digital market.

Figure 47: Ad spending as a percentage of Gross Domestic Income and Household Income, 2004-2024



Source: see Figure 47 and the "All Advertising $" sheets in the Excel workbook accompanying this report.

As Figure 47 shows, advertising spend has stayed within a narrow band between .62% to .72% of gross domestic income (GDI) for two decades, moving up and down in tandem with conditions in the economy. It was stuck at the lower end of that range during much of the last decade before bucking the trend in the last four years. The same is true when looking at advertising spending per household income: the average over the long run is for such spending to be equivalent to about 1.16% of household income and bobbing up and down in a narrow band, albeit with a significant upturn in the last four years for reasons that are not entirely clear. These patterns and the recent uptick in advertising spending explain the slight improvement in the bottom lines of most broadcasting and publishing companies in Canada.

Had advertising stayed stable in the decade after the 2008-09 financial crisis at the levels it was in the early- to mid-2000s relative to GDI and on a per-capita basis, there would have been close to an extra $5 billion in advertising spend in the media economy, or close to $600 million per year on average during the lean years between 2010 and 2020.[330] Those billions would have been a boon to legacy media in their struggle for survival with Alphabet and Meta over scarce advertising revenue, and while the digital duopoly was consolidating its grip on the online advertising market. Indeed, in this hypothetical alternate universe where advertising stayed steady in terms of its share of GDI and household income, that

extra money would have gone a long way to offsetting the crisis of advertising-funded media, *if it had not also been all gobbled up by the two big tech behemoths as well*.

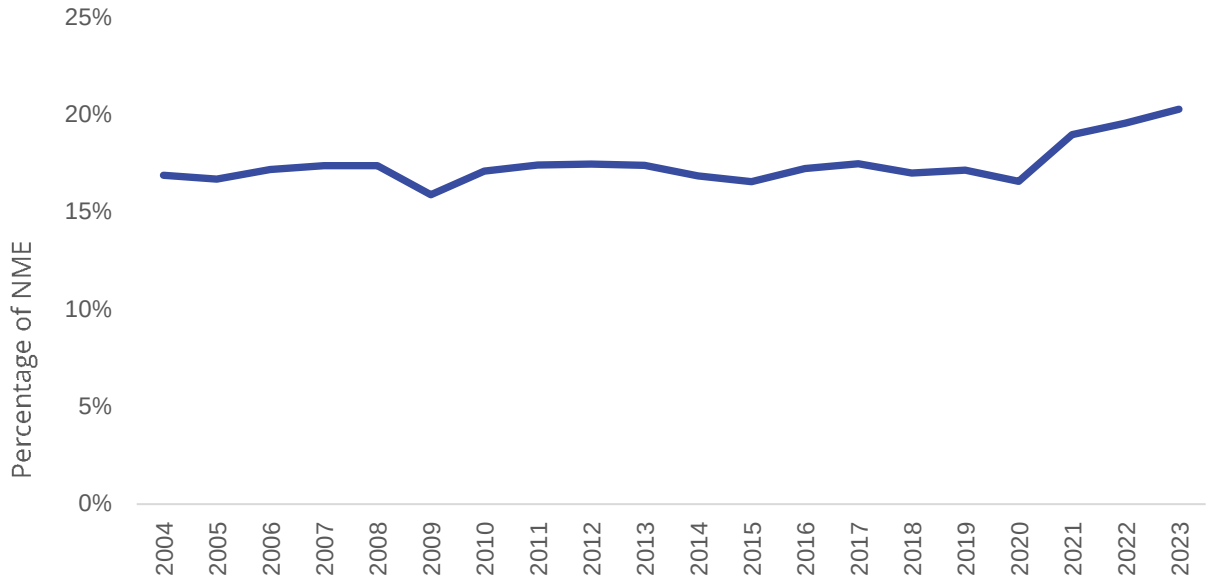
Buried within these observations is another distinguishing feature of media economies everywhere: the extent of advertising spend relative to the size of national economies varies tremendously. While advertising made up .68 of GDI in Canada on average over the past twenty years, that is roughly two-thirds to three-quarters as much as in the US but twice as much as in Europe and four times as much as in a broadly drawn Asia-Pacific region. Comparing the Canadian online advertising market to that of the US, for example, helps illustrate the point. Year in year out, it is roughly 5-6% of the US online advertising market, whereas a straight comparison of the two economies suggests that it should be close to 8%.[331] The "Canadian discount" embodies the reality of a less commercialized culture relative to the US.

Meta's annual report also highlights this point when it presents the differences between its average revenue per user in the US and Canada ($68.34 for the fourth quarter of 2023), Europe ($23.14), the Asia-Pacific region ($5.52), and rest of the world ($4.5).[332] This reflects differences in national economies, to be sure, but from the perspective of communication and media scholars the more striking fact is the much higher commercialization of US and Canadian media and society relative to the rest of the world.

A similar picture emerges when we examine advertising spend relative to the size of the media economy. In line with the observations just made, advertising spending had stayed remarkably flat before the financial crisis (2008-2009), regained lost ground in 2010 and then resumed the stable trend thereafter until knocked down by the pandemic in 2020. Twists became turns once more, and in the last four years advertising has again risen at such a rapid pace that it has reached all-time highs, as Figure 48 below shows.

> One in five dollars in the media economy now comes from advertising, up from less than one in six.

Figure 48: Advertising spend as a share of the network media economy, 2004-2024



Source: see Figure 48 and the "All Advertising $" sheets in the Excel workbook accompanying this report.

In simple terms, this means that one in five dollars in the media economy now comes from advertising, up from less than one in six. This bodes well for the near-term future of ad-funded media, but it is too early to tell if these recent trends will stick. A pointed question also remains: will tech giants like Alphabet, Meta, and Amazon scoop up all that increase or will some of it go to broadcasting and publishing companies in Canada? The answer hinges on whether public policy measures are created to spread the spoils or if market forces will be left to determine the outcome. We will address that question in the pages ahead.

These recent trends also prompt interesting questions about the commercialization and commoditization of communication and culture. Even the big bump in advertising spend in the last four years cannot conceal the fact that the network media economy relies overwhelmingly on subscription fees and direct spending by a 5-1 ratio. The late communication scholar Vincent Mosco pointed out this nascent tendency when assessing the rise of the "pay-per society" in 1989.[333] It has now come to pass with the growing dominance of pay-per services, including telecoms, internet access, pay television services, online newspapers, streaming platforms, and app stores. These services contrast with advertising-supported media, which now account for one-fifth of the media economy, and publicly funded media like the CBC/Radio-Canada, which represents just 1.4%.

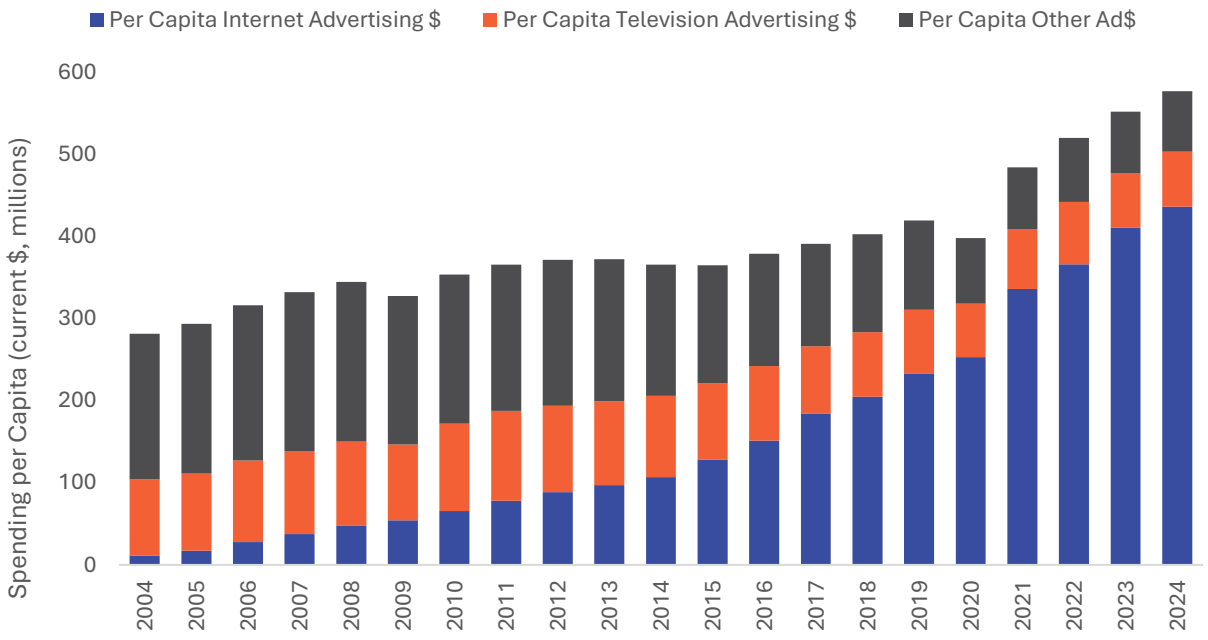
In this commoditized and commercialized landscape, communication is treated like any other product, sidelining principles of citizenship, equity, and universal rights. Consequently,

as Mosco predicted, ability to pay has become the decisive factor in determining access to communication and media services, exacerbating divides between those who can afford access and those who cannot. This is also a world in which bandwidth is king, not content, signaling the supremacy of infrastructure over content in today's digital communication systems.[334]

This is not to downplay the significance of advertising but to get a proper measure of its place in the media economy. It is still extremely significant, of course, and is becoming more so when we consider the advertising spend on a per-capita basis. Seen from this angle, advertising spend fell from $344.56 per capita in 2008 to $327.61 a year later, recovered that lost ground within two years, but then lumbered along for the next five years with slow to no growth until staggering upwards between 2017 and 2020, only to have the legs kicked out completely by the Covid-19 pandemic.

As pent-up demand grew for people to go outside and buy things with money saved up to do just that, advertisers opened their purses.[335] Advertising spend has soared from $398.06 per person in 2020 to $576.99 in 2024 as a result. Add to this the significant population increase during this time, and the evidence of a robust recovery in advertising spend is even more impressive. Figure 49 below illustrates these dynamics over the last twenty years.

Figure 49: Advertising spend per capita, 2004-2024 (current $, millions)



Source: see Figure 49 and the "All Advertising $" sheets in the Excel workbook accompanying this report.

Scrutinizing per-capita television advertising is also telling. While it grew steadily for decades to reach just over $100 in 2007-2008, it was driven down by the financial crisis. It then recovered that lost ground for the next five years, before steadily sliding ever since from roughly $102 in 2013 to two-thirds that sum ($67.05) in 2024. There was a reprieve in the two years immediately following the height of the Covid-19 pandemic, but that has since proven chimerical.

While it is impossible to say exactly why television advertising has dropped in the last two years, there are three explanations that might offer a good answer. First, the federal government has cut its pandemic-era advertising budget in half. Given that television broadcasters like Bell, Rogers, Corus, and Quebecor were the main beneficiaries of the pandemic-era increases, it stands to reason that they were hit the hardest when Ottawa took those funds away.[336] Second, the Writers Guild of America went on strike from May to late September 2023, and its members were joined on the picket lines a few months later by the American actors guild SAG-AFTRA. New programming production thus ground to a halt, with film and television production delays that were still being resolved in 2025.[337] Third, online video services such as Crave, Netflix, Amazon, StackTV, and CBC/Radio-Canada Gem introduced discounted advertising-supported tiers in 2023. While this did not reduce advertising revenue, it likely had the effect of shifting dollars once counted for television to the online advertising market.

The observations just offered help us to get a clearer view of the extent to which advertising as a central part of the media economy changes over time, across media, and by country, thereby demonstrating why it is so important to pay close attention to details rather than to rely on generalizations. They also crystallize a critical point about how the fate of the media is coupled with the state of the economy, with each rising and falling in lockstep with the other.

Concentration of online advertising

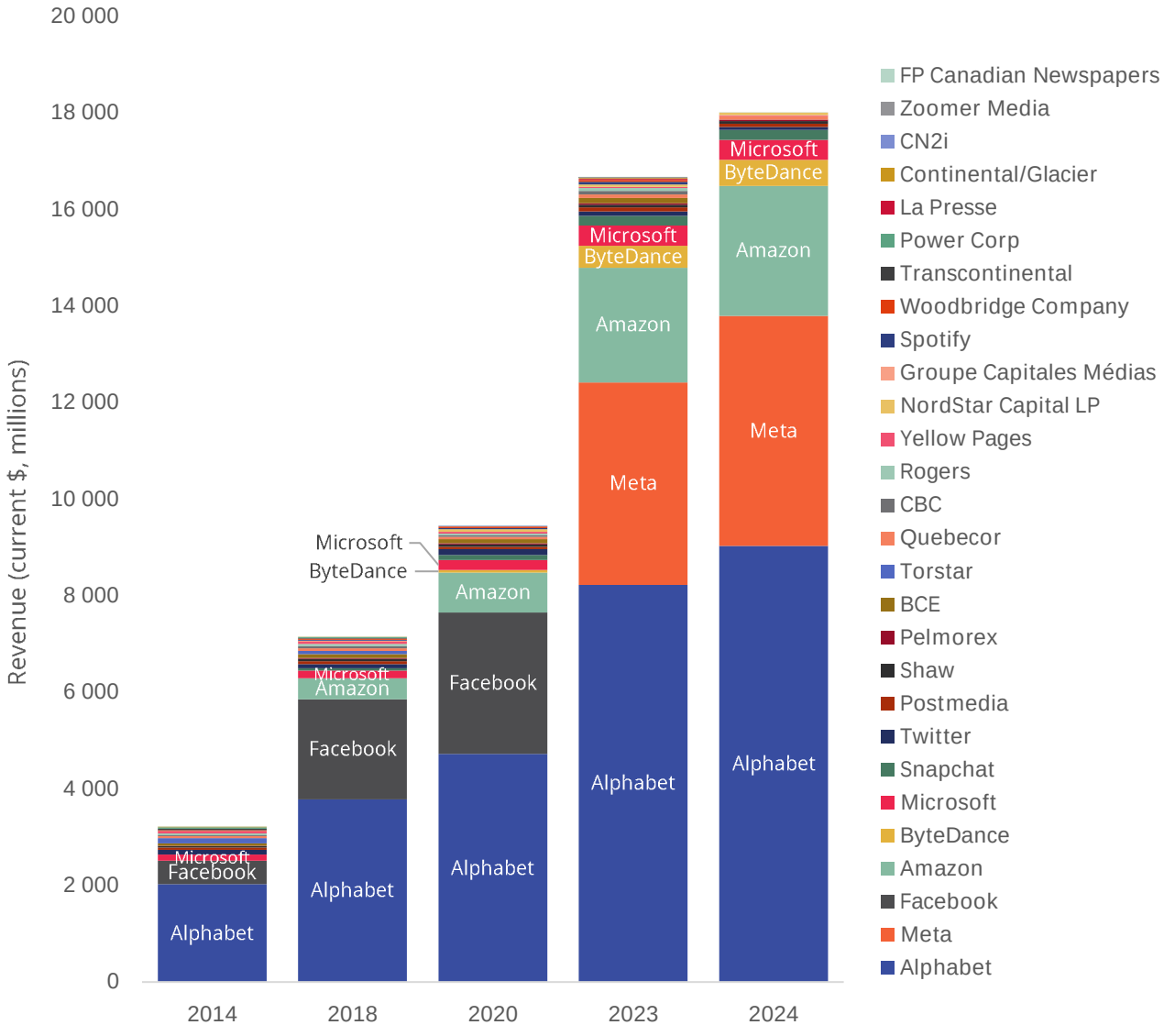
Advertising is not only becoming increasingly centralized on the internet but concentrated in the hands of a few giants, two of which stand out: Alphabet and Meta. They combined to account for three-quarters of the $18.4 billion spent on internet advertising in Canada in 2023, up substantially from two-thirds a decade earlier but down from 2020-2021, when the digital juggernauts accounted for four-fifths.

This softening of the digital duopoly is because Amazon (14.6%) has taken a bigger slice of the market, along with TikTok (2.9%) and Bing (2.2%). As of 2024, the digital duopoly had effectively expanded into a three-way oligopoly that commanded 89.4% of the online advertising market. Adding TikTok drives the share of the big four big tech companies to 92.4% of the market. New social media/video sharing platforms have become prominent features in popular culture, policy discussions, and online media markets, as the rise of TikTok up the ranks of advertising recipients shows. It only garnered a modest 2.9% of the

online ad market in Canada in 2024, however, but that was enough to put it fourth on the list ahead of Microsoft's Bing.

Figure 50 below, depicts the swift growth and consolidation of Alphabet and Meta's dominance of internet advertising since 2014, along with Amazon's quick rise in the last few years. It also shows the shrinking place occupied by nearly everybody else.

Figure 50: Internet advertising: Revenue, market shares and concentration scores, 2014-2024 (current $, millions)



Sources: see Figure 50 sheet in the Excel workbook accompanying this report and the "Total Revenue" entry in the GMIC Project—Canada open data sets.

As Figure 50 also shows, TikTok belongs to a second tier of US, Chinese (TikTok), European (Spotify), and Canadian companies with revenue in the $30-540 million range, each with a .5-3% share of the online advertising market that also includes Microsoft (Bing), Snapchat, BCE, Postmedia, and Pelmorex. While there are Canadian companies on the list, their share of the market is tiny at less than 4% in aggregate (or 6%, according to IAB Canada).[338] Their share of the internet advertising market has fallen from the 9-16% range a decade ago, which stands as another indicator of the concentration of resources in the hands of a few.

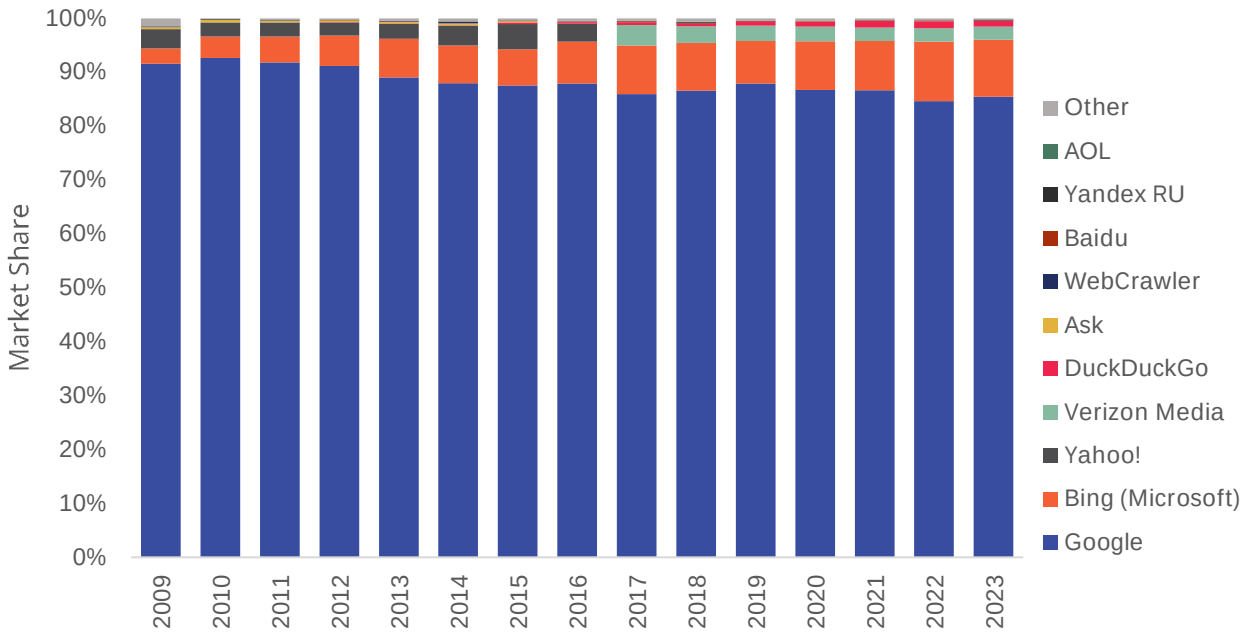
Alphabet: From search engine to diversified digital conglomerate

While Alphabet has diversified its operations over time, Alphabet still derives 75.6% of its revenue from advertising spend. Its dominance of internet advertising begins with its control of the search engine market, YouTube, and Google AdExchange, although its cloud services division and subscription-based and paid services have become more prominent in recent years. Those developments, in turn, reflect its expansion into a growing range of markets over time.[339]

The early years of the commercial internet in the 1990s and early 2000s saw an eclectic variety of search engines before Google jumped in: AltaVista, Excite, Go, Lycos, Yahoo!, etc. Most of those entities went bankrupt or were quickly taken over by other companies, however, especially in the aftermath of the dot-com bubble's collapse. By the mid-2000s, this early phase of diversity in the search market gave way to winner-take-all conditions, revealing the enormous economies of scale and scope and barriers to new entrants that have come to define the search industry.[340]

Since that time, concentration levels in the desktop search engine market have remained in the 85-90% range based on the CR4 method for the past fifteen years, although it saw a notable decline to 81.6% in 2024. The HHI has also stayed in the 7,400-8,600 range over this period but also saw that figure slip to 6,848. While those decreases are attention worthy, they do not change the story: concentration levels are sky-high and have been locked in for a very long time. Meanwhile, erstwhile alternatives such as Bing, Yahoo! (Verizon Media) and DuckDuckGo trailed far behind with 13.6%, 3.2% and 1.2%, respectively. Figure 51 depicts conditions in Canada since 2009.

Figure 51: Search engine market shares and concentration levels, 2009-2024



Sources: see Figure 51 sheet in the Excel workbook accompanying this report and the "Search engines" entry in the GMIC Project—Canada open data sets.

Alphabet's grip on the mobile search sector is even higher, hovering between 99.5% a decade ago and 94.7% in 2024. Consequently, the HHI score for the mobile search market has been nearly off the charts for more than a decade, bouncing between a low of 8,348 (2014) and 9,900 in 2009-2010 (recalling that an HHI score of 10,000 represents a monopoly). In 2023, it was 9,410. It is thus not just that these are stratospheric levels of concentration, but that they have been entrenched for well over a decade.

It is the general search functionality that underpins Alphabet's dominance of the internet whereas others like Meta, Amazon, TikTok, and so forth have a reach that is limited to third party advertising buyers and sellers within their respective "networks" (e.g. Meta Networks), social media, display, or retail (e.g. Amazon). If we treat search advertising as a distinct market, as we should, Alphabet search accounts for an estimated 98% of that $8 billion dollar market.[341] That's as close to monopoly in the simple sense of that word as one can find.

Alphabet's advertising-supported YouTube also dominates online video advertising, with a 55.9% share of the $2.2 billion market in Canada (see below for details). With its internet-

wide reach *and* dominance of advertising-supported video sharing platforms, Alphabet covers the whole internet. Consequently, and not surprisingly, this is why it single-handedly accounts for just under half of all internet advertising spend in Canada with estimated revenues from its operations in the country in 2024 being an estimated $9 billion. Again, its dominance of the internet advertising market has stayed stable for the past decade. No other entity comes close to matching Alphabet's scale or scope.[342]

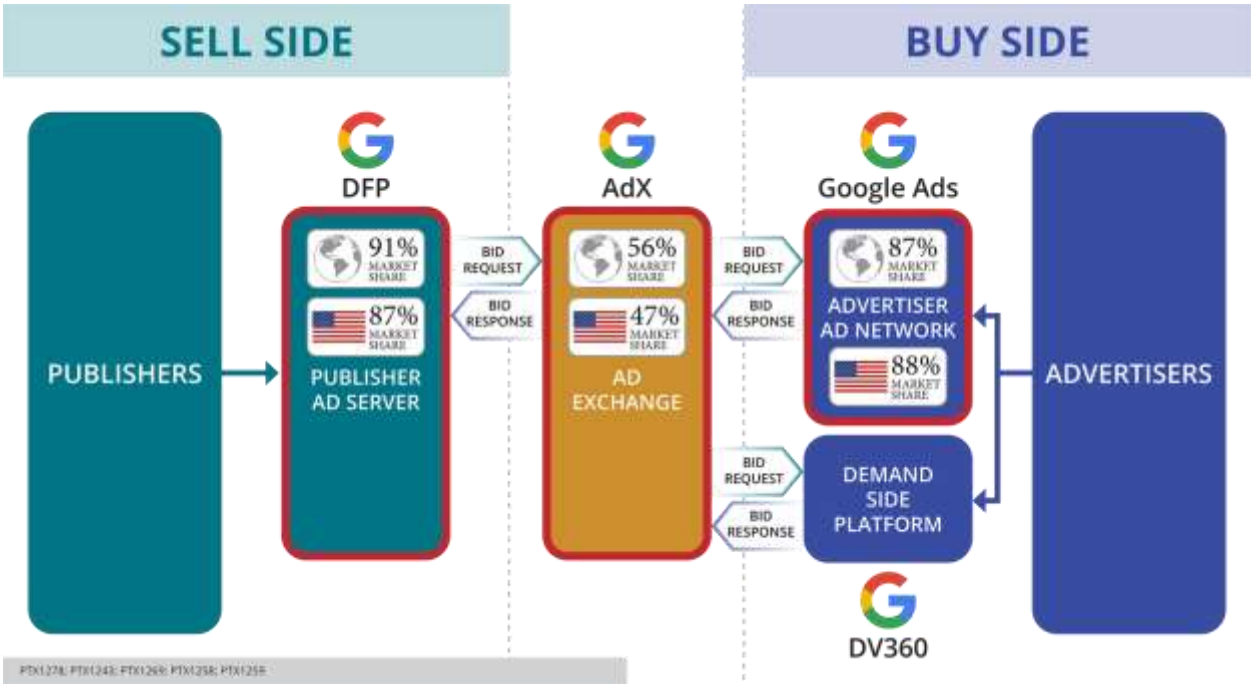
It is also essential to recognize that we should speak not just of an omnibus internet advertising market but one that has become fractured into specialized segments like search, video, display, social, and retail, each with their own points of dominance and dynamics. The next few paragraphs draw out this point, while branching out to assess other major and minor interests in the internet advertising market in Canada.

Alphabet dominates the "video sharing platform" space through its ad-supported YouTube, with user generated content filling it alongside branded content created by Canadian, US, and international media brands. We will return to Alphabet's paid video and music options such as YouTube Premium Video and YouTube Music, as well as the Google Play versions of each below. In online advertising, Alphabet dominates the video sharing category. By our estimate, its advertising-supported YouTube video sharing platform crossed the billion-dollar mark in Canada in 2023 ($1.089 million) and that figure grew to $1,234.3 million in 2024. That is about 13% of Alphabet's advertising revenue and represents about 56% of the distinct video advertising segment of the online advertising market. This result is several points higher than the general online advertising market, meaning that Google's dominance of the video sharing platform market is even stronger than it is in general search.[343]

Alphabet's dominance of online advertising is based on the fact that it has vertically integrated its search and online advertising functions with its own proprietary digital advertising exchange (and the buying and selling of advertising inventory on both sides of that exchange), to say nothing of the dominant position several of its subsidiaries hold in relation to mobile and desktop browsers, the Android mobile operating system, and the Google Play app store. The cornerstone of Alphabet's sprawling reach across the internet, however, is its proprietary online advertising system. It has assembled that system through a series of acquisitions over the last twenty years, for example, DoubleClick (2007), AdMob (2010), and AdMeld (2011), among hundreds of others.

In so doing, Alphabet has erected a walled garden around its own services, audience data, and online advertising system, which is a stark departure from the company's original, beneficent-sounding mantra to help people navigate the "open internet" and to slay the walled gardens that threatened that ideal. Figure 52 depicts the vertically integrated advertising technology stack and exchange that Alphabet has assembled over the last decade.

Figure 52: **Alphabet's vertically integrated ad**-tech stack



Sources: US District Court, DC (August 5, 2024). Memorandum opinion. US and Plaintiff States v. Google LLC [2023]. Closing arguments–PPT Deck (November 25, 2024) (Google Search case).

In practice, Alphabet's control over its vertically integrated online advertising system means that media companies place their available advertising inventory with Alphabet services on the "sell" side while advertisers then bid in real time for that inventory on the "buy" side of the exchange. In other words, it controls both sides of the online advertising market and the market exchange itself in the middle and does so in ways that are impenetrable to either the actors involved or outside scrutiny. Comments by Alphabet executives revealed during testimony in the US DOJ's advertising monopoly case against the company help to capture what that means. "Is there a deeper issue with us owning the platform, the exchange, and a huge network?" asked Jonathan Bellack, a former Google product director, in an email cited by the DOJ. "The analogy would be if Goldman or Citibank owned the NYSE."[344] The case against the company wrapped up in November 2024. In 2025, Alphabet was also found guilty of having illegally acquired and maintained a monopoly in the online advertising market, while a decision on the remedies to that situation is still pending.[345]

Alphabet's dominance of online search and advertising has underpinned a widening array of products that now have more than a billion users each: Android, Gmail, Google Play,

YouTube, Maps, Photos, and Docs. It is thus no longer just a search and online advertising giant but a new kind of diversified multinational digital conglomerate with an entrenched and dominant position across ten of the fifteen subsectors on the online media industry covered in the research for this report. Figure 53 below depicts the sectors in which Alphabet is dominant, either single-handedly or where it shares a dominant position with just one or two others in the context of a highly concentrated digital market. App stores, operating systems, browsers, and cloud services, for example, fit those criteria.

Figure 53: Alphabet's cross digital market dominance in Canada, 2024

	ALPHABET DOMINATES*	ALPHABET DOES NOT DOMINATE**
Internet advertising general	✓	
Internet advertising search	✓	
Internet advertising video	✓	
Internet advertising social		✓
internet advertising online retail		✓
Search Engines-Mobile	✓	
Search Engines-Desktop	✓	
Social media		✓
Mobile O/S	✓	
Desktop O/S	✓	
Mobile browser	✓	
Desktop browswer		✓
App distribution	✓	
Cloud services	✓	
Internet news		✓

** Alphabet dominates (i.e. top 2-3 players in highly concentrated market)*
*** Alphabet does not dominate either because not in top 3 players in highly concentrated sector or sector is not concentrated*

Sources: see Figure 53 sheet in the Excel workbook accompanying this report and the entries under "concentration metrics" for each of the digital markets covered in the GMIC Project—Canada open data sets.

It is this tendency to lock in their dominant position and to leverage that dominance to enter new markets that have caught the eye of regulators, not just in the US but in Canada, and in a trilogy of cases in the European Union that have unfolded over the past fifteen years but that are only being resolved now.[346] In the US alone, Alphabet was found to be illegally using its monopoly in search and online advertising to kill competition and in the process harm consumers and third parties such as news media organizations, broadcasters, and publishers for whom such services are part of their life blood. Again, more on those cases later.[347]

Alphabet's online advertising monopoly—that is, its ability to unilaterally set prices, terms of service, and privacy standards, as well as to foreclose new entrants, etc. rather than controlling 100% of the market—is underpinned by massive economies of scale and scope along with high barriers to entry. It takes enormous sums of capital investment to build a search engine that works on a planetary scale, assemble the corpus of humanity's expressions, create the data centres that warehouse all of that content, and build, buy, and operate—either on its own or jointly with others—undersea cables and national and regional backhaul fibre connections that are needed to make it all work.

Busting up Alphabet is now on the table, but the question is, should we?[348] In the Google Search case, the DOJ proposed remedies that target those economic realities and the illegal conduct that put Alphabet on trial to begin with, while preventing it from resurrecting such power in the future or extending it to nascent markets like AI. The remedies proposed included:

- Spin off Chrome, Google Play, and/or the Android operating system (p. 5).
- Ending paid exclusive distribution deals with Apple and Samsung where they preloaded their devices exclusively with Alphabet search in return for a split of its advertising revenue (p. 5). This would break those deals, prevent new ones like them, and offer people "choice screens" with options such as Google, Bing, and DuckDuckGo.
- Open data and operability options which rivals and new entrants could use to gain access to the indexes, data, feeds, and models behind Google search, AdExchange and AI (p. 7).
- Ban exclusive deals with websites and content providers such as news media that lock out rivals while girding Alphabet's search and advertising dominance and give it a leg up in future AI-related markets (p. 8).

These were serious proposals with potentially very far-reaching effects. They recognized that Alphabet's monopolistic practices have harmed competitors and resulted in news publishers, broadcasters, and other media providers getting a smaller cut of advertising revenue if such conditions did not hold. The quality of Alphabet's services has also been

degraded. For instance, Alphabet's privacy and data protection standards are lower than what people say they want. It has also steadily pushed a heavier advertising load in Google search results compared to its own past practice. It has also super-imposed its own vertically integrated structure and proprietary technologies and protocols over the open, decentralized, and end-to-end architecture of the early internet. Given its industry-wide clout, these practices set benchmarks that can bend future technological and market evolution toward those standards and to Alphabet's interests. Given the significance of the issues—and the guilty verdicts issued in both the Google Search and advertising cases—the DOJ reached for the biggest hammer in the antitrust regulator's toolkit: the break-up.

While that option has already been rejected in the search case, a decision is still awaited in the advertising case. In both instances it is worthwhile to examine the factors that fed into the DOJ's proposed remedies. At the top of the list in that regard are the lessons that regulators have learned from one another internationally over the past dozen years.

The EU's trilogy of market dominance cases against Alphabet is an outstanding case in point. Its online search and shopping services ruling in 2017 led to a €2.3-billion fine.[349] The Android mobile operating system case in 2018 brought a €4.34-billion fine.[350] Those were followed by the landmark ruling on Alphabet's dominance of the online advertising market in 2023.[351] Alphabet has been able to draw out each of these cases, in some instances for more than a decade. The Google Shopping case, for instance, began in 2010 but despite a ruling against the company in 2017 that came with headline grabbing fines and ongoing monitoring of specific behaviours that the Commission had found to be anti-competitive. It was only wound up in October 2021 after Alphabet's appeal was rebuffed.[352] The EC continued to report ongoing problems in terms of Alphabet conforming with what was expected in response to these decisions, while the Commission and other regulators have also opened numerous new fronts to scrutinize, including Apple and Alphabet's app stores.[353]

Some object that the break-up of Alphabet would be too heavy-handed and that this cure could be worse than the disease. Others, however, argue that breakups can be done well and are a lot easier to implement than conduct-based remedies which are hard to police and enforce in the long run. This is especially true given the enormous disparity in resources—money, knowledge, expertise, etc.—that is tilted greatly in favour of companies and against cash-strapped regulators on short political leashes.[354] The fact that the presiding judge criticized Alphabet for its lack of candor and obstructionist strategy does not inspire confidence that the terms of any consent decree with the company could be effectively monitored and enforced.

What if the goal, however, wasn't to break up Alphabet but to give new search market entrants access to the essential building blocks that sustain Google's monopoly instead? This is the aim of the US DOJ's proposed remedy in the search monopoly case. It would require Alphabet to provide qualified competitors with syndication licenses—on fair and

non-discriminatory terms and at marginal costs—for its search index and critical data that make the web searchable but which also underpin Google's search monopoly. This includes anonymized data used for ranking webpages, targeting audiences, selling ads, and training AI systems. The proposal would also mandate interoperability between Google's search and ad systems and those of competitors, similar to common carriage rules in North America and telecom regulations that promote competition worldwide. If successful, these measures could help to restore a more decentralized internet, with matching affects on communication, commerce and culture.

Alphabet argued that the breakup option and other proposed remedies should be dismissed out of hand by the judge. As it stated in a blog post responding to the DOJ's proposals:

> We believe that today's blueprint goes well beyond the legal scope of the Court's decision about Search distribution contracts. Government overreach in a fast-moving industry may have negative unintended consequences for American innovation and America's consumers. We look forward to making our arguments in court.

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Given that these cases ultimately boil down to questions of power, it could also be the case that Alphabet hopes that the whole thing will go away with the Trump Administration having taken the reins of government. Its CEO Sundar Pichai was quick to join the flock of big tech CEOs lining up in the final days before the 2024 election to bend Trump's ear and were among the first to call to congratulate him even before all the ballots had been

counted. If this all comes to naught, we will be staring at the real conditions of power and how they intersect with markets, wealth, technology, and politics.

At the time of writing, a decision in the remedies phases of the cases has only been delivered in the search case, while the outcomes of the advertising case is expected soon. In the search case, the court chose to skirt the tough remedies in favour of fairly lenient ones. For example, it did not require any divestitures, but it did require that Alphabet make the same distribution deals that it has had with Apple and Samsung available to others. It also required that Alphabet sell syndicated access to its indexes so that other would-be rivals such as Bing or DuckDuckGo could integrated build from them in their own services.

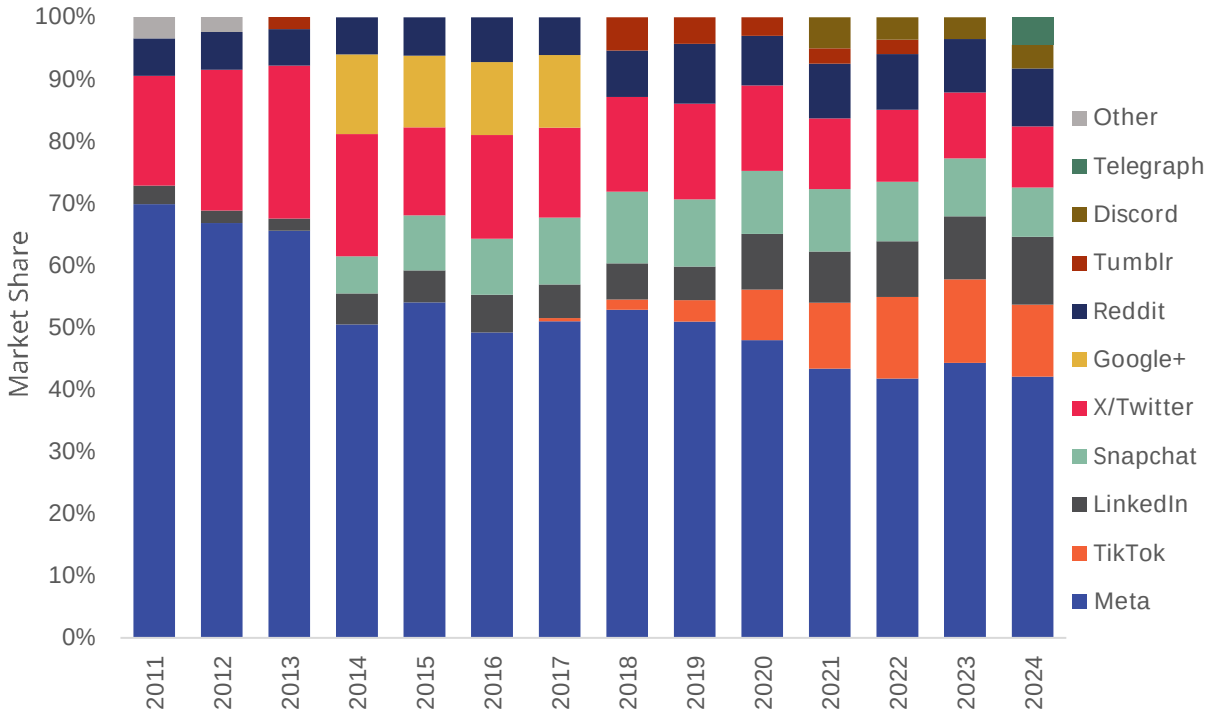
Meta: From connecting the world to international scofflaw

Meta had an estimated 43 million users of Facebook and Instagram in Canada in 2024 and revenue of $4.8 billion—a sharp rebound from the previous year when revenue declined year-over-year for the first time ever in Canada. Its place in the Canadian media economy appears to have peaked, however, as Meta's share of internet advertising revenue in a growing market has slipped from a high of 31% in 2021 to 26% in 2024.

Meta's clout is still substantial, resulting from its decade-long position as the foremost social media service in Canada and the world. Its share of social media traffic based on self-reporting by Facebook and Instagram users remained above 50% for a decade before slipping to 41.8% in 2022, and was 42.1% in 2024, including Instagram.[355] Meta's audience has seen sluggish growth in recent years, although drops in the number of people who use its flagship Facebook have been offset by an increase in daily and monthly user traffic at Instagram (see below). For Meta, however, this softening of its share of internet advertising and audiences must be cause for concern, given that 99% of its revenue is from advertising.[356]

Meta's closest rivals based on monthly average users in 2024 were TikTok (11.6%), LinkedIn (10.9%), X (Twitter) (9.8%) and Snapchat (7.9%). Each of these entities attracted a quarter to a third of the audience for Facebook and Instagram, respectively. Combined, they had about the same number of users as Meta. These are clear signs of Meta's enduring market dominance. That said, Meta's rivals have doubled their market share in Canada since 2011 and increased it from 35.2% to 40.3% over the last five years.[357] Figure 54 illustrates these points.

Figure 54: Social media audience share, 2011–2023



	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
CR4	96.6%	95.7%	96.1%	89%	88.6%	86.7%	88%	87.2%	86.9%	80.9%	75.4%	76.1%	78.6%	74.5%
HHI	5242.3	5025.7	4951.5	3199.9	3401.0	3007.6	3130.4	3284.2	3104.1	2814.4	2402.1	2323.7	2533.0	2306.9

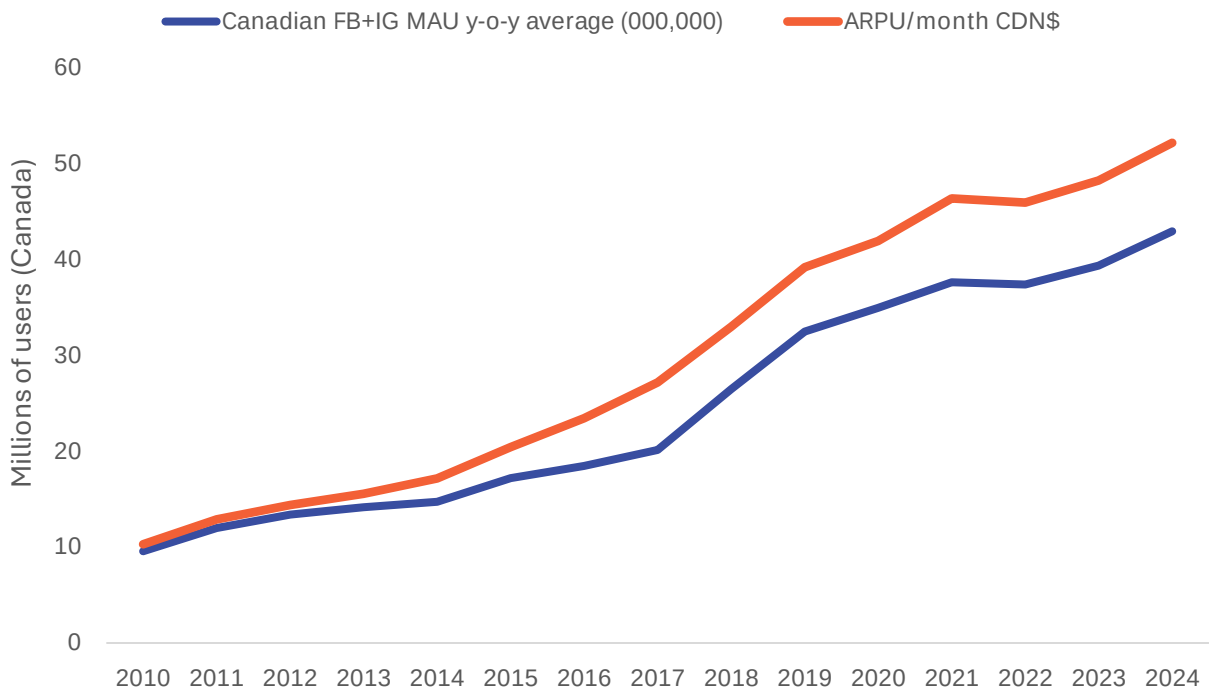
Sources: see Figure 54 Social Media entry in the Excel workbook accompanying this report and the "Social Media Platforms" entry in the GMIC Project—Canada open data sets.

The gap between Meta and its closest rivals is starker yet in the value of advertising revenue. Meta's estimated revenue in 2024 in Canada was four times that of its four closest rivals combined. TikTok's advertising revenue in 2024 reached an estimated $539.4 million for a 2.9% market share, for example. While Meta still stands head-and-shoulders above its rivals based on audience share and revenue, the gap has narrowed in recent years. This story of Meta's softening dominance but still standing far-and-above all other competing social media services repeats itself for Australia, Germany, the UK, and the US.[358]

Nonetheless, as this report was being prepared, a US district court ruled in the Federal Trade Commission's long-running case that Meta does not have a social media monopoly.[359]

Meta has so far been able to counteract the slowing pace of growth in its audience share by increasing the monetary value of each user. The annual average revenue per Facebook and Instagram user (ARPU) in Canada was an estimated $110.83 ($9.24 per month) in 2024, close to four times what it was ten years earlier.360 Even by this measure, however, Meta's ability to drive up ARPU seems to have stalled. Its ARPU in 2024 was up only slightly from 2021 when it was $8.74. The combination of softer revenue, ARPU, and audience growth suggests that the world's largest social media platform is facing strong headwinds, even if its dominance remains unrivaled, and these are no doubt reasons why Meta was found to not possess a monopoly. Figure 55 below depicts the growth of Meta's revenue and ARPU in Canada since 2011.

Figure 55: Meta's Canadian subscribers numbers and average revenue per user (ARPU), 2011-2024



Source: see Figure 55 sheet in the Excel workbook for this report and the "internet advertising" entry in the GMIC Project—Canada open data sets.

The cornerstone of Meta's dominance is its internet advertising marketplace where audiences are bought and sold. Like Alphabet, Meta also has its own digital advertising exchange called Meta Audience Network.[361] The companies also share control of the common currency used to buy and sell audiences and advertising inventory online: detailed knowledge of their audiences. They also have their own audience measurement and rating systems that help them to set and control the terms of trade upon which the online advertising system functions in Canada and globally.

Whereas Alphabet's search engine gives it reach across the internet that it uses to place advertising across the entire web, Meta Audience Network's reach is not as wide because it has no comparable function to search. Meta also does not own a video sharing platform and it has not yet created anything comparable to Alphabet's ad-supported YouTube walled garden. Whereas Alphabet's Google search engine includes everything on the web unless specific instructions embedded in code say otherwise, whoever wants to join Meta's Audience Network must take positive action to do so. In the advertising and marketing world, it is well known that inclusion by default is the easiest—and stickiest—option compared to opting in or out. Any third party can embed simple code into their website or app that makes them a partner and an extension of the Meta Audience Network, but even that small act tilts the playing field in Alphabet's favour.

Alphabet and Meta's embrace of mobile internet has also girded both companies' efforts to consolidate their grip on the online advertising market. That Meta (then still Facebook) implemented the Audience Network as it pushed its embrace of mobile into high gear is telling. So, too, is the constant stream of acquisitions by both companies to speed that transition. To this end, for example, Facebook has acquired messaging services (WhatsApp) and social media sites (Instagram) to eliminate competitive threats to its core business while it has also moved aggressively into political campaign management, marketing campaigns, news delivery, virtual reality, and more.

Based on the edifice it has assembled at the centre of the online advertising market, Meta accounts for about two-thirds of "social media" and "display" advertising revenue.[362] This tallies well with the Competition Markets Authority in the UK finding that Facebook had an estimated 50-60% of advertising spend on display advertising in 2019.[363] Once again, it is important to move from a general assessment of the internet ad market to one that drills down into its specific components, where already high levels of dominance at the general level become magnified. Such realities also align well with testimony in the Alphabet digital advertising case that found that Alphabet, Meta and Amazon try to stay in their own lane and avoid head-to-head competition as much as possible.[364] In sum, display and social media advertising is a distinct market from general search or Amazon's online retail advertising vertical, and in this context Meta's dominance is long-standing and still unrivaled, even if it is being eroded by the growth of TikTok, LinkedIn, X/Twitter, and Snapchat, among many others, that have entered this space.

It is precisely this kind of evidence that has spurred on one regulatory inquiry or case after another against Meta and Alphabet, in Australia, Germany, the UK, and the US, for example.[365] It is also one of the reasons the UK created a new Digital Markets Unit in 2021 inside the Competition and Market Authority (CMA) and why the CMA blocked Meta's acquisition of Giphy in 2023, a service that controls popular GIFs and emojis. While GIFs and emojis are free for people to use, they are a means to obtain user data and increase the stickiness of the sites that use them and thus buttress Meta's dominance of social media.

Already in its initial examination of the proposed merger, the CMA registered significant concerns and its stated intention was to block the deal. Allowing Meta to acquire Giphy, the CMA said, "would result in a substantial lessening of competition (SLC) in social media and display advertising, harming social media users and businesses in the UK."[366] A year later, in October 2022, the CMA blocked the deal and ordered Facebook to divest Giphy.[367]

Amazon's rise: Yesterday's digital duopoly is replaced by a three-way oligopoly

The biggest change in the internet advertising market has been Amazon's swift ascent since 2018 to become the third-largest player in that market after Alphabet and Meta. Amazon's estimated online advertising revenue in Canada was $2.7 billion in 2024, 14.6% of the total, a figure that solidified it as the third-biggest player in the market and in a league of its own. Altogether, the big three US internet giants now account for 89% of internet advertising spend in Canada, forging a three-way oligopoly.

This does not count the far greater revenue generated in Canada that this report tallied from its cloud business (Amazon Web Services), streaming video (Amazon Prime Video), and music services (Amazon Music Unlimited), which add up to $10.8 billion. Add in its ecommerce division based on the assumption that Canada's ecommerce economy is 5-7% of the US, Amazon's revenue is probably in the $23-28 billion range, with only Bell ($24.9 billion) and Rogers ($20.2 billion) having close to that amount, and TELUS trailing not far behind ($17.6 billion).[368]

Amazon has been significantly expanding its investments in television, film, video and music in recent years. It purchased the video sharing platform Twitch in 2015, MGM in 2022, , and rights to select NBA games in the US and NHL games on Monday nights in Canada in 2024. It launched Amazon Music in 2015 and brought the streaming music service and Amazon Prime Video to Canada three years later. Some of these issues are out of scope at this point because they fit better with our discussion of the streaming video and music markets and we will return to them there. Twitch does fall into the ad-supported video sharing platform segment, however, and thus competes with YouTube, but its audience reach and market influence are tiny by comparison.

We will set aside those developments for now and refocus our attention on Amazon's stake in the "retail" segment of the internet advertising market. eMarketer estimates that

market to have been worth $3.15 billion in 2024. Using our estimate of Amazon's revenue, that would mean that the e-commerce behemoth commands about 85% of that total.[369] A dominant position of 14.6% in the general online advertising market thus once again becomes a more menacing number when examined within the relevant sectors of the internet advertising market.

This is consistent with testimony from Alphabet executives and experts in the Google digital advertising case that showed that Alphabet itself does not see Amazon as a direct competitor because it primarily deploys advertising within the confines of its e-commerce platform. According to that testimony, Amazon has helped to expand the online search advertising market because its users tend to turn to Alphabet more after starting a search within the Amazon platform rather than substituting Amazon's search and advertising tools for Alphabet's own. As such, Alphabet and Amazon are complementary services, with each tilling their own walled gardens, rather than competing head-to-head. Given this, the online retail behemoth's closest rivals are not Alphabet and Meta but Advance (formerly Loblaw Media), a subsidiary of one of Canada's largest grocery chains.[370]

The bird is dead: From Twitter to the bizarre world of X

Audited public financial statements for X vanished after Elon Musk and a coterie of international interests acquired it in 2022 and took it private. The list of new owners in X raises red flags about its autonomy from powerful interests with political ambitions. They include a who's who list of people from Silicon Valley to Saudi royalty who share with Musk the fact that they backed Trump and the culture wars that have also torn apart revered universities such as Harvard, Columbia and others, including, for example: Bill Ackman (Pershing Square hedge fund), Andreesen Horowitz (investment firm), Larry Ellison, and Saudi royal family frontman Prince Alwaleed bin Talal al Saud.

The social media service has since become a degraded version of its former self ever since its ownership changed hands. Musk's pugilistic and ideologically driven stewardship of X has also led to "some particularly bizarre trends in the data reported in X's advertising tools over the past year," observed DataReportal.[371] Its estimated revenue in Canada was down two-thirds from $163.8 million in 2021 to $61.6 million in 2024. Its share of the social media audience has also been diminished, tumbling from 14% the year before it was sold to 10% in 2024.[372]

There are many other social media platforms, and in fact a wellspring of new entrants is rushing in, trying to find a place as Facebook and X lose their sheen. The list is long, and their prospects for survival uncertain, including Bluesky, Threads (Meta), Discord, Rumble, and Truth Social. Many of them are niche and polemical, like the partisan press of yore. Others pitch themselves as trying to recreate something that at least aspires to be part of the public sphere. It is unclear where all this is leading.

Do Alphabet and Meta dominate advertising across all media?

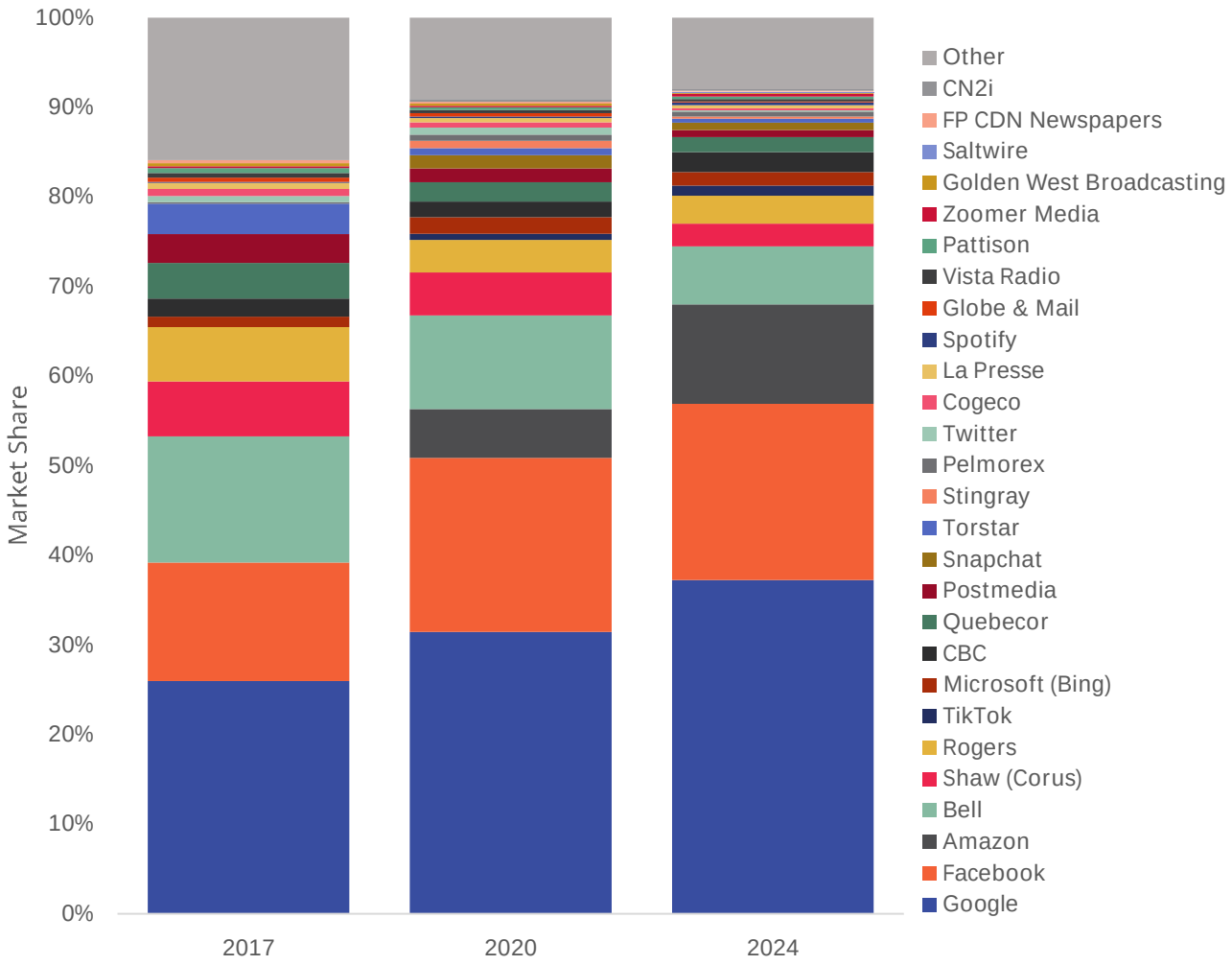
Alphabet and Meta's dominance of online advertising already appears to be entrenched, albeit with Amazon rising through the ranks with its stronghold in digital retail advertising. What is of even greater significance is the extent to which Meta and Alphabet are rapidly consolidating their grip over the Canadian advertising market, tout court. Until recently, it was hard to make the case that the two online advertising behemoths, or even the big three if we include Amazon, could do so.

That is no longer true. On its own, Alphabet had hoovered up more than a third of the market (37.9%) in Canada by 2024. Meta now commands a fifth of the total, making their combined share of a much larger market an astonishing 58%. Add in Amazon and the big three US search, social media and tech giants altogether now account for an extraordinary 70% of Canada's $24.2 billion advertising market. BCE had advertising revenue of $1.6 billion by comparison in 2024, or 6.6% of the total, and both of those figures are waning year-over-year.

All told, in 2024, the top four companies—Alphabet, Meta, Amazon, and Bell—accounted for just over three quarters of the market. Its HHI has also surged from the low-end of the scale (1,062) in 2017 to 2,030 in 2024. Figure 56, below, illustrates this.

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Figure 56: Advertising revenue across all media, market shares and concentration scores, 2017 versus 2020 and 2024



	2017	2020	2024
Total $ (Mills)	13,907.92	15,130.14	24,247.43
Google + Facebook Share	37.3%	52.1%	56.9%
CR4	56.5%	68.4%	74.5%
CR10	76.2%	84.3%	86.7%
HHI	1,062.70	1,626.35	1,969.37

Source: see Figure 56 sheet in the Excel workbook accompanying this report.

To get a sense of Alphabet's dominance of advertising in Canada, consider that its 2024 revenues were close to six times those of Bell, twelve times those of Rogers, and almost fifteen times that of Corus Entertainment, three of the biggest broadcasting ownership groups in the company. Alphabet's revenue was more than thirty times those of the two largest newspaper groups in Canada combined, Postmedia and Nordstar, publisher of *The Toronto Star*. In fact, Alphabet's advertising revenues in 2024 were twice that of the leading Canadian communications and media groups combined.[373]

For its part, Meta's $4.7 billion in 2024 advertising revenues were nine times those of all daily newspapers, and more than seventy-six times those of the *Globe and Mail*.[374] If there is a silver lining in this rather dire portrait it is that advertising revenue across traditional media has stayed roughly the same for the last three years at close to $6 billion. However, in inflation-adjusted dollars and relative to the unusually fast expansion of advertising spending during this period, that, too, is a loss. Clearly, the long-term story is of advertising being consolidated in the hands of big tech companies like Alphabet, Meta, and Amazon.

Meanwhile, Bell, the largest Canadian media company, has seen its advertising revenue fall from roughly $1.8 billion per year for the best part of a decade to $1.6 billion in 2024, while Rogers shed close to $50 million from $803 million in 2017. Shaw/Corus has also seen its revenue slide by a quarter from $814 million in 2017-2018 to $614.2 million in 2024. At Quebecor, advertising revenue has fallen from the low-$500 million range in 2017-2018 to $365 million. At the CBC/Radio-Canada advertising revenue has stayed about the same at $270 million in 2024. Combined, the five largest Canadian media groups have seen close to $700 million vanish from their bottom line in seven years. The last seven years have been even more devastating for newspaper groups such as Postmedia and Torstar, who have seen their advertising revenue cut by roughly half and three-quarters, respectively,

All this is yet more evidence of the centralization of advertising on the internet and that its concentration is benefitting only a few tech giants at the pinnacle of the advertising market. It also underscores the howls of protest and the ongoing charge that the media in Canada are in crisis.[375] That charge has been made for a decade-and-a-half but with reality now catching up to it, *at least for media the rely primarily on advertising as the basis of their business model*.

Canadian telecom conglomerates, broadcasters and publishers fight back

The growing role of internet advertising and long-term decline in legacy advertising has put traditional media companies at a disadvantage to the internet giants worldwide, but they have marshalled political and lobbying muscle to try and bring the newcomers to heel. Domestic telecoms and media companies are pursuing their own two-track strategy, both in their home countries and internationally, of pushing governments to break up the internet oligopoly's stranglehold on both online advertising and audience data, while trying to create digital advertising exchanges of their own.

Australia's *News Media Bargaining Code* pioneered this approach, which was emulated by news media in Canada in the *Online News Act*.[376] The regulatory solutions proposed by industry to date, however, run the risk of being not only ineffective but also unlikely to solve the problem of digital media and internet concentration. They could also lead to a race to the bottom on privacy and personal data protection.

Canada's telecoms conglomerates and media companies have sought to copy strategies pioneered by Alphabet and Meta by creating online advertising exchanges of their own. Bell began to pursue such a course of action through its Relevant Ads Program (RAP) in the early 2010s, for example, but it was shuttered after the Office of the Privacy Commissioner (OPC) deemed it offside with Canada's personal information and privacy protection law in 2015. The OPC's description of the RAP should put to rest any notion that Bell or any other company pursuing such a strategy is more innocent than the IT giants when it comes to personal data and privacy:

> BCE's Relevant Advertising Program [RAP] is able to track every website its customers visit, every app they use, every TV show they watch and every call they make using Bell's network. When that information is combined with account and demographic information—such as age range, gender, average revenue per user, preferred language and postal code – which the company has long collected, the end result is a rich multi-dimensional profile that most people are likely to consider highly sensitive.[377]

While Bell shut down its RAP program in 2015, its effort was soon resurrected under CRTC auspices in a bid to create a pool of audience data that would be used by the industry for advertising and other purposes (see further below).[378] Ultimately, this effort foundered amid squabbling among its participants, with others like Netflix also wanting in.

BCE moved closer to a battle for control over data in late 2021 by acquiring Environics Analytics, Canada's largest data and analytics firm. Its stated goal was to "open up new opportunities for advanced media advertising strategies while further enhancing content apps and other delivery platforms."[379] With estimated revenues of $50 million in 2020, Environics Analytics occupies a tiny place in the BCE communications and media empire, accounting for less than 0.2% of its revenue.[380]

Bell has already built on Environics Analytics by forging a joint venture with digital ad-tech platform Xandr.[381] BCE thus joined forces first with AT&T, then with Microsoft after Xandr's June 2022 sale, in a bid to build a digital advertising platform to rival that of Alphabet. Cable companies are doing the same, building their system around Comcast's Xfinity IPTV platform. The result is intended to be a three-way battle between Google's dominant ad-tech stack versus Bell's Environics/Xandr system licensed from Microsoft and the Xfinity system but given the ongoing consolidation of online advertising amongst the big three US tech giants, such efforts are obviously failing to achieve their desired result.

Bell's stake of the advertising market grew again in 2024 after its $410 million purchase of the Canadian assets of Outfront Media, the largest US outdoor advertising company. This added to Bell's already large stake in this sector gained in its 2013 takeover of Astral Media, one of the largest outdoor advertising companies in Canada. Ostensibly, the acquisition was about leveraging cross-media advertising opportunities, but the tens of thousands of billboards and bus shelters, etc. that it acquired was as much about using street furniture, as such things are called, to site the antennae needed in Bell's rollout of 5G networks. As such, Bell could use its control of these seemingly innocuous facilities—street furniture—to its advantage by using them as site locations for its 5G networks.

This aspect of the deal seems to have flown under the radar of the Competition Bureau. The Competition Bureau found that the deal would substantially lessen competition in the outdoor advertising market in Central Canada, and required Bell to divest a small number of its displays in Ontario and Quebec.[382] A more assertive stance could have made approval of the deal conditional upon those fixtures being subject to the CRTC's open wholesale access regime to avoid having control over street furniture and billboards become yet another arrow in BCE's quiver to hobble wireless competition.

These moves are all part of the "battle of the stacks" between domestic telecom and media giants and their even larger international rivals to develop proprietary ad tech standards while locking clients into their mutually exclusive ad systems. Beyond the data and privacy protection and market power issues raised by these ventures, their proprietary protocols destroy once shared commitments to the open protocols that once defined the internet.[383] The internet itself is thus being remade while hopes for decentralized power and control in the hands of users seem increasingly like a dream from the distant past.[384]

From broadcast television to online video services

National ownership groups and vertical integration, circa 1990s to early 2000s

The following pages examine broadcast television and radio before looking at cable, satellite, and IPTV operators. We will then turn to online streaming video services made available direct-to-consumers over the internet. Streaming music services will be taken up in the following section of this report.

To briefly recap earlier sections of this report, broadcast television and radio services were the mainstays of the industrial media economy in the 20th century. By the mid-1980s, the CBC/Radio-Canada was still dominant with its parliamentary funding and television advertising making up almost half of all broadcasting revenue, followed by regional private broadcasters that had not yet been rolled up into a smaller number of national groups: Baton, CHUM, Selkirk, Télé-Métropole, Canwest, Western International, Slaight Broadcasting, Jean Pouliot, Maclean-Hunter, and Rogers. Collectively, these ten groups held a little over a third of the broadcasting market. All of them were owned and

controlled by individuals or families. Various combinations of these groups still shared ownership of the private broadcast TV networks: CTV, Global, CHUM, and TVA.

Revenue continued to soar for broadcast television, radio and pay television services. New television and radio stations were licensed across the country and revenue continued to climb. Broadcast television saw revenue rise from $2.5 billion in 1996 to $3.2 billion in 2008 (inclusive of advertising and the CBC/Radio-Canada's public funds), while broadcast radio doubled to $2 billion. Pay television was also on a tear, with hundreds of services available and revenue soaring from $660 million in 1996 to nearly three billion dollars by 2008. The much ballyhooed 500-channel television marketplace became a plausible prospect, and the commercial internet was taking off. The advent of pay television also marked the beginning of a shift from a model of television subsidized by advertising, and public funding for the CBC/Radio-Canada, to one where subscriber fees became the dominant source of revenue. As a result of the fast-growing audiovisual media landscape and fragmented ownership, the level of diversity in the television marketplace was at all-time highs.[385]

This shifted abruptly and irreversibly in the late 1990s and early 2000s in two steps. The first step occurred as a wave of consolidation led to the unification of the ownership of Canada's three national commercial broadcast television networks: i.e. CTV (Baton, circa 1997-1998), Global (Canwest, 1998), and TVA (Quebecor, 2001). The big three commercial broadcast television networks also expanded into the still relatively new domain of pay television by acquiring several such services (a form of diagonal integration).[386] Two of the biggest players within the pay television sector also merged to form Alliance Atlantis in 1997-98. At the same time, Montreal-based Astral Media became the largest pay television operator by acquiring exclusive distribution rights for premium HBO content in Canada, then adding two dozen pay television services. It also expanded into the radio broadcasting market in 2002 by acquiring Quebec-based Radiomutuel.[387]

The second step began in earnest as three biggest cable companies extended vertical integration between cable, broadcasting, and publishing: Rogers in Ontario and part of the Atlantic Provinces; Shaw in Alberta and BC; and Vidéotron in Quebec. Even after Rogers' blockbuster takeover of Maclean-Hunter in 1994, however, vertically integrated cable-broadcasting-publishing conglomerates still accounted for less than 10% of the media economy in 1996. That changed dramatically, however, as Shaw and Vidéotron went on a buying spree.

Shaw's acquisition of Western International Communications and Power Broadcasting in 1998-1999, for example, caused a significant bump in vertical integration in Alberta and BC. From then until its takeover by Rogers in 2023, Shaw was one of Canada's big four vertically integrated companies girded by its monopoly cable operations and Shaw Direct satellite service in Western Canada, and ownership of a large catalogue of television and radio services across the country. These included the Family Channel (50%), Teletoon (20%), three pay television services (i.e. Movie Max, the Super Channel, and Viewers

Choice), and twenty-nine radio stations.[388] It spun off its radio stations and specialty television services into a new company, Corus Entertainment, in 1999 that has continued since as separate legal entity still under the ownership control of the Shaw family.

Quebecor followed suit by acquiring the Sun Media newspaper chain, Vidéotron, and TVA in 1999-2001. Cogeco, a distant fourth cable operator in Ontario and Quebec, acquired stakes in broadcasting, but those stakes were neither significant nor long-lasting. From the 2000s onward, Quebecor stood astride a vertically integrated colossus with Vidéotron in cable television, internet access and mobile wireless, the dominant commercial French-language television network, TVA, more than a dozen pay television services, the Sun chain, the *Journal de Montréal* and *Journal de Québec*, along with book publishing and retailing operations. By 2004, it accounted for roughly 5.5% of the national broadcast television and pay television market, or about 4% of the entire network media economy, and 20-25% of the French-language media in Quebec. While it was the fifth-largest communications conglomerate nationally at this time, in Quebec it ranked number one or two alongside Bell, depending on what markets are counted.

The next shoe dropped when BCE took over CTV and its pay television services(e.g. TSN, RDS, The Discovery Channel, The Comedy Network, CTV News Network, and Outdoor Life), the partnered with the *Globe and Mail* national newspaper in 2000.[389] Bell entry into the fields of broadcasting and publishing raised concerns that allowing a carrier to own so much content might not be a good thing and could bias the early talk of the 'open internet' to a closed, wall garden strategy. In the latter scenario, the giant telecoms company's incentives would be torn between maintaining help to uphold that vision of the open internet or turn to engineering and controlling its networks in ways that could give its own broadcasting services an undue preference while unfairly discriminating against other media sources and subscribers in their own right who found the early vision of the internet attractive. At the very least, it was a novel development given that it had only been four years since the federal government dropped the ban on Bell owning and controlling both the medium (the telecoms system) and the message (broadcasting and newspapers).

Vertical integration between carriers and broadcasters and publishers had been around in various guises for a while, but prior to 2000 it was exceptional, local or regional in scale. It was also strongly curtailed by Bell's federal charter that banned it from owning, controlling, or influencing the messages it carried. With that ban dropped in 1996, vertical integration soared from the 2-5% range to five vertically communications conglomerates—Bell, Rogers, Shaw, Vidéotron, and Cogeco—controlling over half of the $52.8-billion media economy in 2004. Within just the field of broadcasting, however, they were still a minority, accounting for just a third of the revenue, while the handful of broadcasting centric ownership groups accounted for the rest.

As a result, of this two-step process, by the early 2000s there were eight large commercial broadcasting groups operating on a national scale or that were at least dominant in their

province or region: CBC/Radio-Canada, Bell Globemedia (CTV), Canwest (Global), CHUM (Citytv), Astral, Quebecor (TVA), Rogers, and Shaw. Together they accounted for 87% of the $5 billion television industry.

Concentration across the television industry was somewhat high by the standards of the CR4 at 67% in 2004. That was up significantly over the decade but a far cry from what it would become in just the next few years. The "pooled HHI" had also declined steadily to a diverse 1,407. This was not far off what it had been a decade earlier, either, but down by half from what it had been in the early-1980s. The weighted HHI also continued its two decade long decline to reach 1,912 in 2004, signaling moderate concentration.

There was also much variation amongst different segments of the broadcasting industry. The specialty and pay television and radio sectors remained very diverse by the standards of the CR and HHI, for instance. Broadcast television, however, was a different story. It was highly concentrated by CR4 standards and those of the HHI with a score of 2,646 in 2004. The overall story, thus, is one of enormous growth and greater diversity in the range of broadcasting services, with high levels of concentration confined mostly to broadcasting television but greater pluralism when it came to radio, specialty and pay television services, and the overall broadcasting system.

Cross-media consolidation and the rise, fall and resurrection of vertical-integration

Starting in 2006, a spate of transactions again remade the television and radio landscape. It appeared initially as if some of the excesses of the dot-com bubble were being unwound. For example, in 2006-2007, Bell Globemedia was dismantled. Its ownership stakes in the CTV network, dozens of pay televisions, and *The Globe and Mail* were acquired by a newly formed company, CTVglobemedia, which was controlled by the Ontario Teachers' Pension Plan, the investment arm of the Thomson family that owns the *Globe and Mail* and other institutional investors.[390] This marked an end to the telecom giant's first experiment in media convergence but it was only a temporary retreat, as we will see.

The iconic CHUM media group was also broken up and sold off in 2006-2007. Its radio stations were sold to CTVglobemedia and its Citytv stations in Toronto, Montreal, Winnipeg, Calgary, Edmonton, and Vancouver were sold to Rogers.[391]

Canwest then ran in the opposite direction. Despite already being over-leveraged, the Winnipeg-based Asper family that owned the Global TV network, pay television services, and the largest newspaper chain in Canada (the former Southam chain), joined forces with Goldman Sachs to buy Alliance Atlantis, the largest film distributor and fourth largest pay television services operator in the country at the time.[392] Canwest's acquisition of Alliance Atlantis in 2007 put it on the path to financial ruin and the pay television market on a path

to much higher concentration levels. By year's, Astral Media had acquired Standard Broadcasting, the third largest commercial radio group in Canada at the time.[393]

Cross-media ownership had become the norm by 2008. Like vertical integration, it was not new, as the Davey Committee provided examples of it from the 1960s, but they tended to be local, regional, or exceptional. Together, vertical and cross-media integration now sat at the centre of media, marked a fundamental turning point in the structure of the media in Canada, although the continued existence of mid-size media firms such as Astral Media and Standard Broadcasting showed that some structural diversity was still built into the system.

By 2008, the "big four" television ownership groups—CTVglobemedia, CBC/Radio-Canada, Canwest, and Astral—accounted for 81% of revenue of the broadcasting and pay television markets. The latter had always had a diversified ownership, but the top four ownership groups now controlled about 70% of the sector versus less than half in the early 2000s. The HHI score nearly doubled as a result as well. Concentration in broadcast television had never fallen much, and it started to inch back up. These ownership changes also led to a slight increase in concentration levels in radio, but by the criteria of the CR4, it was still very diverse with an HHI score of 1,008, reflecting the presence of a handful of midsize national and regional radio ownership groups such as Newcap, Pattison, Rawlco, Vista, Maritime Broadcasting and Golden West.[394]

These transactions were also signs of the financialization of the media that had taken hold over the previous decade, in Canada and around the world. Highly leveraged mergers and acquisitions became routine, corporations loaded up with debt they could barely sustain. Bankers and investors gained more influence, often through positions on boards of directors, higher profits were expected, and when things failed, companies were sold off in pieces.[395] An overly deferential CRTC blessed every one of the ownership transactions that came before it, and the Competition Bureau seldom had anything meaningful to add. It was a couple of years of major upheaval, and Canada's media system was not better for it.

In a case of shutting the stable door after the horse had bolted, the CRTC adopted its Diversity of Voices policy in 2008. Its criteria for evaluating ownership consolidation and cross-ownership between broadcasters and publishers were exceedingly weak, however, and between telecoms and broadcasting were weaker still. The CRTC believed that cultivating national champions was good policy, and the Diversity of Voices policy embodied that misguided conviction. The chair at the time, Konrad von Finckenstein, now concedes that this permissive attitude toward consolidation was probably a mistake.[396]

Vertical integration resurrected

While vertical integration fell after Bell exited the field in 2006, its re-entry into broadcasting and a series of additional acquisitions between 2010 and 2013 restored

vertical integration as the centrepiece of the network media economy. Indeed, by the end of this period all the large commercial broadcasting services in Canada had been bolted on to much larger telecoms companies. The extent of vertical integration in Canada was now unprecedented relative to the country's own historical standards and compared to the rest of the world.

This reconsolidation of the vertical integration model took place in two steps. First, Shaw acquired Canwest's broadcasting assets in 2010 after it went bankrupt. Canwest owned thirty pay television services in addition to the Global TV network, including several BBC channels, Discover Kids, Fox Sports, HGTV, The Food Network, and The National Geographic Channel. This was a major addition to Shaw's holdings in television, production (Nelvana), and radio and transformed it into a major media conglomerate. It owned cable and internet access services throughout Alberta and BC, nine local television stations across the country, fifty-three radio stations, and thirty cable television channels. Canwest's newspaper holdings were acquired out of bankruptcy by its debt holders, mostly US hedge funds (see below).

The next and decisive domino to fall occurred when BCE resurrected its convergence strategy and re-acquired CTV, its pay televisions, and radio stations in 2011. Bell was already the largest communications company in Canada with vast stakes in the wireline and mobile wireless markets, so this transaction marked another watershed. Whereas the big four communications conglomerates controlled just over a quarter of the total network media economy in 2008, with Shaw and BCE's acquisitions that soared to 57.4%. The fate of media has been tightly tied to four communications-centric media conglomerates ever since: Bell, Rogers, Shaw, and Quebecor.

Bell acquired a 37.5% stake in Maple Leaf Sports and Entertainment a year later. It owned the Toronto Maple Leafs, Toronto Raptors, Toronto Blue Jays, the Air Canada Centre in Toronto (since renamed Scotiabank Arena), and three pay television services: Leafs TV; NBA TV Canada; and GolfTV. Bell sold its stake in MLSE to co-owner Rogers for $4.7 billion in 2024.

Bell acquired Astral Media, the largest independent pay and specialty television service and radio broadcaster at the time, In 2013, along with Astral's rights to premium pay television content, i.e. HBO Canada. Bell was already the largest commercial television broadcaster, but its takeover of Astral made it the largest pay television company and radio broadcaster as well. Interestingly, because Bell was not already in radio, the deal did not move the dial in terms of CR4 or HHI score. It merely replaced one radio station ownership group with another, although it did extend Bell's reach, placing it among the top commercial radio broadcasters.

This transaction was initially met by fierce opposition from Jean-Pierre Blais, the Harper-appointed head of the CRTC. In a break with precedent and his immediate predecessor, Blais disallowed the deal in 2012, but it went through a year later after Bell agreed to spin

off some of Astral's television services in order to obtain approval from the Competition Bureau. Several conditions were also imposed on post-merger Bell that were later incorporated into the Vertical Integration Code as industry standards.[397]

Bell was thus not only the largest communications company by 2014, but also the biggest media content company. The 1968 ban in its federal charter had prevented this, but the way had been cleared in the mid-1990s for it to expand as it did. Having failed once, Bell sought to succeed the second time, and once the dust had settled in 2014, it accounted for 30.2% of the $80.1 billion network media economy (inclusive of cloud services).

Six years later, and amidst mounting distress in the broadcast television sector, Bell acquired V Interactions, the second commercial French-language television network in Quebec in 2020.[398] The deal extended Bell's influence in Quebec by adding five French-language stations in Quebec City, Montreal, Saguenay, Sherbrook, and Trois-Rivières (the V Stations). Bell also folded the French-language pay television services and Noovo, an advertising-based VOD (AVOD) service it gained through this transaction, into its deep catalogue of services rebranded under the Noovo label. This helped Bell to maintain its one-quarter stake of the broadcast television market but did not change the fact that a steady share of a shrinking market was still bad news for its bottom line.

By 2024, the top four broadcast television groups remained much the same as they had been a decade earlier: CBC/Radio-Canada, Bell, Corus, and Rogers (albeit with the latter swapped in for the French-language broadcast group TVA). The CR4 was 84.9% while the HHI was at 2,792.8, both squarely in the zone of high concentration. Add Quebecor to the list, and the "big five" had a combined market share of 91.3% in 2024.

Never before have telephone and cable companies owned so much of the media in Canada. It was a radical transformation that came with promises about competing in a global media age and confronting the challenges posed by the internet and tech giants like Google, Amazon, and Apple. Bell was among the first to shine a bright light on these points in the context of the CRTC and Competition Bureau's review of its takeover of Astral. It seemed opportunistic at the time but has proven prescient. Bell's intention was never to curb its own ambitions, or to cut the big tech giants down to size, but rather to use the looming threat to Canadian sovereignty and culture to get what it wanted. It was an early promoter of the idea that multinational big tech conglomerates pose a threat to Canadian culture and democracy. It deployed that trope to get what it wanted, although the pledges that went along with it have arguably not come to pass (see below).

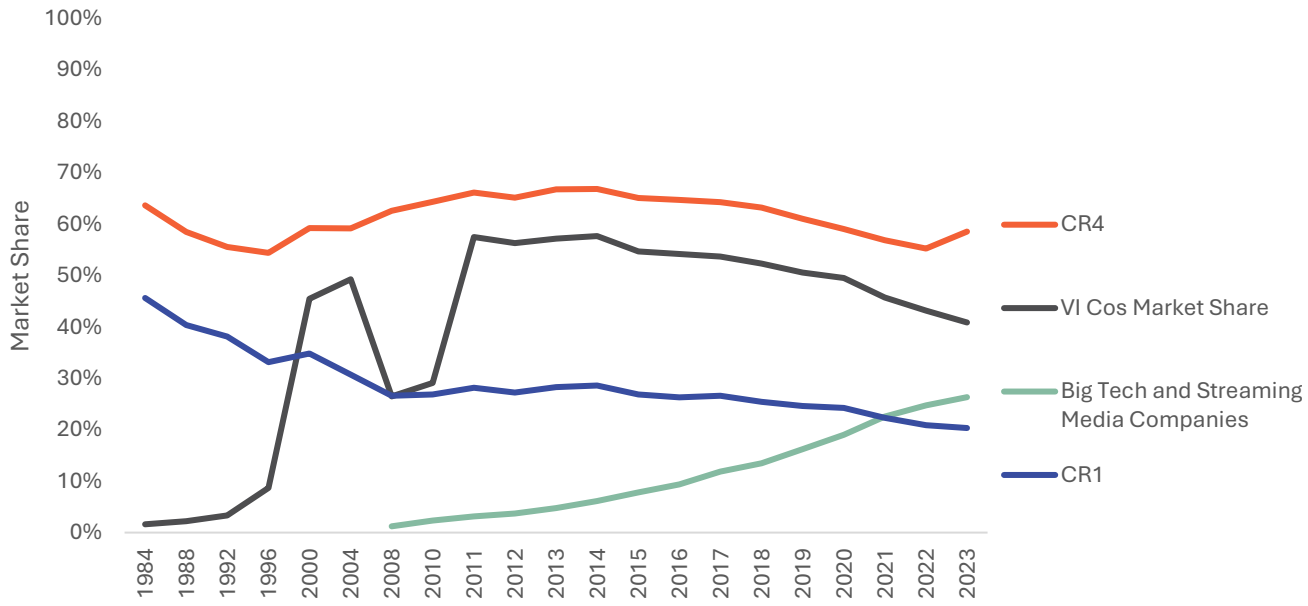
Bell Media is still the largest television ownership group in Canada. It has thirty-five local broadcast television stations that make up the English-language CTV network and the second-largest French-language V network, respectively, twenty-four cable television channels, a handful of streaming services (i.e. Crave, TSN, TSN+, RDS, and Noovo.info), and 55 radio stations as of the end of 2024. It is also not hesitant to throw that weight around,

regularly threatening to close local broadcast television stations unless the CRTC and government revamp the regulatory framework.[399] To this end, in 2024 it sold off 45 radio stations in small and medium sized cities across the country to seven well-established regional broadcasting ownership groups (see below).

Vertical integration in media is not only unprecedented in Canada by historical standards, but also by international comparison. It soared after 2008 and peaked in 2013-2014 at 57-58%, as we have seen. It has slid steadily since as big tech and streaming services such as Spotify and Netflix make inroads. Their share of the market has increased by leaps and bounds in the last decade and fell just short of 28.4% in 2024. Meanwhile, the big four became the big three in 2024 when Rogers took over Shaw (but not Corus, which the Shaw family still controls through a trust). The market share of vertically integrated conglomerates had fallen to just under 40% by this time, an indication that they have lost some control of the market. At the same time, three companies controlling this much of the $130.7 billion network media economy is a sign of their ongoing market and gatekeeping power.

Figure 57 illustrates the rise, fall and resurrection of vertical integration in Canada since the 1990s. It also depicts the share of the top one, four and ten companies over time as well as the rise of big tech and streaming services since 2008.

Figure 57: CR 1 and CR4 scores and vertically integrated communications conglomerates vs. big tech and streaming media services, 1984-2024 (market share based on revenue)



Source: see Figure 57 sheet in the Excel workbook accompanying this report.

The crisis deepens and widens

If scale and vertical integration were supposed to create deep-pocketed national champions that could and would help keep the media alive and flourishing, it has not worked. Indeed, while the industry consolidated, the crisis of advertising-supported media deepened and widened.

Revenues in broadcast television, for example, including the CBC/Radio-Canada and its public funding, slid from a high of $3.4 billion in 2010-2011 to $2.5 billion in 2024, although that figure had stayed essentially flat for the last four years. The CBC/Radio-Canada's public funding had stayed relatively stable at around $820 million per year over the past decade, but a one-time increase in parliamentary raised it $970.9 million in 2024. Given its relatively stable funding for the past decade and recent top-ups amidst the floundering prospects of the commercial broadcasters the CBC/Radio-Canada's share of the broadcast television industry has increased to 46.4%, based on both its public funding and advertising income.

The relative stability of the public broadcaster contrasts sharply with the commercial broadcast television sector, which has seen its advertising revenue plunge from $2.5 billion in 2010-11 to $1.5 billion in 2024, a drop of 39%. An uptick in spending in 2021-2022 due to the surge in advertising spend by business and government, as discussed earlier, added a quarter-billion dollars to the sector's bottom line. A good part of that gain vanished in 2023, however, and did not return the following year. Commercial broadcast television is also unprofitable, with operating margins averaging -16% over the past five years; in 2024 they were down by 25.4%, in line with the previous year, but with both years being nearly twice the rate of the preceding years.[400] The crisis in commercial broadcast television is getting worse.

The consequences of these trends have been harsh. Layoffs and cutbacks, for example, have been a constant theme for more than a decade. The number of full-time jobs in conventional broadcast and pay television fell from 12,519 in 2012 to 8,246 in 2024—a year over year loss of nearly four hundred positions and down by a third over that time span.[401] Eleven local TV stations have been closed since 2009: CHCA (Red Deer); CKNX (Midwest ON); CJBN (Kenora); CKX (Brandon); Sun News (Toronto); CKRN and CKRT (Rivière-du-Loup); Peel TV and three Omni affiliates in BC, Alberta, and Ontario.[402]

Quebecor's decision in early 2023 to cut 140 positions from the French-language broadcaster and magazine publisher TVA underscored this trend. It announced 547 more job cuts in November 2023, with nearly three-quarters of those from in-house production at TVA and its network across Quebec.[403]

Bell's decision to close or sell nine radio stations, centralize programming operations at others, and cut 1,300 workers in June 2023 continued the trend.[404] Bell wielded the axe again in early 2024 when it sold 45 of its 103 radio stations in culling its workforce by 4,800. CTV network cancelled weekday noon newscasts at all stations except Toronto, while all 6

p.m. and 11 p.m. newscasts on weekends at CTV and CTV2 stations were also scrapped, except in Toronto, Montreal, and Ottawa.[405] The company has also appealed to the CRTC to significantly lighten the local news requirements that it must meet as a condition of license for its CTV local stations, CTV2 and Noovo.[406]

There have also been severe cutbacks in local news programming at CBC/Radio-Canada television and radio stations.[407] The CBC/Radio-Canada announced it would cut 600 jobs and pare its acquisitions budget by $40 million a year at the end of 2023.[408] Those cuts were put on hold, however, when the federal government pledged an additional $130 million dollars in funding for 2024-2025.[409]

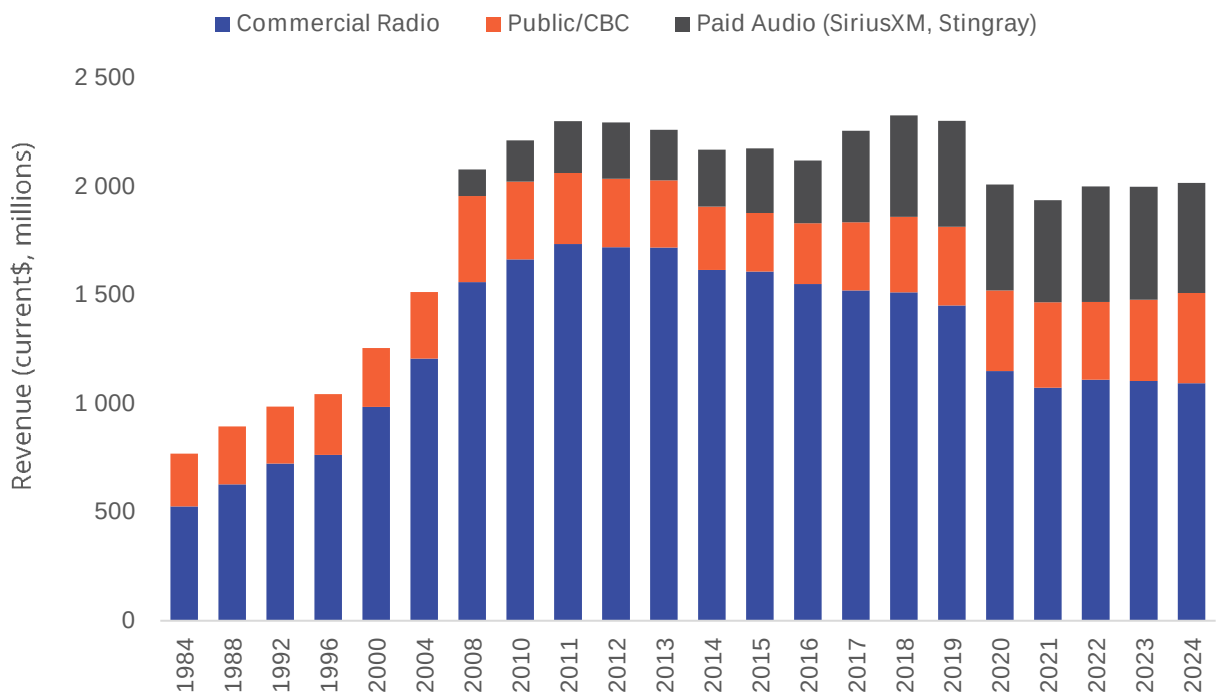
The effects of plunging advertising revenue have been severe across the board, but Rogers' Citytv group of stations has been the least worse off. Its revenue in 2019 was $207.1 million while five years later it was $183.9 million, a relatively modest drop of 11%. This likely reflects the fact that its stations are located in the biggest cities in Canada whereas the other networks include stations in both cities and smaller towns. Stations in small- and mid-size towns, according to broadcasting executives, are the biggest drag on network finances and thus the most at risk. Rogers does not have that problem because it does not own stations in smaller towns.

Corus' Global Television network has been the hardest hit by the deteriorating advertising market, as its revenues plunged by more than 40% between 2011 and 2020. It clawed back some of those losses in 2021-2022, but 2023 and 2024 brought tough times again as its revenue fell to under $259.3 million from $362 million five years earlier. Consequently, the broadcaster's advertising revenue in 2024 was less than half what it was back at the start of the 2010s.

Similar trends are also seen in radio. Total revenue for commercial and public radio continued to grow up until 2011 when it reached $2.3 billion (including the CBC/Radio-Canada's parliamentary funds) but have fallen since to $2 billion in 2024. Figure 58 below depicts these structural changes in radio broadcasting over the last four decades, including the rise of paid audio services such as Sirius XM and Stingray.

Bell is now the third-largest radio company after SiriusXM, with annual revenues of $452.1 million and 22.4% market share, while the CBC/Radio-Canada has $415.3 million in revenue and an 20.6% market share.

Figure 58: Upheaval and the remaking of radio, 1984-2024 (current $, millions)



Source: see Figure 58 sheet in the Excel workbook accompanying this report and the "Broadcast radio" entry in the GMIC Project—Canada open data sets.

After peaking in terms of revenue by 2011, conditions stayed fairly stable, at least compared to other traditional media sectors, especially once the paid audio services are factored in. That changed dramatically in 2020, however, when revenue plunged to $2 billion as the Covid-19 pandemic hit and advertisers cut spending. Commercial broadcasters like Bell, Rogers, Shaw, Cogeco, and Pattison were hit hardest by these cuts. Commercial radio advertising peaked at close to $1.6 billion in 2008 but dropped to $1.1 billion with the pandemic, while the CBC/Radio-Canada was insulated by its relatively stable public funding and the fact that its service is free of advertising. Commercial radio revenue, however, seems to have found a floor since the pandemic, given a more stable advertising market, government subsidies, as well as payments from big tech firms, both before and after the passage of the *Online News Act* (see below for details on this last aspect).

The Liberal government raised the level of public funding for the CBC/Radio-Canada in 2016, and the amount earmarked for CBC/Radio-Canada radio went up accordingly. That restored public funding to what it had been before the Harper Conservative government

cut it in the latter years of its mandate. Since then, CBC/Radio-Canada radio's share of public funding has been $360 million a year on average but considerably higher at $415.3 million in 2024. The government also injected more money into broadcasting by increasing its advertising spend. Nonetheless, CBC/Radio-Canada public funding remains far below its counterparts in Europe, although it is more than in Australia, New Zealand, and the US.[410]

Subscription radio has taken off in Canada as conventional commercial radio has fallen on hard times. Revenues of the two paid radio services in Canada, SiriusXM and Stingray, have risen by leaps and bounds from $232.4 million a decade ago to $636.5million in 2024. As a result, SiriusXM is now the largest radio company in the country based on revenue, ahead of the CBC/Radio-Canada and Bell. Stingray became the fourth-largest radio broadcaster after combining its paid audio service with a group of radio stations it acquired in buying NewCap Radio in 2018.[411]As commercial radio broadcasters struggle, their share of the radio market has fallen from to just over half now, while paid radio services now account for a quarter of revenue and the CBC/Radio-Canada picks up the remainder (i.e. 20.6%).

These changes are also reflected in a reordering of the ranks of radio groups. While Bell was the biggest commercial broadcaster for several years after taking over Astral, it ceded that position in 2018 to Sirius XM, even though that company's revenue and market share have also fallen. It had revenues of $213.6 million and a market share of 10.6% in 2024, which is a substantial drop from its high in 2013 of $422.7 million in revenue and a market share of 18.7%.

Bell is now the third-largest radio company after SiriusXM, with annual revenues of $452.1 million and 22.4% market share, while the CBC/Radio-Canada has $415.3 million in revenue and an 20.6% market share. Stingray had revenues of $184.4 million and an 9.1% market share, Rogers had revenues of $133.1 million and a 6.6% market share, Cogeco had revenues of $83 million and a 4.1% market share, while Shaw (Corus) had revenues of $69.8 million and a 3.5% market share. As of 2024, the seven largest radio groups accounted for slightly more than three-quarters of the sector's $2 billion in revenue. That was significantly lower than the year before, when it was closer to four-fifths. While this means that smaller and mid-size radio groups are picking up market share, the reality is that nearly all radio broadcasters have seen revenues decline for many years.

The radio sector also has some of the lowest concentration levels across the network media economy in 2024, with a CR4 of 62.7 and an HHI of 1,223, which is well into the diverse zone and holding steady. This reflects the overhaul of the sector with the addition of paid services but also the reality that there is still a sizeable number of mid-size radio broadcasters with a reasonably strong local and regional presence, such as Pattison Media, Vista Radio, Golden West, Maritime, and Evanov.

As a result of hard economic times, forty-three radio stations have been shut down or not had their licenses renewed by the CRTC between 2009 and 2024. Most of them were

commercial broadcasters and eighteen of those closures have taken place since March 2020. Several community, university, and Indigenous-owned and -operated stations have also been closed in recent years, however.[412] Although twenty-six new radio stations were launched during this period, they do not fill the gap.[413] The closure and sell-off of forty-five stations by Bell in 2024, centralization of programming at others, and the slashing of its workforce in the past two years have laid heavy blows against a foundering industry. Significant news cuts have also been made at other stations.

There is no doubt that conditions are bad. Revenues at Bell's radio division have slid from $422.7 million in 2013 to $213.6 million in 2024. Profit levels have also been squeezed on that smaller revenue base. Nonetheless, Bell Media, the BCE division that houses its radio stations, enjoyed a profit margin (before interest, taxes, depreciation, and amortization) of 24.1% in 2024. This level of profitability is up year-over-year and would be the envy of most businesses.[414]

BCE's overall profit margin (43.4%) is almost double that of its Bell Media division, which implies that it has room to absorb slimmer profits at the smallest part of its corporate empire.[415] When CEOs must adhere to the high demands of bankers, investment funds, and Bay Street, however, such sentiment may be naïve.

Rather than shutting down stations that were not meeting corporate profitability targets, Bell sold 45 stations in February 2024 to seven regional broadcasters, including Vista Radio, White Oaks, Durham Radio, My Broadcasting, ZoomerMedia, Arsenal Media, and Maritime Broadcasting. These groups are focused on radio and are experienced broadcasters more closely linked to the regions and communities they serve. It is unlikely that they will expect lush profits in the 25% range that have proven insufficient for Bell.

The biggest beneficiary of Bell's selloff, Vista Radio, acquired nearly half of the stations and promised no closures or layoffs.[416] Bell reducing its radio footprint thus made room for others who may make a better go of things. It will certainly reduce concentration levels in the sector, but by how much will have to wait for next year's report.

Bell's moves drew unusually strong condemnation from politicians. BC Premier David Eby, for example, called its executives "vampires" and lambasted them for the "encrappification" of local media. Then Prime Minister Justin Trudeau and Heritage Minister Pascale St. Onge derided BCE for what they called its betrayal of a tacit deal under which the company would do all it could to keep local broadcasting and journalism alive. Such strong language had previously been reserved for the internet behemoths from Silicon Valley but was now being leveled at the biggest communications and broadcasting conglomerate in Canada.[417]

All this adds up to a crisis in local and network television and radio broadcasting which, given that they are significant sources of original news, also constitutes a crisis of journalism.

Subscription and specialty TV

As broadcast television went into a tailspin, cable television grew swiftly into a $4.4-billion market at its high point in 2016-2017. Revenue fell to $3.9 billion in 2019, a level where it has stayed since; in 2024 it was $3.8 billion. These services had remained highly profitable throughout the past decade, with operating margins averaging 25%, before falling in 2023-2024. In that latter year, margins dropped to 15.1%.[418]

There should be no mistaking that profits for cable television services have been well above average, and in many ways still are.[419] Bell, Rogers, Shaw (Corus), and Quebecor have remained wildly profitable, with a few exceptions. The media divisions of each of these firms posted operating profit margins of 31.9% (Quebecor), 25% (Corus), and 24.1% (Bell). Rogers' margin of about 3.4% over the last two years was more humble, but rather than registering hard times is better seen as reflecting the spending spree the company has been on with respect to acquiring high ticket sports and entertainment, notably sporting rights to the NHL and other premier sports leagues. Profit levels have hovered in the 20-30% range for these companies for years, and while there have been periodic drops in one or all their profits, those have been exceptions to the rule. Media in Canada continues to be a highly profitable enterprise.[420]

The problem is largely one of comparison, however, as the profits being made by the media divisions of these communications conglomerates, while much higher than those of the average company, pale by comparison to the far larger profits being made by their other divisions. Their mobile wireless, internet access, and wireline divisions see revenue climb year after year and typically report profit margins in the 40% range. The overall operating profit margins of the three largest communications conglomerates in Canada ranged from 43.5-47% in 2024 on revenue of $5.6 billion at Quebecor, $20.6 billion at Rogers, and $24.4 billion at BCE. Despite its woes, Corus recorded an operating profit margin of 22%.[421] In short, these are very profitable companies.

The specialty and pay television sector has been spared the harsher blows dealt to conventional commercial broadcasting television because cable television subscriber fees outstrip advertising by more than 2-1, helping to cushion the blow of plunging advertising revenues. The importance of subscriber fees in this context also highlights the increasing role the "pay-per" model plays in the media economy. Nonetheless, a secular decline has also been seen in cable television, where revenues fell by more than a half-billion dollars between 2016 at its peak and 2024. While some of those losses were clawed back in the economic upswing that followed the easing of the Covid-19 pandemic, that respite has proved transitory, as revenues fell by a quarter-billion dollars in 2023.

The mounting difficulties for the pay television services market have been uneven in their impact. Rogers has actually increased revenue by over $200 million from 2016 to $942 million in 2024. This no doubt reflected its focus on sports, as it holds the rights to NHL games. Rogers' market share rose in step over the same period from 16.5% to a quarter of

the pay television market, albeit in a smaller market. BCE, the CBC/Radio-Canada, and Quebecor have also weathered the downturn better than others. Their revenue has still declined but more modestly, from 6-15% since 2019 as they shut or spun off services to focus on their biggest brands. A few smaller companies such as Blue Ant, APTN, Zoomer Media, and OutTV are in a similar situation.

In contrast, pay television services revenue at Corus (Shaw) has fallen by nearly half or $385.6 million since its peak in 2016 and a quarter-billion dollars since 2019. Having lost to Rogers programming rights to its best-known brands from Warner Media Discovery, which it held for decades (e.g. HGTV, OWN, Food Network), its miseries may be about to get worse.[422] How its ongoing carriage dispute with Rogers is resolved will also impact its fate.[423] Several boutique operators such as WildBrain (formerly DHX), Fairchild, and Stingray have also been hit hard, making their futures uncertain.

Specialty and cable television services: Diversification, consolidation and decline

The cable television sector was transformed by a handful of transactions that took place between 2007 and 2013, the combined effect of which was to drive concentration to an all-time high that has been maintained ever since. Some of those transactions were introduced earlier but are repeated in summary here for ease of reference, with new emphasis place on matters unique to cable television services. Two other ownership changes in the television market involving BCE are also listed.

- Roger's take-over of CHUM's television services in 2007.
- Canwest's acquisition of Alliance Atlantis the same year.
- Shaw's takeover of the television assets of the bankrupt Canwest in 2010.[424]
- BCE's re-acquisition of CTV in 2011.[425]
- BCE's acquisition of Astral in 2013.[426]

These ownership changes triggered the most significant bout of consolidation within the television industry in the period covered by this report. They caused the HHI score for the pay television market to jump from 871 in 2004—a sign of a highly diverse market—to 2,239 in 2013, which is at the high end of the "moderately concentrated" designation. It fell thereafter for several years before starting to climb again in 2019. The CR4 was 82.3 and the HHI 2,266 in 2024. Several consequences were apparent at the end of this bout of restructuring and consolidation:

- Concentration levels in broadcast television, pay television services, and the overall television market were the highest ever, and they have remained there.

- Several iconic and specialized players in Canadian television vanished, e.g. CHUM, Alliance Atlantis, and Astral Media.
- Others were broken up or went bankrupt after loading up with unsustainable debt, with Shaw swooping in to purchase the assets of two such firms, i.e. Canwest and Craig (owner of the A-Channels and Toronto 1).[427]
- Astral Media's pioneering plan to launch an online video service in 2012 to compete with Netflix was shelved after it was acquired by Bell. This left the nascent online video market in the hands of Netflix for two more years until Bell launched Crave and Rogers and Shaw launched the short-lived Shomi service.

The pay television market has since orbited around Bell, Shaw/Corus, and Rogers, with the CBC/Radio-Canada and Quebecor's TVA well behind them. The big three media companies together owned sixty-seven broadcast television stations and seventy-three pay television services in 2024, down from 110 at their high in 2014-2015. They also account for over three-quarters of the specialty and pay channel market, a figure that has drifted upwards in recent years. Add Quebecor and the CBC/Radio-Canada into the mix, and collectively the five largest Canadian television operators had 86.4% of the specialty and pay services market in 2024. Their share of total television revenue (i.e. broadcast, pay, and online VOD services revenue) has continued to slide and was less than two-thirds of the $11.1 billion television industry in 2024, down significantly from four-fifths since the consolidation of the industry in the early 2010s.[428]

The extent of vertical integration between television and telecommunications changed somewhat in 2023 when Rogers acquired Shaw but not the Shaw family-controlled Corus Entertainment. Consequently, the latter is no longer a member of the vertically integrated club. The big three vertically integrated companies (Bell, Rogers and Quebecor) controlled over two-thirds of the pay television market in 2023 and 41% of all television revenues including broadcast and online video services. Those figures were down significantly in each case because Corus is no longer controlled by Shaw and on account of the ongoing expansion and structural transformation of the television industry by the integration of online video services into the formerly exclusive club of Canadian television (see below).

Bell stands out even among the big three, as its $1.4 billion in revenue and 36.9% market share in the specialty and pay channel market in 2025 were well out in front of Rogers (25%) and Corus (15%), over seven times those of Quebecor, and nine times those of the CBC/Radio-Canada.[429] Crucially, Bell uses it advantages in scale and scope to lock down long-term, exclusive rights to premium programming in Canada from several of the most important television and film distributors in the US, notably HBO (Warner Media), Showtime (ViacomCBS), and Starz (LionsGate). It ventured farther afield in 2021 by acquiring the promoter of the Montreal Formula 1 Canadian Grand Prix.[430]

At its core, the heart of the commercial television business model in Canada relies on its biggest players, Bell, Rogers and Corus, buying up exclusive rights to marquee US programming to generate profits that will be spent on Canadian TV production. The same applies to every other broadcaster and pay service operator, but it has long been the big three that have stood first in line, although now it has become clear that Bell and Rogers are the main brokers for the first tier of US media and entertainment programming in Canada. While the cost to acquire foreign content rights has soared over time, their in-house production spending has not budged from $1.2 billion a year on average for twenty years. This is exactly how much Canada's broadcasters spent in 2024.

In contrast, total Canadian TV production has averaged $4.1 billion over the same period, with a significant upward trajectory in the past decade. That figure rose to $5.3 billion in 2023 before slipping to $4.8 billion last year, however, as the industry worked overtime to catch up with the lost Covid-19 years when production ground to a halt.[431] These figures also imply that it is not the big communications conglomerates that have been spending the most on Canadian television production, as they were once heralded as being the best positioned to do, but rather that the task has fallen to others in the television and film industry.

Bell's submission to one of the many planned CRTC proceedings on implementing the *Online Streaming Act* makes the case for why this framework should be kept in place. If it is not, Bell argues that Canadian television ownership groups should be relieved of their obligation to fund Canadian television content and news, in particular, which should instead be placed on foreign streaming services like Netflix, Amazon, Disney+, Spotify, etc.. During the development of the *Online Streaming Act* and initial CRTC hearings on how to implement the *Act,* Bell criticized international streaming services for "withholding" programming rights in recent years as they increasingly market directly to consumers via their own streaming services such as Paramount+ and Disney+. To counter this "threat" to the Canadian broadcasting system, Bell argued, it should have a regulated first right of refusal on exclusive distribution rights for US and international programming before streamers can offer it to Canadians. Bell is not alone in this demand, which never made it into the *Act*, while the Commission has rejected such self-serving appeals.[432]

Divestitures, spin-offs, closures, and consolidation

The processes just outlined have driven concentration in the pay television market to new heights, but several other forces have also shaped that market in the past decade, especially since 2016-2017 when it began to contract, which is precisely when the online video market started to take off. Four such factors stand out:

- The divestiture, spin-off, and closure of services by the major players.

- Consolidation among marquee brands and a narrower range of genres.
- Automation of services that now run with a skeletal workforce or none at all.
- The rapid growth of online streaming video services such as Netflix, Crave, YouTube Premium, Disney+, StackTV, Apple TV and iTunes, Amazon Prime Video, etc.

In an attempt to lessen consolidation, after denying Bell's first attempt to acquire Astral Media in 2012, the Competition Bureau and CRTC approved a revised bid by Bell for the company a year later.[433] The regulators only granted their blessing, however, after Bell agreed to divest eleven of the services it was acquiring. The most important of these were sold to Shaw (Corus).[434] Others were acquired by DHX Media (now WildBrain), a Halifax-based broadcaster and producer of children's programming, including The Family Channel, Disney Jr., and Disney XD. Stingray got MuchVibe, MuchLoud, MuchRetro, and Juicebox, while V Media in Quebec, which is now Noovo (Bell), acquired MusiquePlus and MusiMax.[435] The hoped-for benefits of these remedies largely failed to materialize, however, for several reasons.

First, these divestitures hardly put a dent in Bell's dominant position. It appeared for a time that they might help firm up the second-tier television groups given that the lion's share of the services were acquired by Shaw (Corus). This also appeared to head off opposition to the deal by Shaw and the smaller firms. While many voices from within the industry and public interest groups loudly opposed the deal, these companies thus stayed silent once the divestitures were earmarked for them. In fact, this author was in the room when DHX pulled out of the hearing at the last moment, likely signaling that it had struck a deal with Bell behind the scenes regarding who would benefit from the spin-offs being required by the regulator—an all-too familiar tactic in Canadian regulatory processes.

Second, while the smaller companies benefitted from these spin-offs for a time, and this added some important new choices for Canadians and program rights holders, their prospects were deeply uncertain from the beginning. WildBrain has been in decline since DHX obtained the spun-off services and V Interaction was absorbed by BCE. The new players that remain have seen their revenues plunge and they now account for less than 1% of total television market, a fraction of the share once held by Astral Media.

Several pay television services have also been closed on the grounds that falling revenues and profits have undermined their commercial viability. For example, Bell and Rogers shut down their jointly owned Viewers' Choice and GoTV in 2014 and 2015. Rogers and Shaw also shuttered their jointly owned internet streaming TV service Shomi in 2016, while Quebecor shut down Argent a year before that. Corus turned out the lights at the Cartoon Network in 2015 and Movie Central in 2018. As a result of these changes, the number of pay television services owned by the big five television ownership groups—Bell, Shaw (Corus), Rogers,

Quebecor, and the CBC/Radio-Canada—has fallen from 129 in 2014 to 87 in 2024. Altogether, sixteen such services have been closed in the past two years, and over fifty since the big five were the undisputed masters of the closed pay television services universe.[436]

In addition to service shutdowns, Shaw spun off the Global TV network and several pay services in 2016 to its sister company Corus to help finance its acquisition of Wind Mobile. This corporate restructuring was also about setting up Corus for a potential sale, which executives have mused about publicly for years. That option, however, has been stymied by regulators opposed to the increased consolidation a sale to Bell or Rogers would bring, while ownership restrictions rule out a sale to foreign investors.[437]

As the companies have shuttered services, they have also increasingly put their resources behind a smaller number of marquee services. Only ten such services thus accounted for half of all revenue in the pay television market in 2024: Bell owned four; Corus (Shaw) three; Rogers two; and Quebecor one. Ten years ago, it took twenty-six such services to reach the halfway mark. The range of these services has also become more narrowly focused on sports (e.g. BCE's TSN and RDS, Rogers' Sportsnet, Quebecor's TVA Sports), movies (e.g. BCE's Crave/The Movie Network, Corus's Showcase), news (e.g. Bell's CablePulse 24, CBC/Radio-Canada News Network and ICI/RDI) and a few thematic channels. The top four sports services alone now account for an astounding 45% of pay television services revenue, more than double what it was a decade earlier. Time, attention, and money are thus being concentrated on a shrinking number of brands, stars, and genres.

A few small pay television service ownership groups such as Pelmorex, owner of the Weather Network, and OUTtv have actually done better. A small loss for the latter at home is more than offset by revenue from international markets that the CRTC does not require to be reported. Others such as DHX/WildBrain, Blue Ant, and Stingray, for which prospects were once high, have seen their dreams crushed in the domestic market but are also having some success in international markets. The ethnic media service provider Fairchild no longer reports to the CRTC, likely because it is no longer viable.

Many pay television services have become "ghost operations," as they do not have any staff to keep them operating. In testimony on the *Online Streaming Act*, the Forum for Research and Policy in Communications observed that there are sixty-three such services with no staff, including Bell's CTV Comedy Channel and DHX's Family Channel. Ten other such services have just one staff member, including Animal Planet, while another forty have between one and ten. In other words, many pay television services have been either cut to the bone or hollowed out.

These spinoffs, closures, automation, and failures stand as examples of how "regulatory hesitancy" has failed to deliver on the questionable promise that industry consolidation would create companies with the heft, expertise, and financial resources to ensure that the television system in Canada could prosper. Rather than regulators trying to engineer

complex remedies which are difficult, if not impossible, to police, it might be better to just say no to deals that drive concentration levels ever higher. The CRTC did this when it rejected Bell's first bid to take over Astral. With the benefit of hindsight, it was right.

Online Video Services

Pundits have declared the impending "death of television" for a quarter century, largely because of the internet, but it never arrived. The amount of traditional television watched did not peak until about 2013 at about 29 hours per adult per week. It has fallen since to 17.7 hours, but watching streaming services such as Netflix and Crave has shot up from less than two hours per week to 12.3 in the last decade, leading to a net gain. Canadians as a result watched almost five more hours of television in 2024 than they did a decade earlier.[438]

Despite the meltdown in broadcast television and the deepening impacts of cord-cutting on the cable and pay television markets, when examined across all distribution platforms, television is thriving. The fly in the ointment for some, however, is that the money is increasingly going to foreign streaming services and big tech companies—e.g. Netflix, Disney+, YouTube Premium, Amazon Prime Video, and Apple TV+—instead of traditional broadcasting and pay television groups. Since Canada's biggest telecoms are implicated because they are also the biggest television operators, it is understandable that they are using every means at their disposal to stop this trend. The result is a five-way battle over the online video market waged between "big telecom," big tech, international streaming services like Netflix, and the direct-to-consumer extensions of Hollywood brands such as Disney+, with some independent broadcasters like the CBC/Radio-Canada and Corus also embroiled.

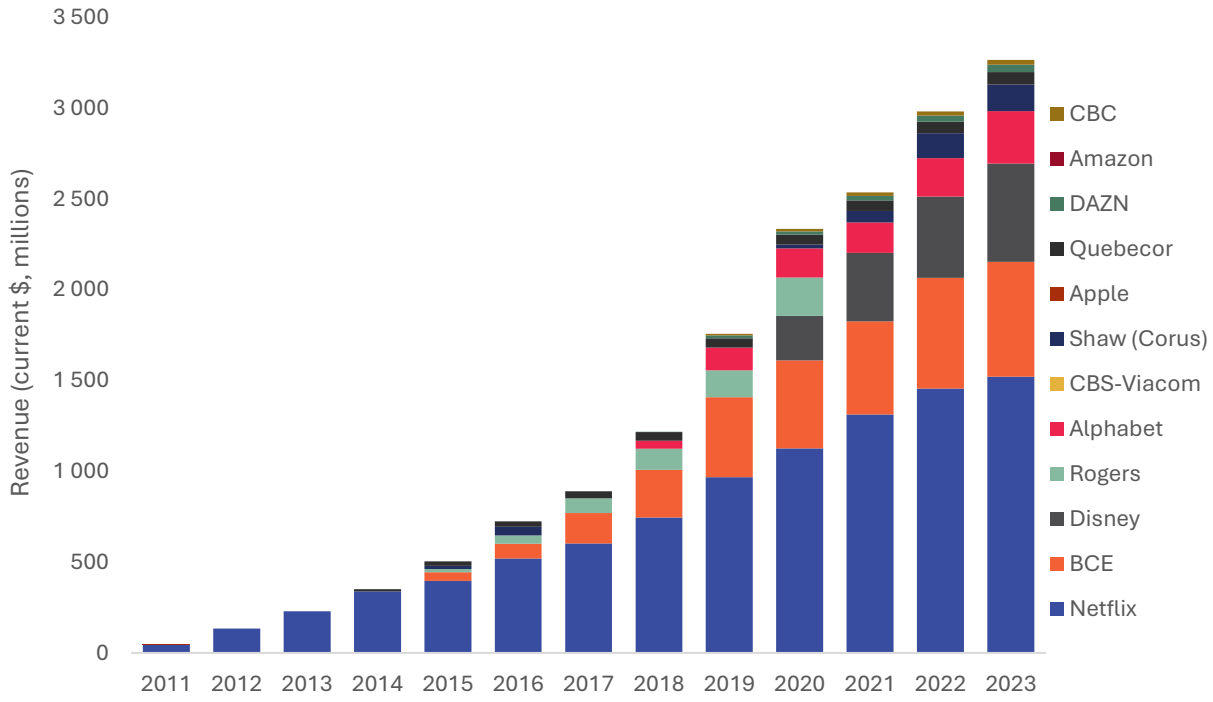
All of this is taking place, as Amanda Lotz observes, in a context where what we call television (and film) has fundamentally changed and continues to do so. It is no longer created under the norms that defined television for decades.[439] The range of services and how we connect to this expanded television universe has exploded over the past twenty years. Broadcast television was supplanted by cable and satellite channels a decade ago, but now "connected television" is driving an upheaval. Television is no longer linked to a one-way broadcasting distribution system like cable, but instead to wireline and mobile internet through an expanding galaxy of devices, from smart TVs to smart phones. As such, connected television is ubiquitous, available anytime and anywhere (for better or worse).[440]

From torrential growth to a maturing media market

The rise of online video services has dramatically changed the TV landscape in Canada, with revenue for subscription video-on-demand (SVOD) reaching an estimated $4.8 billion in

2024, up from $4.1 billion the year before and two-and-a-half times what it was in 2019 ($1,950.5 million). If we bring Alphabet's YouTube video sharing platform into the picture, revenue for the online video service market rises to just over $6 billion. Regardless of whether we adopt a narrow definition of the online video services market to include just paid services, or the expansive one that includes ad-supported video sharing platforms that feature user generated content, such services have added immensely to the size of the TV marketplace in terms of revenue and choice, while also serving to drive down concentration levels. Figure 59 below depicts the revenues of online video services in Canada since 2011.

Figure 59: Online video market growth in Canada, 2011-2024 (current $, millions)



Source: see Figure 59 in the Excel workbook accompanying this report and the "Online Video" entry in the GMIC Project—Canada open data sets.

The estimated number of paid SVOD subscriptions has also risen swiftly, reaching 35.8 million in 2024, up from 32.2 million the year before. About 76% of households subscribed to at least one paid SVOD service in 2024, such as Netflix, Crave, or Disney+. The average subscriber had 3.1 services. That was up from 2.7 a year earlier.[441] There are significant differences between Anglophone, Francophone, racialized and Indigenous uptake of SVOD

services that merit further exploration and explanation. Thus, in 2024, 78% of Anglophones subscribed to an SVOD service compared to 67% of French-speaking Canadians. Uptake among racialized Canadians paralleled that of Anglophones, while Indigenous households had the highest levels of adoption at 87%.[442] The ongoing rise in revenue and subscribers shows that the unbroken record of impressive growth for the online video services market is continuing.

Netflix is still the biggest SVOD service in Canada by far. Its estimated revenue of $1.76 billion in 2024 was up from $1.52 billion and was nearly two times what it was five years earlier. Over half of all households (55%) were Netflix subscribers in 2024, and almost three-quarters (73%) of those who subscribed to a paid streaming service subscribed to Netflix. This equaled an average of 8.5 million subscribers in 2024, up from 7.8 million the year before.[443] Netflix continues to clearly lead the field and is the biggest streaming service in Canada by revenue (36.5%) and subscribers (23.8%) (or 29% by revenue using the broad market definition) by a wide margin.

Netflix's subscriber growth, like its revenue, has slowed greatly in recent years, with an average annual growth rate of 5% in the last five years being half that of the last decade. In the face of a stagnating subscriber base and an increasingly competitive market, Netflix was only able to increase revenue by hiking prices. Its ARPU rose from $14.56 in 2021 to $15.86 in 2022 to $17.20 a year later, a rate of increase well above the CPI and thus a contributing factor to inflation (see Figure 23).

Some trends in the online video industry began running in the opposite direction for the second year running, however. Revenue has grown more slowly in recent years after a decade-and-a-half of blistering growth. The paid online video market in 2024 grew 17.6% over the year, down from a cumulative average annual growth of 24.5% for the past five years. Perhaps even more significantly, the percentage of households subscribing to an SVOD service declined for the second year in a row to 76% from the highpoint of 79% in 2022. This brought the number of households to SVOD services down to 11.7 million in 2024 from 12 million two years earlier, revealing that some have ditched their SVOD service altogether.[444] It is too early to say exactly why this happened, but it is reasonable to point to inflation, as tight economic times may have prompted some households to drop online video services. Others who presumably did not feel the same pinch increased their number of services slightly, which is not surprising given the growing range on offer.

In Canada, there were a dozen significant SVOD providers in 2024. In order of revenue, they are: Netflix; Crave; Disney+; Rogers Sportsnet Now; Paramount+; Alphabet's YouTube Premium and Google Play; Apple TV+; StackTV; Amazon Prime Video; Quebecor's Club illico; DAZN; and CBC/Radio-Canada Gem. The terrain has developed rapidly with many new online video providers joining the fray since Netflix entered Canada in 2010. The pace quickened after 2018, when US media giants like Disney+ and Paramount+ began to more aggressively offer their catalogues directly to audiences in Canada and around the world

over the internet. Other GMICP contributions from Australia, Argentina, Brazil, Central and Eastern Europe, China, France, Germany, India, Mexico, South Korea, to name a few have found similar tendencies.[445]

The quickening pace of newcomers entering the market has steadily chipped away at Netflix's previous dominance, driving down its market share by revenue from nearly two-thirds in 2017 to 36.5% in 2024, and to a little under a quarter by subscribers. Canadian services like Bell's Crave TV, Rogers SportsNet Now, and CBC Gem accounted for roughly 28% of the market based on revenue in 2024 and have done so since 2017-2018. At the same time, their share of subscribers slid from about 30% at the time to just over a fifth since 2020.

The biggest Canadian streaming service is Bell's Crave. It is the second largest SVOD service in Canada based on revenue, with estimated revenue of $712.3 million and fifth largest based on 3.37 million subscribers in 2024. Both measures were up appreciably from the year before, when it had $631.6 million in revenue and 3.1 million subscribers. In contrast to slowing growth at Netflix, Crave has seen the pace of revenue and subscriber growth continue to rise significantly, with its revenue up nearly 13% year-over-year versus 10.1% in the last five and its subscriber base up 8.7% versus an average annual growth rate of 6.6% over the previous five. In other words, Bell's Crave appears to be bucking the industry wide trend of moderating growth.

Disney+ has grown rapidly since entering Canada in 2019. It was the country's third largest SVOD operator by its third year here, and that's where it ranked in 2024 with an estimated $685.3 million in revenue and 5.3 million subscribers, up significantly from $541.8 million and 4.8 million the year before. Disney+ continues to grow fast, with its subscriber base expanding at a cumulative annual growth rate of 23.5% and revenue at just under 30%. Its deep catalogue of well-known and family-friendly film and television programming has clearly attracted a significant and growing audience in Canada and been a welcome addition to the streaming video market.

Rogers' Sportsnet Now was fourth with estimated revenue of $421.1 million and 1.9 million subscribers on average, up significantly from $365 million the year before but down slightly from 2 million subscribers. Its market share based on revenue has stabilized at 8.5-8.7% over the last three years, while its share of subscribers has fluctuated in the 5-7% range since 2019. Rogers Sportsnet Now's ongoing growth is anchored in its strong offerings in live sports and its ability to broadcast that programming across its cable, internet, and mobile platforms. Rogers' deal with Amazon Prime Video for NHL on Monday nights in Canada since 2024 is a case in point. Its cross-promotional deals with Netflix and Disney+ on its cable and streaming platforms also reveals a concerted effort to expand into the online video distribution market. Its cross promotion across all its distribution channels—mobile wireless, internet, cable, broadcast radio and television, pay television, streaming media, and live sporting events and arenas—also helps to drive awareness and publicity for

the company's services. Rogers is using synergy between its many brands and services to its advantage.

It is also very tight-lipped about its streaming services, and its reporting even on its well-established segments has gotten worse in recent years. As such, our estimates for Rogers Sportsnet need to be treated with caution. Rogers is a case study of why the CRTC needs to address this problem as it implements the disclosure obligations in the *Online Streaming Act*. This is an industry-wide problem for streaming video services and for streaming services, app distribution, and big tech generally.

CBS-Viacom's recently renamed Paramount+ has also moved up the ranks swiftly since its introduction in 2018 as CBS All Access.[446] It had estimated revenues of $352.9 million and 3.7 million subscribers by 2024, over double what it was two years earlier based on revenue, and up sharply from 2.2 million subscribers. Paramount+ is another example of a major US media conglomerate using its deep catalogue of film and television programming built up over the last century to extend into streaming services. As one of the world's top ten or so media markets, Canada's shared language and cultural reference points also boost those efforts. Paramount+ was the fifth-largest streaming service in Canada as of 2024 based on revenue, with a 7.3% share of the market by revenue and fourth by subscriber with a 10.2% share.

Alphabet's YouTube Premium (SVOD) and Google Play (TVOD) made it the sixth-largest online video service in 2024. Its estimated revenues for these two services were just over $300 million. YouTube Premium had an estimated 2.95 million subscribers, and its revenue was up significantly from $288.6 million a year earlier, but its number of subscribers fell by about 158,000. In other words, like the other big streamers, Google appears to be leaning on price hikes and rising ARPU as growth in its subscriber base stalls. Including Alphabet's video sharing platform, YouTube, would add $1.2 billion, bringing its total revenue in Canada to $1.54 billion, for 25.4% of the broader $6 billion market. That would also make Alphabet the second-largest online video service in Canada, not far behind Netflix and with more than double Bell's Crave in revenue.

Apple's SVOD service Apple TV+ was the seventh-largest online video service provider in Canada in 2024, up a spot from the previous year. Combined estimated revenue for its Apple TV+ and iTunes services in 2024 was $229.1 million, up sharply from $146.2 million a year earlier. The subscriber base for Apple TV+ also grew to an estimated 1.47 million, continuing its strong growth streak since it began phasing out iTunes in favour of Apple TV+, Apple Music, and Apple Podcasts in 2019. In the early days of internet-based television, Apple's iTunes (2001) and app store (2008) created a secure commerce-friendly alternative to television and movie piracy. This was especially so from 2005-2006 onwards, when Apple extended iTunes from music distribution into television and film, joining the ranks of Hollywood. In recent years, however, the transaction video (TVOD)

segment that iTunes had helped bring to life has been overtaken by the rise of streaming video options and has largely become irrelevant.

Estimating Apple TV+ revenue and subscribers is tricky because Apple not only sells subscriptions but also gives away "free" time-limited subscriptions to people who buy one of its Mac desktop or laptop computers or iPhones. Just how much revenue can be attributed to Apple TV+? We explain the steps taken to build our estimates in the notes to the dataset accompanying the online video services market. The key point for now is that Apple's practice of giving away subscriptions to its online media services is part of a broader trend where telecoms and big tech firms alike are subsidizing the media and cultural industries. This is a key development, but its scale and implications are hard to foresee.

Such practices follow from the tendency since the late 19th century for media industries to develop in the shadow of the vastly larger telecom and tech industries, advancing their political and cultural interests along with their business. Radio, especially public service broadcasting, saw railways, equipment manufacturers, and telephone companies often give away programming to help sell their equipment (e.g. radios) or found sponsors or advertisers to help build mass audiences from "free" entertainment. Plus ça change, plus c'est la même chose.

Corus launched StackTV in 2020 and has introduced several other online video services since, including the Global TV app, Global News app, Teletoon, and the hybrid online video service Pluto TV. Its combined estimated subscription and advertising revenue in 2024 was $137.1 million and it had about 983,500 subscribers, making it the eighth largest online video provider in Canada. This was a modest year-over-year increase by revenue but a big jump in subscribers from 662,600 in 2022.Corus has seen revenue from its online streaming services more than double over the past three years. While that might initially have appeared to offer a ray of hope for a beleaguered company that has seen a meltdown in its broadcast radio and television and pay television channels, that early momentum has since stalled. Its estimated revenue in 2024 was unchanged from two years earlier. With its streaming services adding up to just slightly more than 14.3% of its television subscriber and advertising revenue in 2024, it is unlikely that Corus can make up for the losses it has sustained in the last decade on other fronts.

Amazon Prime Video ranks ninth, but as noted earlier has expanded its investments in television, film, video, and music significantly in recent years. It acquired the video sharing platform Twitch in 2015, MGM in 2021, and rights to NBA and NHL games from Rogers last year. It launched Amazon Prime Video and Amazon Music in Canada in 2018. Amazon Prime Video continues to grow by leaps-and-bounds based on subscribers and that was true for 2024 as well with a year-over-year average of 5.9 million subscribers, up by 12%. Its estimated revenue of just $78.1 million pales in comparison. It was thus the second-largest online video service based on subscribers with a 16.4% market share

(compared to Netflix's 23.8%, Disney's 14.8%, Paramount's 10.2%, and Bell Crave's 9.4%), but it was in tenth place based on revenue, with a market share of 1.5%.

This anomaly can be explained by the fact that Amazon bundles Prime Video with Prime Delivery and its free two-day shipping, streaming music, etc., which makes it difficult to determine the value of Prime Video. Amazon also buries Prime in its "Subscription Services" category, which includes digital video, audiobooks, digital music, e-books, and other services.[447]

For some people, the video component of Amazon Prime is not important, but some regular Amazon shoppers use it because it is "free." This is a classic case of "economies of scope" which allow Amazon to take advantage of product extensions. Since Amazon Video is given away for "free," it can also be seen as subsidizing a "loss leader" to lure customers to its far more lucrative business: its online retail marketplace. In other words, in addition to Amazon Prime giving its users "free" home delivery, it is also giving them "free" video. So, are you really paying for Amazon Prime Video? Working through this paradox is not easy.[448]

Four other online video services fill out the top dozen such services in Canada. Quebecor's SVOD service Club illico was the ninth-largest in 2024 with $71.3 million in revenue, up modestly from $69.8 million a year earlier, and 594,800 subscribers, up from 570,500 in 2023. Quebecor publishes probably the best data in a clear, concise way and sets a standard for clarity that its rivals would do well to match.

The British sports SVOD service DAZN ranked tenth with estimated 2024 revenues of $44.7 million, up from $41.5 million the previous year and good for a market share of just under 1%. Its 139,200 subscribers on average were down sharply from 181,300 in 2023 and gave it a 0.4% market share, while steep price increases obscured that drop. The company is extremely opaque in its reporting standards, however, and it is therefore necessary to be cautious about these estimates.

To round out our profiles of the top twelve online video providers in Canada, CBC/Radio-Canada Gem/ICI TOU.TV had revenue of $26.4 million and an estimated 1.1 million subscribers in 2024. It dropped its $5 monthly subscription fee in 2023 to offer its service on all platforms as part of a revitalized public service media. This helped Gem/ICI TOU.TV grow its revenue only modestly from $23.8 million in 2022 but its subscriber base jumped from an average of 397,300 that year to the number just reported in 2024.

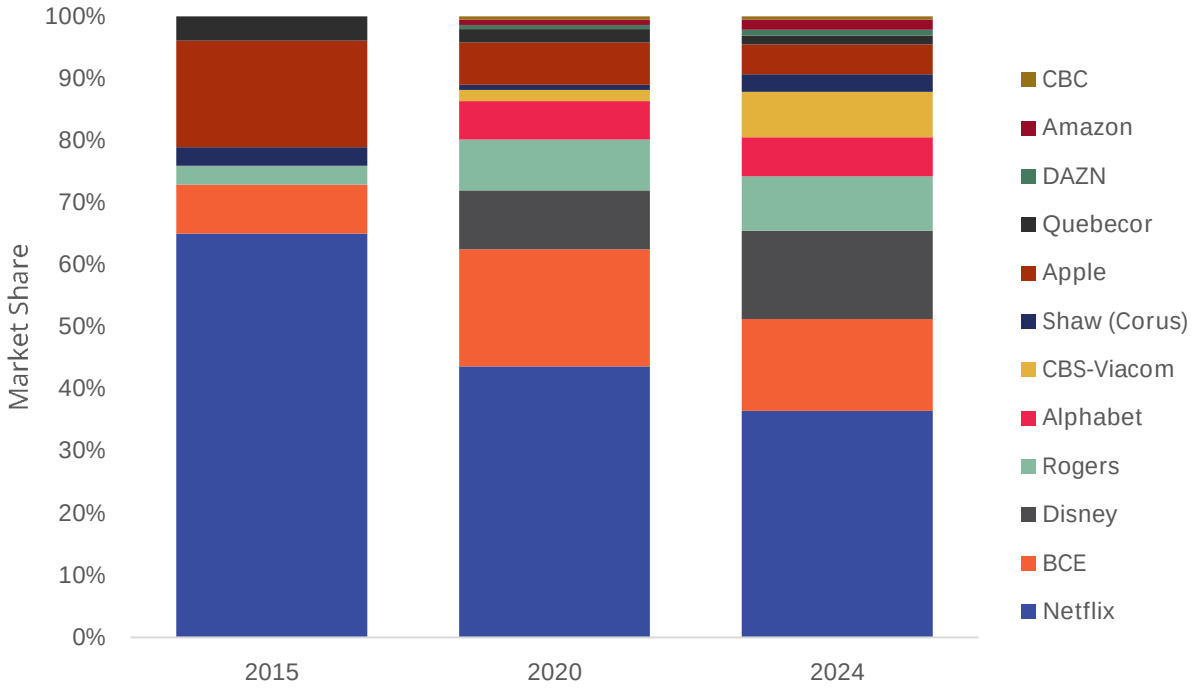
Concentration and diversity in the online video market

To address one of our opening questions—has the online video market become more concentrated over time?—the answer is no.

Taking the narrow view of the online video market that excludes advertising-supported video sharing platforms that mostly feature user generated content, online video is still

highly concentrated by CR4 standards. The top four providers—Netflix, Crave, Disney+ and Rogers—accounted for just under three-quarters of the $4.8 billion sector in 2024. This was down from four years earlier when the leading four services accounted for 80% of market. The downward trend and growing pluralistic nature of the SVOD market can be seen more clearly in terms of HHI, which declined significantly to 1,959 in 2024, down sharply from 3,142 in 2019 and 4,629 in 2015. Figure 60 below illustrates this.

Figure 60: Online video market concentration trends 2015, 2020, 2024 (based on revenue)

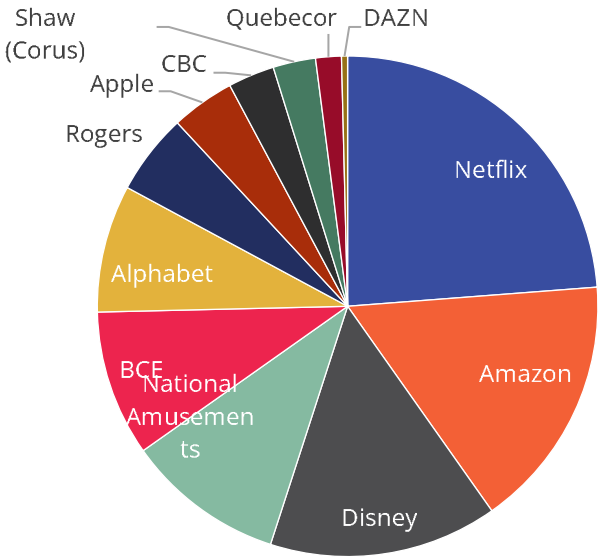


	2015	2020	2024
Total (millions $)	609.26	2579.9	4814.8
CR1 (Netflix)	65.1%	43.6%	36.5%
CR4	94.1%	78.8%	74.3%
HHI	4628.8	2511.5	1958.6

Sources: see Figure 60 sheet in the Excel workbook accompanying this report and the "Online Video Services" entry in the GMIC Project—Canada open data sets.

Figure 61 below presents the market shares of the top dozen services based on subscribers. It shows a moderate concentration score with the top four players accounting for just under two-thirds of the $4.8-billion market. Having fallen to below 1,400, the HHI clearly shows a high level of diversity, with the big players—Netflix, Amazon, Disney and Paramount+—offsetting one another while a dozen other large to midsize companies increases the range of choices. Based on subscribers, the SVOD market is competitive and diverse, becoming more so every year. That trend, however, could stall as the industry matures. The absence of any Canadian SVOD services also stands out, however, with Crave having been shoved aside by the entry and expansion of the big US-based services since 2018 whereas it had typically ranked in the top three until recently.

Figure 61: Online video market concentration, 2024 (based on subscribers)

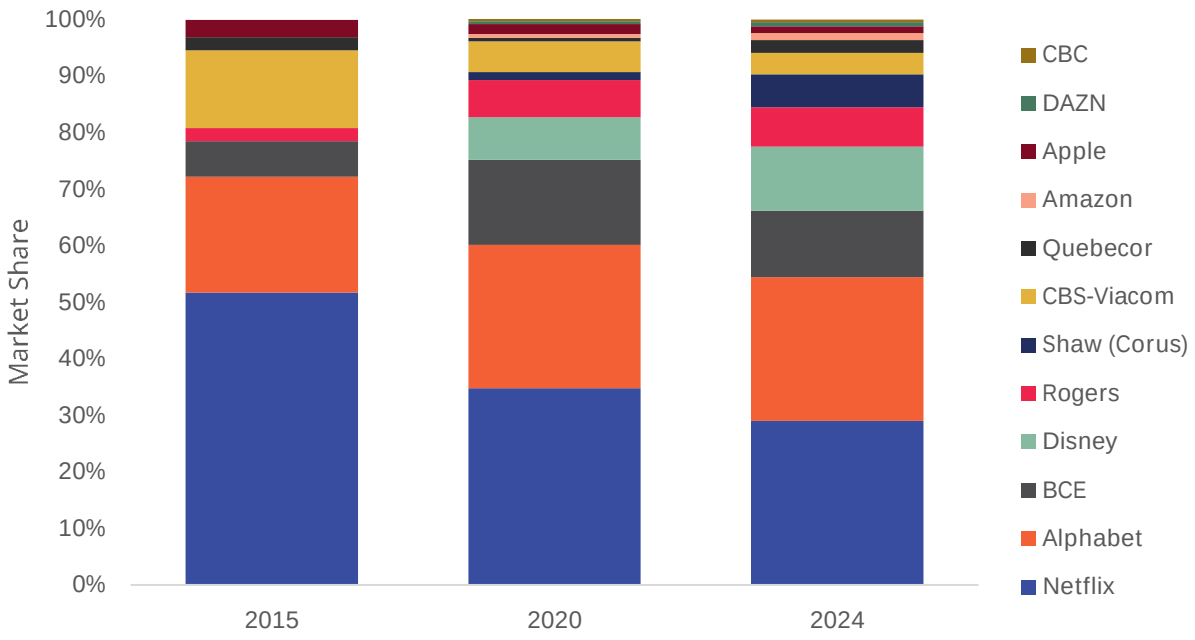


Total Subs (000s)	35,788.52
CR4	65.2%
HHI	1,378.6

Sources: see Figure 61 sheet in the Excel workbook accompanying this report and the "Online Video Services" entry in the GMIC Project—Canada open data sets.

Figure 62 below presents a broader view of an online video market that includes video sharing platforms such as YouTube. Seen from this angle, the rank ordering of main players changes, as do levels of concentration. Based on revenue, Netflix continues to be at the top of the list, but Alphabet is not far behind. Trailing far behind are two or three providers with much smaller market shares, followed by the rest of the pack with tiny market shares from 0.4% (CBC/Radio-Canada Gem) to Apple, Amazon, and Quebecor, with 1-2%.

Figure 62: Online video distributors including YouTube, 2015, 2020 vs. 2024 (market share based on revenue)



	2015	2020	2024
Total (millions $)	766.5	3234.7	6049.1
CR4	90%	80%	80%
HHI	3345.2	2216.9	1860.7

Sources: see Figure 62 sheet in the Excel workbook accompanying this report and the "Online Video Services" entry in the GMIC Project—Canada open data sets.

The top four players in this broader online video market were Netflix, Alphabet, Crave, and Disney+, providing for a combined CR4 of 77.5% in 2024, a number that has steadily fallen over time. Concentration has also fallen appreciably in recent years by the standards of the HHI to 1,861 in 2024, which is at the low end of the moderate zone, compared to 3,345 in 2015.

The decline of concentration in the online video services market, no matter how one looks at it—by revenue or subscribers, or the "narrow" or "broad" view—is having positive knock-on effects across the television market, as we will see in the next section. The online video market in Canada has become much more diverse and pluralistic over time. Its dominant player, Netflix, has been cut down to size, while Bell's Crave continues to hold second place due to its deep catalogue of US programming. The absence of a strong Canadian option with a distinctive catalogue of programming is also notable, and cuts against the trends that can be seen in other countries.

Focusing solely on concentration ratios, however, would miss the fact that the online video market is still dominated by a few telecoms and big tech companies. Behind Netflix comes a parade of multinational tech companies and digital content aggregators (e.g. Google, Apple, Amazon), US media giants (e.g. Disney, CBS-Viacom) and domestic telecoms (BCE, Rogers, Quebecor). They occupy most of the market space ceded by Netflix. The result is a five-way battle between giants while broadcasters such as the CBC/Radio-Canada, Corus, and DAZN are left far behind.

Old questions thus gain new life. How can these foreign companies and the online video market itself be subject to regulatory oversight which addresses gatekeeping power and market clout? How can we get more information about streaming media and platform companies in order to know more about who is providing the cultural texts that help to shape our perceptions of the world? The *Online Streaming Act* provides a downpayment on some answers.

The international giants as well as Canada's biggest telecoms conglomerates are already balking at the scope of the act and the powers it gives the CRTC. They are pushing back against demands for information about their catalogues, the screens viewers choose from, how much they make in this country, the marketing of programming for third parties, etc. One could conclude that their attempts to buck regulatory oversight—or any oversight—is not just bad for the market but bad for Canadian citizen-consumers and democracy.

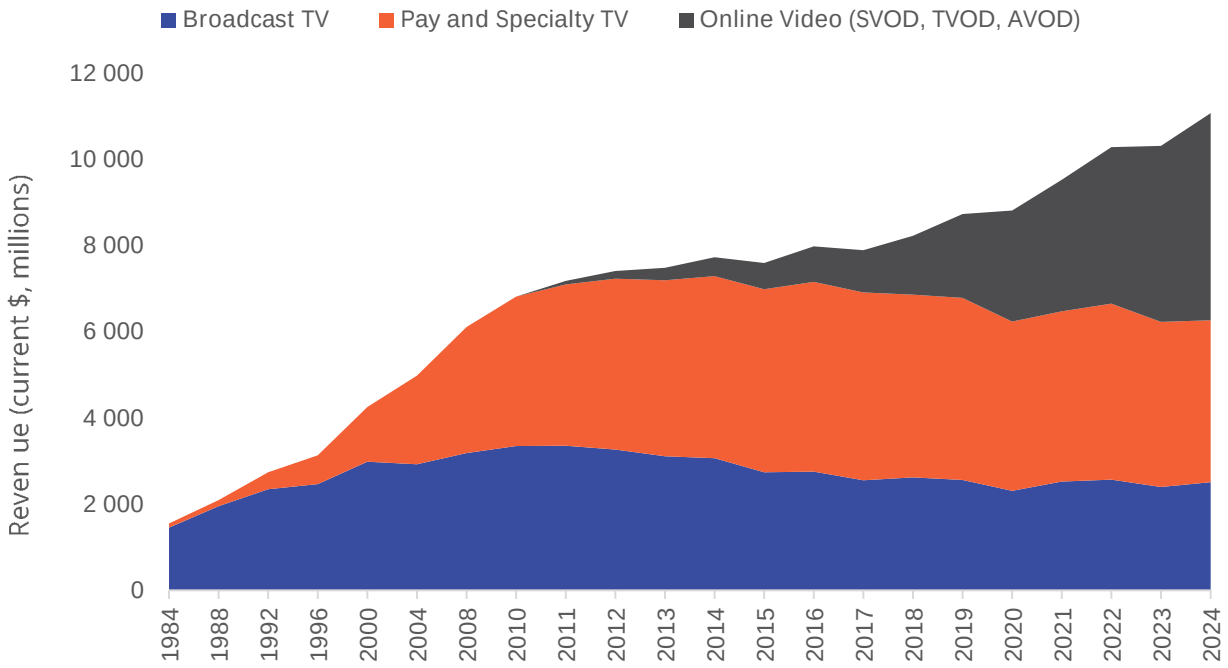
The television landscape in perspective

While broadcast television has been in a tailspin since 2008-2012 and pay services have contracted since 2016, the advent of online video services has resulted in a flourishing television marketplace. It has not only become much larger and more integrated across its subcomponents—broadcast television, pay television services, and SVOD services—but also dramatically more diverse. This upheaval has also driven a redistribution of money, attention, and power that is creating new winners and losers as all involved work to bend technology, markets, and policy to their interests.

The total television universe has grown more than six-fold from $1.6 billion in 1984 to $11.1 billion in 2024. It is more than 2.5 times its size at the millennium (or 1.5 times in inflation-adjusted dollars), when pundits were predicting its impending death on account of the rise of the internet and online television from around the world on everybody's desktop (and later, mobile device). Instead, what we call television in all its mutations has soared in terms of revenue, programming choices, time spent watching, subscriber options, payment modalities, sponsorship, subsidies, and so on. Viewing hours are also up, as we saw earlier. Television is mostly thriving, not dying.

Including just paid online video services adds $4.8 billion to the television marketplace. Drawn more broadly to account for video sharing on platforms such as TikTok and YouTube sees that figure rise by at least another $1.2 billion dollars, bringing revenue for the total television/video marketplace to $12.6 billion. Figure 63 below illustrates the growth of the total television marketplace over time by combining its main parts—online video, broadcast television, and pay television—into one integrated portrait.

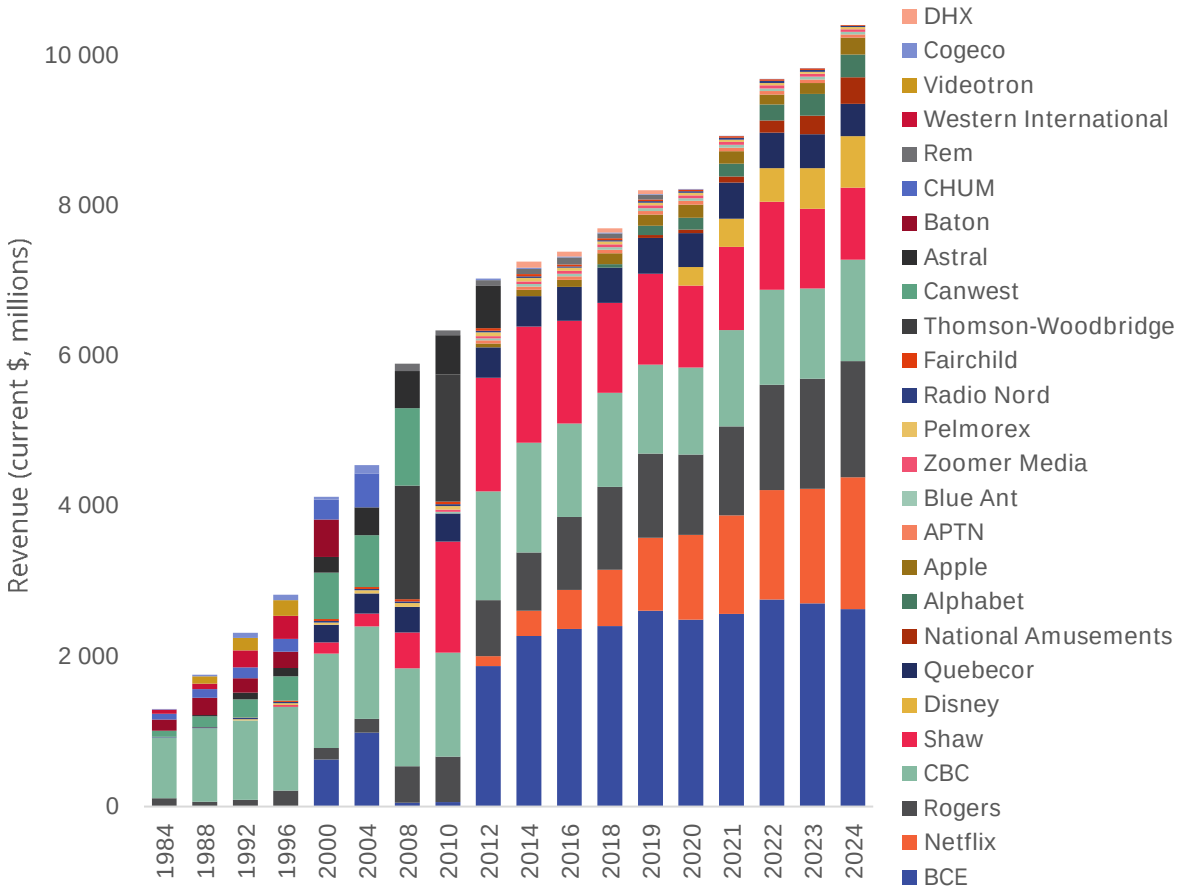
Figure 63: Growth & upheaval in the Canadian television landscape, 1984-2024 (current $, millions



Source: see Figure 63 sheet in the Excel workbook accompanying this report and the corresponding sheets for each of the sectors covered in the GMIC Project—Canada open data sets.

The changes in the last decade are indeed significant. Netflix's share of all TV revenue, for example, has grown from less than 1% a decade ago to 15.8% in 2024. It is now the second-largest TV operator in the country after Bell and with the distance growing between it and those that follow: Rogers, the CBC/Radio-Canada, and Shaw (Corus). It is four times the size of Quebecor's television operations by revenue. Taken altogether, the top six US streamers—Netflix, Disney+, Paramount+, Alphabet (YouTube Premium and Google Play), Apple (Apple TV+ and iTunes), and Amazon—had combined revenues in 2024 of $3.4 billion in Canada, or just under a third of the total television market. Figure 64 below portrays the main television ownership groups between 1984 and 2024.

Figure 64: Television ownership groups and the evolution of television, 1984-2024 (current $, millions)



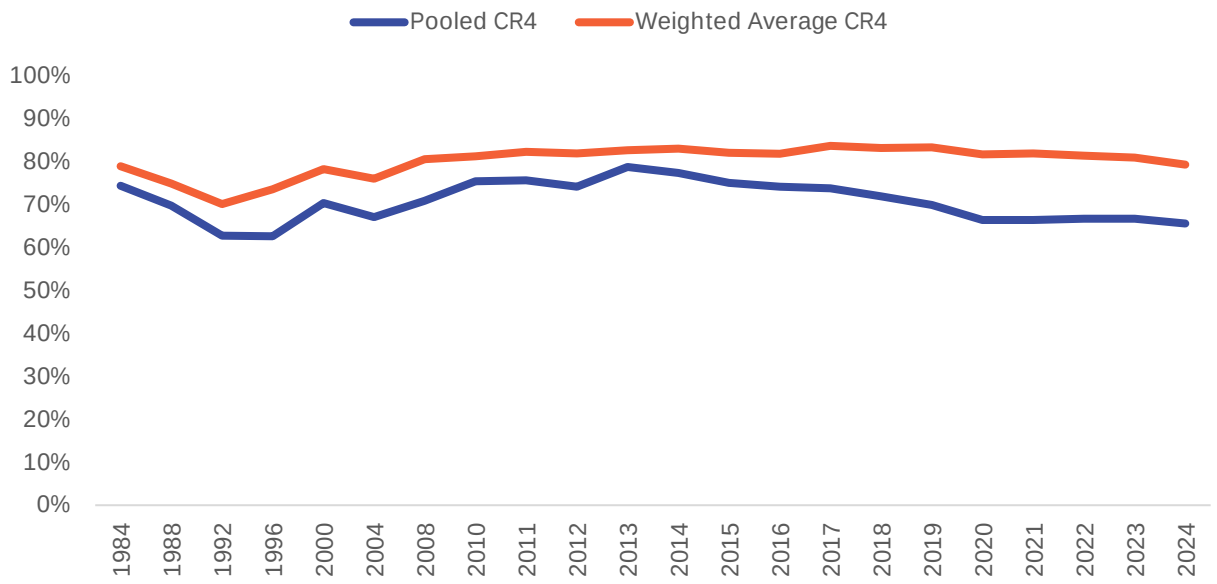
Source: see Figure 64 sheet in the Excel workbook accompanying this report and the corresponding sheets for each of the sectors covered in the GMIC Project—Canada open data sets.

As international big tech and streaming giants gain more of the market—which Figure 64 clearly shows—even the biggest broadcasters in Canada are on ever more fragile ground. However, they are not broken. Bell's revenues from its television operations were $2.6 billion and they were $2.6 billion five years earlier, and both were way up from $1.7 billion in 2011 when it re-entered the broadcasting business. As noted earlier, its media division still cranks profits in the twenty-percent range, as do the other major commercial television ownership groups, even the struggling Corus Entertainment. Also, keep in mind that at Rogers, Quebecor and Bell, their media operations only account for a fraction of their total operations at 8%, 11% and 17%, respectively (recalling Figure 15, above). And while the main Canadian commercial television operators have seen profit margins shaved and their broadcast television services are generally in dire shape, these television ownership groups are *not in crisis*—a trope that continues to permeate industry reports.[449]

Canadians have more choice than ever while producers have more doors to knock on, both of which are significant improvements and a reversal of the trend toward ever-higher levels of concentration that had defined the preceding decade.

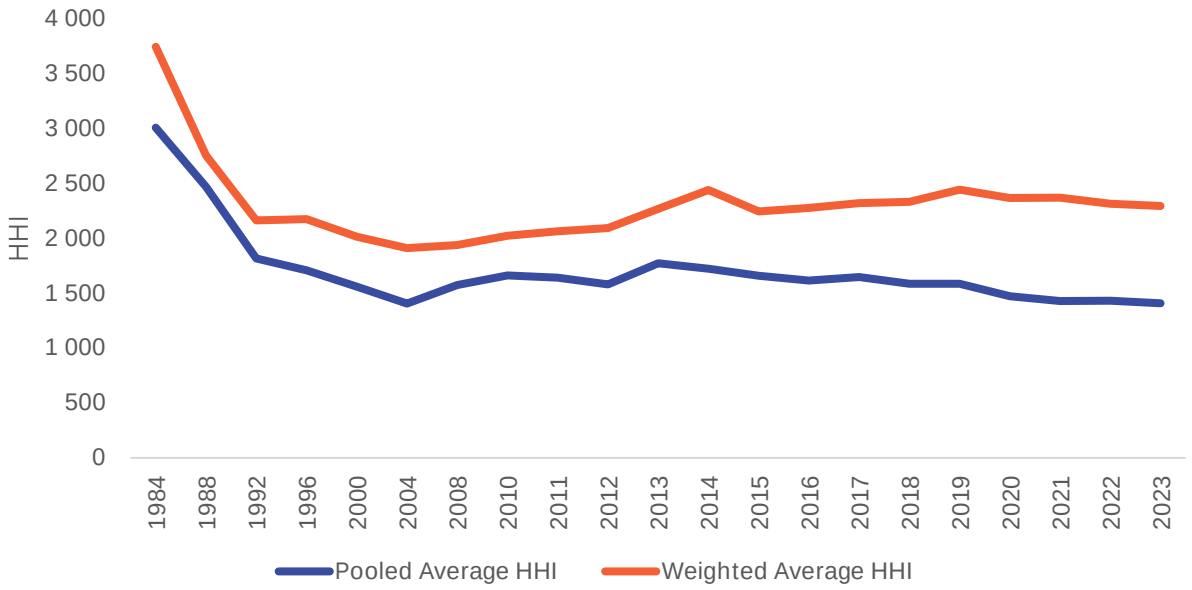
These changes have, however, driven down concentration considerably, but even here, Bell, Rogers, Shaw, and Quebecor are not seeing their share of the TV marketplace cut nearly as significantly as they themselves assert. The big four commercial television operators' share of the market has fallen from two-thirds in 2013 to half in 2024. Add the CBC to the portrait, and their share of the television universe has dropped from 85% to two-thirds. Meanwhile, the pooled HHI has fallen from the 1,775 to 1,306 over the same period, or in other words, it slipped from being moderately concentrated to a diverse and pluralistic market. In sum, Canadians have more choice than ever while producers have more doors to knock on, both of which are significant improvements and a reversal of the trend toward ever-higher levels of concentration that had defined the preceding decade. Figure 65 below summarizes the trend for the "total television market" based on CR scores while Figure 66 after it does the same in terms of the HHI.

Figure 65: CR scores for television, 1984-2024



Sources: see Figure 65 sheet in the Excel workbook accompanying this report and the "Concentration Metrics" sheet in the GMIC Project—Canada open data sets.

Figure 66: HHI scores for television, 1984-2024



Sources: see Figure 66 sheet in the Excel workbook accompanying this report and the "Concentration Metrics" sheet in the GMIC Project—Canada open data sets.

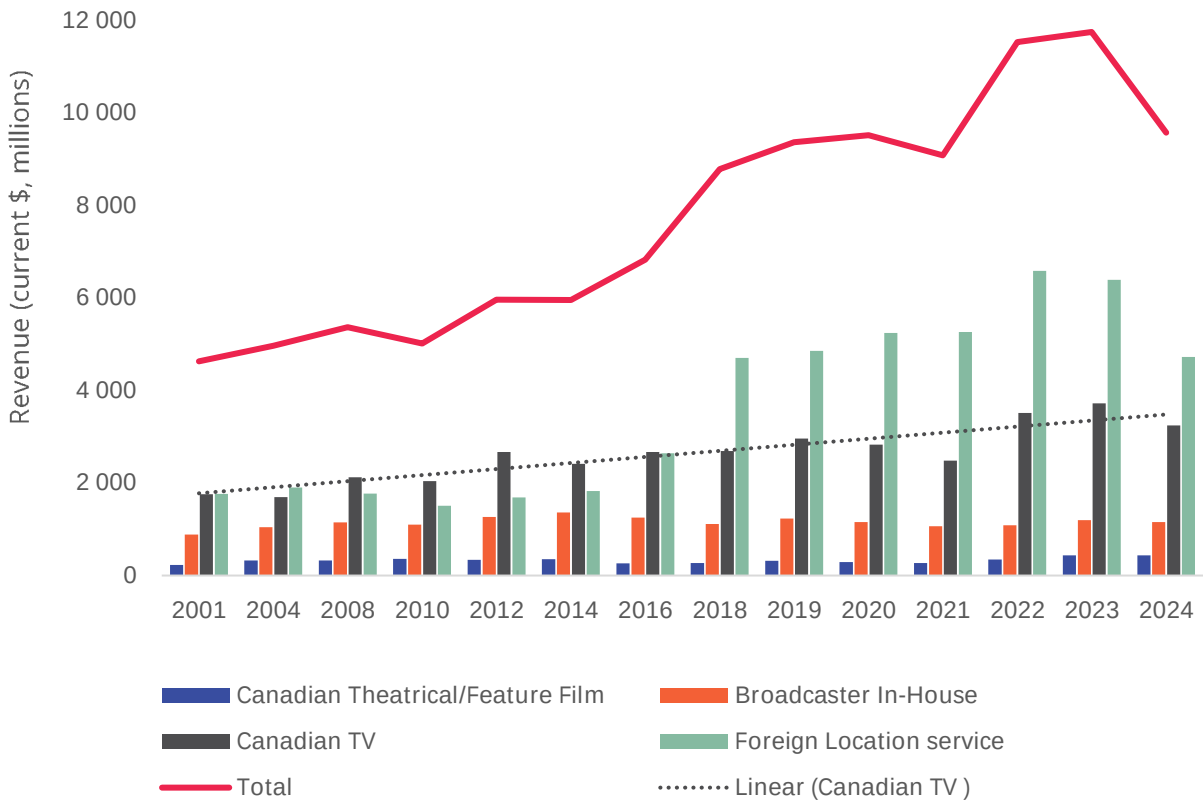
In short, since concentration was pushed to extremes by the amalgamations of 2007-2013, the tide has turned in the opposite direction due to the rapid expansion of television and video services made available over the internet.

Soaring investment in television and film production is another indicator that the television and video marketplace in Canada is vibrant. Investment in television and film production in Canada jumped from $5 billion in 2010 to a record $9.5 billion a decade later. It then fell significantly in 2021 as television and film production was shut down by the pandemic, but the good times returned in 2022 and 2023 as investment in television and film production in Canada ballooned to $11.75 billion—a 23% increase over the record high set three years earlier. As the Canadian Media Producers Association put it: "In almost every way, 2021/22 was a record year."[450]

Figure 67 below depicts these trends. While Canadian investment rose modestly in the early 2010s, since then it has been Netflix, Amazon, and Apple, along with the US studios that have been ramping up production to feed the fast-exploding online video marketplace. Production and post-production facilities, as well as film and television production crews in British Columbia, Ontario and Quebec, have also been working at full capacity, with new facilities being built and the demand for skilled film and production workers high.[451]

Since concentration was pushed to extremes by the amalgamations of 2007-2013, the tide has turned in the opposite direction due to the rapid expansion of television and video services made available over the internet.

Figure 67: Film and television production investment in Canada, 2001-2024 (current $, millions)



Sources and Notes: Nordicity (various years). *Profile: Economic report on the screen-based media production industry in Canada*. See, in particular, Exhibit 1-2 Total volume of film and TV production in Canada. See Figure 67 sheet in the Excel workbook accompanying this report.

Such trends are not unique to Canada. They are also seen in the US and EU, where film and television production by the studios has been revived since falling off after the financial crisis of 2008-09.[452] As in Canada, this is being driven by massive investments from streaming services such as Netflix, Amazon and Alphabet, but also by the traditional big Hollywood Studios, whose numbers have slipped from six to five with Disney's takeover of 20th Century Fox in early 2019.

Spending on original or acquired film and television programming amongst the traditional Hollywood studios and the big tech companies hit a record $146 billion in 2024. Disney led the way with $35.8 billion in such spending, followed by Comcast NBCUniversal ($24.5 billion), Amazon ($20.4 billion), Alphabet ($17.6 billion), Warner Bros. Discover ($16.8 billion), Netflix ($16 billion), and Paramount ($15.1 billion). For Amazon, this was almost

fourteen times what it had spent in 2015; Netflix spent ten times.[453] The portion of those amounts that are earmarked for new productions has also been rising, with Netflix now spending close to half of its content budget on original productions versus 17% in 2016, while at Amazon a quarter of its production and acquisition budget go to original creations, up from 14%. Big tech firms are now on par with the big studios in original content creation and acquiring catalogues of existing titles. The rise of "spectacular budgets" spent on a smaller number of blockbuster films and television series reinforces these tendencies. This tendency is also noticeable at the streamers, which have cut back on the number of new releases in recent years.[454] As in Canada and elsewhere around the world, spending plummeted in the 2020-2021 period as production by the studios and streamers as well as local and regional broadcasters was shuttered until the worst of the pandemic passed.

Canada has long sought to attract as much foreign investment as possible in film and television production for both international and domestic distribution, with great success. While some complain that much of this investment is for production by foreign firms destined for international markets and therefore should not count as "true Canadian content," this is a short-sighted view, according to Serra Tinic's seminal study *On Location: Canada's Television Industry in a Global Market*.[455] Once projects financed by Hollywood or Netflix and Amazon are done, they leave behind skilled workers and production facilities.

There have long been battles, in Canada and internationally, over the two main models for financing film and TV production. In the "commission-and-keep-it-all" model, those who commission and finance a production, hire its director and crew, and produce the film or television program retain sole rights to it. In the "finance-for-rights" model, there are typically several investors who share the cost of a production in return for a share of its profits. In this model, distribution rights importantly stay with the producer or production company.[456]

The reliance in Canada on US film studios and now big tech giants usually means that the "commission-and-keep-it-all" model carries the day. A key issue in *Broadcasting Act* reform has been whether there should be more reliance on the second model to allow for greater control over distribution in domestic and international markets. The investment obligations of the *Online Streaming Act* (2023) put the government's thumb on the scale in favour of the latter option. Bell has also made retaining more of the rights and profits accruing from programming distribution deals and exclusive distribution rights for foreign programming in Canada two of the pillars of its efforts to shape the broadcasting and streaming marketplace and regulatory regime.[457]

The CRTC announced new rules for defining, owning, distributing and otherwise supporting Canadian content while the finishing touches were being put on this report, and thus will have to await fuller treatment until next year.[458] However, at first blush, it is notable that it has embraced measures designed to facilitate more co-production and distribution deals between international streaming services and Canadian broadcasters, and that the latter

retain 20% ownership stake in such ventures. It also rejected Bell and other broadcasters' pleas for exclusive distribution rights for foreign programming in Canada.

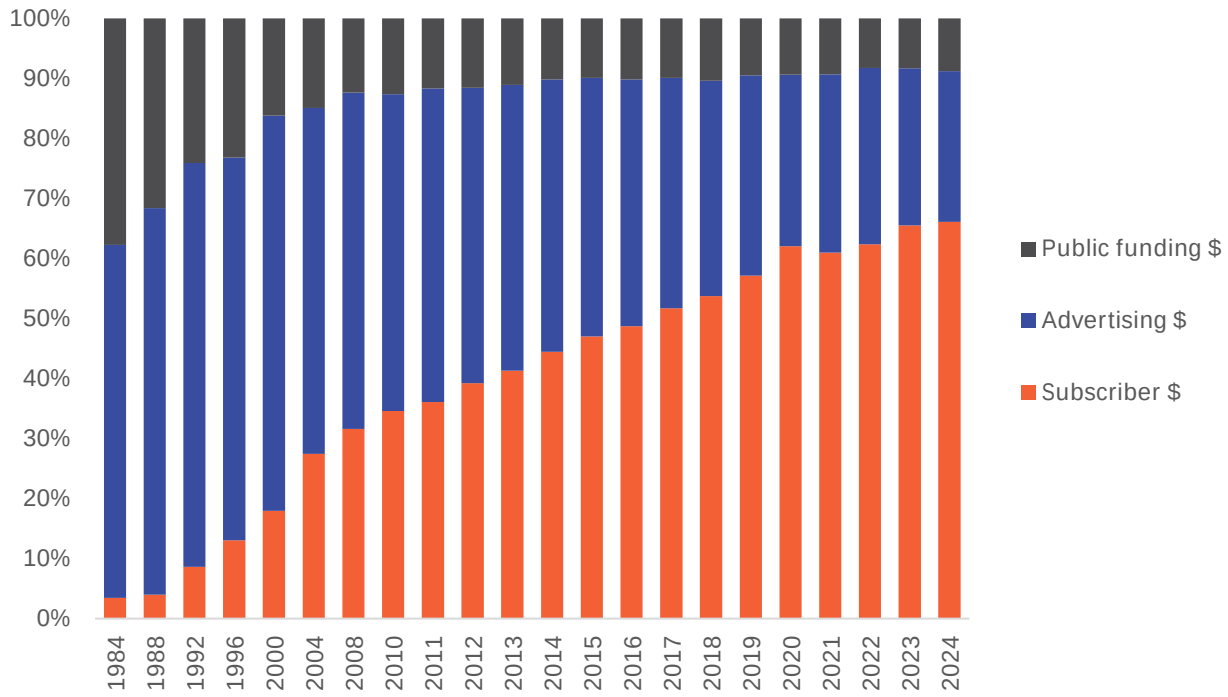
At the heart of the issues are vexing questions about how to best support original drama, sports, public affairs, and news production and distribution in Canada. The problem is long-standing and will not likely go away anytime soon. Despite Canada's relatively large and lucrative media economy, the bottom line is that economies of scale and scope still make it more profitable and less risky for Canadian broadcasters to rely mostly on US and foreign content while using the income from that programming to support less profitable Canadian programming that they must provide as a condition of license.[459]

The issues draw attention to both the fundamental changes and enduring issues in the economics and financing of television. Another tendency has also become more evident with the passage of time: as people watch, share, and pay more than ever for television, advertisers and the public purse are picking up less of the tab.

By 2024, advertising revenue had been cut to being just a quarter of all television revenue (26%). Subscriber fees, meanwhile, swelled to two thirds of the $11.1-billion market (66.1%). Public funding for the CBC/Radio-Canada was down to 8.8%, half what it was twenty-three years earlier, and less than a quarter of what it had been in 1984.

Advertising accounted for two-thirds of television revenues at the millennium, while subscription fees made up just 18% and public funding for the CBC/Radio-Canada provided the remaining 16.2%. By 2024, advertising revenue had been cut to being just a quarter of all television revenue (26%). Subscriber fees, meanwhile, swelled to two thirds of the $11.1-billion market (66.1%). Public funding for the CBC/Radio-Canada was down to 8.8%, half what it was twenty-three years earlier and less than a quarter of what it had been in 1984. Pound-for-pound, the public service broadcasters' place in the Canadian television universe was a dim version of what it had been four decades ago. Figure 68 illustrates this long-term radical overhaul in how television in Canada is paid for.

Figure 68: Changes in how we pay for television–advertising, subscriber fees, and public funds, 1984-2024



Source: see Figure 68 sheet in the Excel workbook accompanying this report and the corresponding sheets for each of the sectors covered in the GMIC Project—Canada open data sets.

The pay-per model Mosco anticipated back in 1989 is now the core logic driving television and reveals the marketization of media. The relative stability of subscriber fees also reflects industry efforts to wean itself off advertising to better weather the epic shocks of shaky economic times. It also underscores how far the CBC/Radio-Canada has been cut since 1984. A restoration to that level would increase its funding from the $1.4 billion dollars it received for 2023-2024 to $6.1 billion—an improbable scenario, but one that would put it in league with the best resourced public service media in the world in the UK, Denmark and Germany.[460]

The knife also cuts other ways. The pay-to-play economic logic raises pressing issues of affordability, inequalities of access, inclusion, and effective participation in society. This could be seen earlier in the discussion of SVOD services, for example, where adoption levels have fallen in the last two years while those who have not dropped their streaming subscriptions have increased the number of services they subscribe to. These are the marks of the dual media economy where the relatively well-heeled pay for premium

media services while others consume 'free' content supported by advertising and other less transparent sources of income. There has been a century of policies in Canada aimed at fostering universal and affordable broadcasting, telecoms, and internet services. We need to now ask what, if anything, can or should be done to address such issues today? What would a revitalized conception of universal, affordable communication and digital media services look like in the context of today's realities?

This logic also impacts other policy priorities. Even if attempts to bring the advertising dominance of Alphabet, Meta, and Amazon to heel succeed, for example, the tide is moving swiftly in the opposite direction and towards paid subscriptions. What advertising remains is mostly taken by the multinational big tech conglomerates. The Competition Bureau's lawsuit against Google demonstrates its willingness to redress that dominance.

There is no magic bullet solution to the structural transformations of the media economy. Addressing the core problems besetting commercial media will require pushing other policy levers as well. That will include, for example, increased public funding and measures to support personal and household spending. How that can be done is not easy to decide. Government policy since 2019 to support journalism with tax credits for publishers to employ journalists and for individuals to subscribe to publications, along with incentives for publications to convert into charitable organizations, all push in this direction.[461] The use of vouchers to support consumer media choices, as has been done in France and some other countries, might also be part of the policy toolkit.

Newspapers and Magazine Publishers in Peril

- Newspaper revenue has been in precipitous decline but seems to have reached a bottom in the last four years. A small dip in 2024 resulted in revenue slipping to $1.9 billion, although that is just two-fifths of its peak in 2006-2008.
- Online news outlets continue to sprout, including several non-profits, but none come close to matching, let alone displacing, the role of declining legacy news outlets.
- The Liberal government's policy measures in support of a free press include subsidies, Covid-19 pandemic relief funds, changes to the tax code that encourage the development of non-profit news organizations, and the *Online News Act*. These measures offer a comprehensive set of policy and regulatory responses to the "crisis of journalism" despite being extremely contentious and the blocking of news by Meta in response to the *Online News Act*.

What would a revitalized conception of universal, affordable communication and digital media **services look like in the context of today's** realities?

The Collapse of Newspaper Revenue

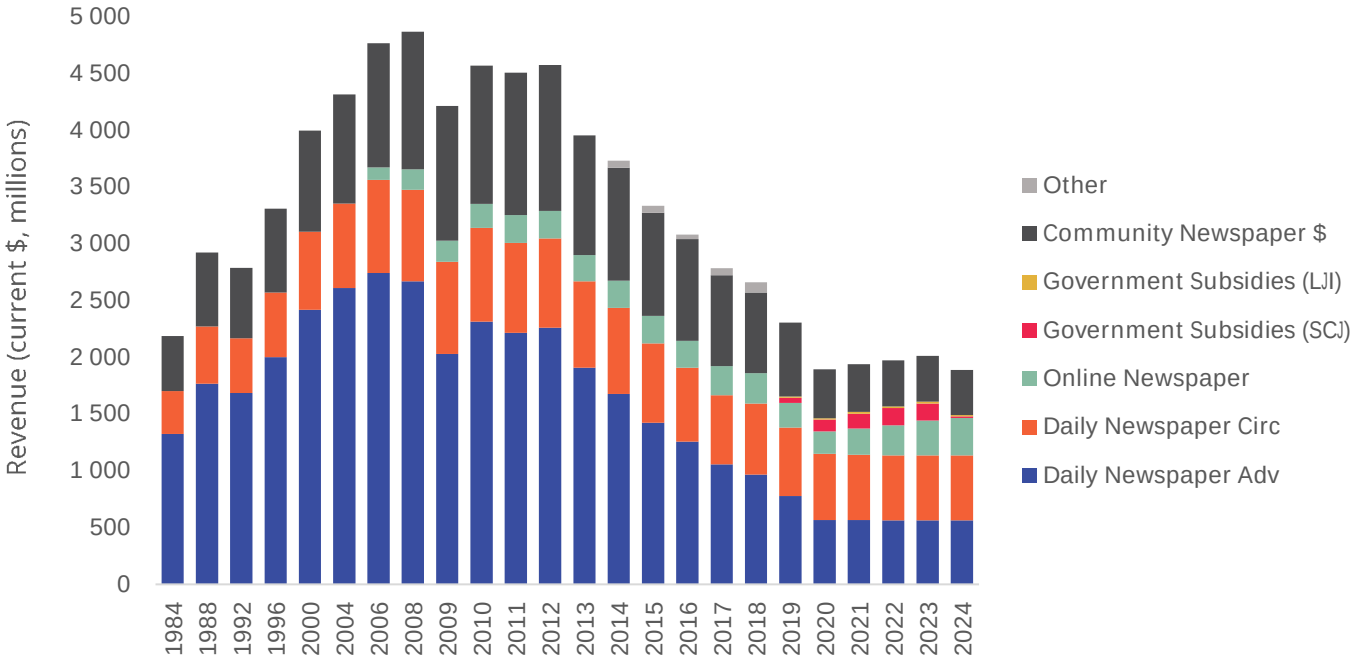
As we saw for broadcast television and radio stations that rely on advertising, conditions have been perilous for fifteen years or so. The same is true of newspapers, magazines, and online news outlets. With advertising spend falling for the better part of a decade after 2008, and Google, Meta, and, more recently, Amazon consolidating their hold on search, social, and retail advertising, conditions have only worsened for advertising-funded media, especially news media.

We must see such things systemically, rather than as one-off issues confined to one or another sector. Seen in this way, the deepening crisis of broadcast television and radio, especially the impact on the news divisions of broadcasters, is inseparable from what has been happening across the news media. The systemic nature of the crisis is revealed in the extent to which news media have been falling apart. To grasp how and why such issues are so important, we need to briefly reprise the recent past of two historical cornerstones of the news media: newspapers and magazines.

On a more positive note, we also need to bear in mind that Canadians are getting news from more credible sources than ever. The next few pages examine trends in newspaper and magazine growth, upheaval, and concentration as well as in how people access and share online news.

The first signs of the decline of newspapers in Canada began in the 1970s when circulation started to fall on a per-household and per-person basis, even though circulation numbers continued to rise in absolute terms until the early 2000s, while revenue continued to rise for a few more years before falling off a cliff. As Figure 69 below shows, revenue from all sources for both daily and community newspapers peaked between 2006 and 2008 at a little over $4.8 billion. It has plunged ever since, although a bottom of sorts seems to have been reached since 2020 at just under $2 billion, for reasons that will become clear in the pages ahead. Nonetheless, revenue is now 60% less than it was just a *decade and a half* earlier.

Figure 69: Newspaper revenue, 2004-2024 (current $, millions)



Source: see Figure 69 sheet in the Excel workbook accompanying this report and the "Total Revenue (Millions)" sheet in the GMIC Project—Canada open data sets.

Magazines are in a similar situation to newspapers. Their revenue peaked in 2008 at $2.4 billion but has plunged to $776 million since, a loss of more than two-thirds.[462] As the bottom fell out on print circulation and advertising revenue, newspaper and magazines revenue from online subscriptions and advertising rose, but never enough to bridge gap, as we will see.

Newspaper and magazine publishers have tried to stanch the losses by erecting paywalls, but it was only after 2011 that any significant effort in this direction was taken by major publishers. Paywalls were then erected so fast between 2011 and 2015 that they were more prevalent in this country than in the US or UK.[463] By 2013, twenty-seven dailies accounting for 45% of daily circulation had paywalls. By 2015, the number had grown to thirty-eight dailies with well over half of all circulation. The use of paywalls climbed to two-thirds of daily newspapers by 2018, where it has remained.

Despite such efforts, the revenue gained has *never* come close to matching what has been lost. Online revenue has also been uneven. It grew steadily to become a significant source of revenue between 2011 and 2018 to about $250 million a year on average but slipped for the next three years, before rising again to hit an estimated $329.7 million in 2024. That

gain, however, paled in comparison to the $3 billion in lost annual revenue since 2008. In other words, paywalls have generated digital dimes to replace print dollars.

Online distribution and revenue is thus clearly not a silver bullet for all types of media, as advocates for "digital-first" journalism seem to believe. Paywalls and digital advertising will not save commercial journalism.

New and emerging revenue sources: Built to last or a house of cards?

That overall newspaper revenue seems to have bottomed out for the last four years is a function of several factors. First, digital advertising and subscription revenues stabilized for the first time in a long time. Second, the federal government's journalism support program, starting with the Local Journalism Initiative in the 2019 budget, injected $675 million of public funding into journalism by 2024. The Liberal government then extended and increased the journalism labour tax credit by raising the maximum salary eligible for the rebate from $55,000 to $85,000 and increasing the tax credit rate from 25 per cent to 35 per cent. This amounted to an additional $129 million in news subsidies over five years.[464] Third, media organizations also drew on the Canada Emergency Wage Subsidy that ran between March 2020 and October 2021 to help businesses offset the effects of the pandemic. Newspaper publishers received more than a half-billion dollars from CEWS while a similar amount went to television and radio broadcasters. News outlet closures and job cuts have nonetheless continued, although federal subsidies and increased advertising have helped to stem the tide, according to Lindgren, Wechsler, and Wong.[465]

Fourth, Google, Facebook, and Apple News+ all signed deals with news groups to use their content in social media, search, and apps. Meta, for example, announced in late 2021 a News Innovation Test with eighteen media groups in Canada.[466] Google struck 150 deals with Canadian news media, as it has done with such groups around the world, as part of its Digital News Initiative and Google News Showcase.[467] Google also provided funding to 229 news outlets in Canada—print, broadcasting and online—from its Journalism Emergency Relief Fund between 2020 and 2022. Recipients ran the gamut from national broadcasters and publishers, such as Bell Media and Torstar, to mid-size regional publishers like FP Canadian Newspapers (publisher of the *Winnipeg Free Press* and *Brandon Sun*), ICI Media, and La Coopérative nationale de l'information indépendante (CN2i), as well as small publications, broadcasters, and online news outlets.[468]

While such funding was no doubt welcome, nothing was known about the amounts involved in any of these initiatives, nor any of their details. Meta estimated the value to publishers of sharing news content on its Facebook and Instagram social networks at $230 million in Canada—a figure in line with the sums paid out in Australia since it adopted the News Media Bargaining Code in 2021.[469] That this clue to how much Meta thinks news is

worth was pried loose from the company only after the debate over the *Online News Act* (Bill C-18) was in full-swing is interesting for two reasons.

For one, newspaper publishers have been trying to obtain payments for the use and sharing of their content through search engines and social media services since the late 2000s. However, it has only been in the last few years, with threats of regulation hanging in the air, that significant amounts of money begun to flow into their coffers.

Second, just the threat of regulation brought to light insights that are crucial to a basic understanding of the interactions between platforms (or digital news intermediaries, as the *Online News Act* calls them), and news media groups. Thus, while the headline objectives of both the *Online News Act* in Canada and Australia's *News Media Bargaining Code* are to tackle the imbalanced terms of trade between the tech giants and news media, it is also about gaining access to more information about how these entities operate and into the news ecology overall.

Rather than adhering to the *Online News Act* and making payments to news publishers, however, Meta cancelled its existing agreements with news media and blocked news sharing and distribution on its Facebook and Instagram services in Canada.[470] Meta's move in opposition to the *Online News Act* also needs to be seen in the context of its general policy to demote news sources in its services and announcement midway through 2022 that it would no longer pay US news sources for their content to appear in Facebook's News Tab.[471]

In contrast, prompted by its obligations under the *Online News Act*, Google agreed in late 2023 to pay $100 million per year for five years, indexed to inflation, into a news fund. To howls of protest by the Canadian Association of Broadcasters and News Media Canada, the fund will be administered by a new body chosen by Google, the Canadian Journalism Collective, and paid to qualifying news media outlets. While some claimed that Google's $100 million in funding meant that the act would no longer apply, the CRTC's ruling on the matter makes clear that it does.[472] The arrangement between Google and the Canadian Journalism Collective itself is also subject to CRTC overview. Qualification requires maintaining editorial independence, employing a minimum number of full-time journalists, being eligible for other policy support measures, and ensuring that the funds go to news and not the bottom lines of publishers.[473]

The first round of payments went out in March 2025 and were, therefore, not included in this year's tally of revenues for either the news media groups that receive them or the media sectors that they operate in. Nonetheless, a few observations are helpful to convey who the main beneficiaries of the fund have been thus far and its contributions to creating a more sustainable news media ecology.

Altogether, there were over 400 recipients of the first tranche of funds, which totaled $58.7 million.[474] This is a welcome injection into the news media ecology, but it is also a drop in

the bucket, given that it amounts to just .8% of the combined revenue for the broadcasting and other news media sectors covered by the agreement. It also represents just .6% of Google's internet advertising revenue in Canada ($9 billion) and far lower than earlier estimates by the Parliamentary Budget Office and Department of Canadian Heritage that implied or explicitly put the levy at 2% and 4%, respectively. Had those estimates have held, Google's payments, based on its estimated revenue in Canada in 2024, would have been between, roughly, $200-350 million. Another $95 to $190 million would have been added had Meta (estimated 2024 revenue in Canada = $4.7 billion) met the funding contributions expected of it by the *Online News Act* rather than banning the distribution and sharing of news on its Facebook and Instagram services in Canada instead of complying with the Act (see below). Thus, while Google's injection of $100 million per year for the next five years is a helpful contribution to fostering a more sustainable news media ecology, it falls well shy of the Parliamentary Budget Office and Canadian Heritage targets of $300-500 million.[475]

The payouts made by the Canadian Journalism Collective to over 400+ beneficiaries went to a diverse range of news media groups across the country. Many of them are small local and regional entities, including locally owned media outlets such as CHCH in Hamilton and CHEK in Vancouver, the radio ownership groups that scooped up the Bell stations taken up a moment ago, as well as college, university, Indigenous, racialized communities, co-ops, and more. The amounts they received relative to their current resources are not trivial, ranging from several thousand to several tens of thousands and a few hundred thousand for CHCH, CHEK, Vista Radio, and a few others. However, in terms of who has benefitted most, it is the biggest players. The top ten such news broadcasters and publishers like CBC, Bell, Postmedia, Corus, Rogers, *The Globe and Mail*, *La Presse*, *The Toronto Star* (including its Metroland community newspaper division), Quebecor, and CN2i each got pay-outs in the millions and which, in total, accounted for half of the total funding distributed.[476] Thus, in addition to the payouts being a "drop in the bucket", as Alfred Hermida from the University of British Columbia put it, there are also important questions of equity.[477]

The *Online News Act* is not just about funding, however. It is also about creating a new regulatory framework for digital news intermediaries such as Google, Meta, and others that meet its designating criteria based on audience reach, revenue, gatekeeping power, and strategic significance. Crucially, there is no escape hatch from the regulatory framework in return for payments made, as some misleadingly asserted.[478] The Commission's ruling on the matter makes clear that it does.[479] That said, it does seem timid about using the full powers at its disposals. This applies to its treatment of Meta, for example, which meets the criteria used to designate digital news intermediaries as such whether the social media and online advertising giant likes it or not. It does so by dint of meeting the *Act*'s thresholds based on revenue, audience reach, and strategic significance and based on what it *does* (i.e. provides a path to the news for more than two-fifths of Canadians).[480]

That the *Act* still applies to Google can be seen from several angles. For example, the fund and the Canadian Journalism Collective are both subject to Commission review. Digital

news intermediaries must also disclose information about their operations in Canada, which could also help reduce publisher dependence on platforms and give everybody more insight into the blackbox operations of the big tech companies in Canada, especially in the online advertising market. The CRTC also has the authority to obtain details of the news distribution deals they strike with broadcasters and publishers. Not all of this will be made public, however, but the Commission appears to be committed to publishing data similar to that found in its *Digital Media Survey*.[481]

The crown jewel in the *Online News Act* is the fair carriage principle that it contains, the basic thrust of which is that designated digital news intermediaries—Google and Meta for now but potentially Apple, TikTok, X (Twitter), and others in the future—must not use their power to confer undue advantages upon themselves or discriminate unjustly against others. Taking a page from the *Telecommunications Act* (1993), section 51 of the *Online Act* expressly *prohibits* digital news intermediaries "from acting in any way that (a) unjustly discriminates against the business; (b) gives undue or unreasonable preference to any individual or entity, including itself; or (c) subjects the business to an undue or unreasonable disadvantage."[482]

That principle, as we saw early in the report, has been progressively articulated and adapted through the courts going back to at least the 1890s, then through the *Railway Act* and Canada's first federal regulator, the Board of Railway Commissioners. The CRTC is now stepping into those shoes, and its first major decision on such grounds is a promising first step.[483]

The obvious question now is what will happen when the revenue from government subsidies, increased government advertising, pandemic support, and funding from big tech are withdrawn, or if Alphabet decides to play hardball to cancel even its limited acceptance of the *Online News Act* now that it has the backing of the Trump Administration and the *Act* itself has been singled out by the administration as a trade irritant? While there is no doubt that news media have welcomed the reprieve by all these factors, it is reasonable to ask if the whole edifice now girding their operations is a house of cards that could crumble if these sources of funding disappear, individually or collectively.

A study by the McGill University-University of Toronto Media Ecosystem Observatory tracked some of the impacts for news media organizations a year after Meta banned news from its Facebook and Instagram social networks.[484] The findings were bleak:

- There has been a precipitous drop of 43% in online engagement, i.e. people liking, sharing, and cross-posting news stories on Meta's Facebook and Instagram products.
- Many news media outlets that were active on Facebook and Instagram no longer are.

- Losses on Facebook and Instagram have not been offset by gains on other social media platforms such as YouTube, TikTok, and X. In fact, many such news outlets have reduced their activity on all social media.
- There has been a serious drop in referrals driven to news sites by Meta.
- There has been significant drop in revenue for news media organizations which can no longer gain audience attention on Meta's products or benefit from the advertising and new subscribers it had sent their way.

There is no doubt that Meta's decision to ban news in Canada has not been helpful, but there are several shortcomings with the Media Ecosystem Observatory study and other claims about the nature and severity of the impact.

For one, the study reported that only a small minority of Canadians were even aware of Meta's ban on news. That reveals a problem that predates the *Online News Act*. Audience traffic to and people's engagement with news media on social media tends to be short, shallow, and not worth much in terms of new subscriber or advertising revenue. It also loosens the ties between news brands and news content, resulting in a slurry of indistinguishable content that dilutes brand identity and, consequently, news source authenticity and credibility. This is that Meta's news ban is likely to have had only a marginal impact on income for news media.[485]

Our results from our research for the last two years illustrate this point, revenue has stayed relatively stable since Meta's news ban. It must be said, however, that for every setback experienced by the newspaper industry in particular, its main publishers as well as its trade group, News Media Canada, have responded by releasing less data that makes it more difficult to know important details about the industry. That said, we do know enough to say the following.

In support of the above claim that Meta's news ban has likely only had a marginal impact, consider that revenue trends for most news media organizations—Quebecor, the *Winnipeg Free Press*, Postmedia, and the *Toronto Star*—have continued in line with trends over the last decade and a half. Others have seen revenue stagnate or tick upwards slightly on account of federal subsidies and new sources of revenue from philanthropy and big tech payments: e.g. the *Globe & Mail*, *La Presse*, and *Le Devoir*.

Second, in some cases revenue has collapsed. For example, at Coopérative nationale de l'information indépendante (CN2i), revenue was cut in half from about $68.2 million in 2019 to $30.5 million last year before it declared bankruptcy. The loss of its publications was substantial, but it cannot be ignored that CN2i itself had been formed in 2019 to take over Groupe Capitales Médias after that entity went belly-up. Groupe Capitales Médias itself had been formed by well-placed Liberal Party insiders in 2015 to pick up distressed community

and daily newspapers that were being spun off by bigger publishers who were trying to exit the business as the crisis of news continued to pick up steam and with no end in sight.

It started with a group of five papers spun-off by the powerful Quebec-based *LaPresse* owner Gesca in 2015 as that company restructured itself in preparation to become a non-profit trust several years later. The group then acquired another dozen community papers in 2017 from Quebec-based printing and publishing company Transcontinental. Despite its efforts, Groupe Capitales Médias went bankrupt in 2019. CN2i stepped in to pick up the wreckage to see if might have better luck. It did not, and after watching its revenue cut in half over five years, it too folded last year.[486]

There are other similar stories of turmoil, papers that had been around for a hundred years (or many decades anyway) shut down, upheaval, and bankruptcy in the newspaper industry. For instance, Saltwire went bankrupt in 2024. A dozen of its twenty-seven local newspapers in the Atlantic provinces were scooped up by Postmedia.[487] Metromedia—a division of *Toronto Star* publisher Nordstar—closed 78 community papers but relaunched 71 of them as digital only publications shortly thereafter. The Local News Research Project documents the closure of many other local news media outlets as the pandemic-era policy and funding supports gave way, with the vast majority being community papers (29), but also eight private radio stations.[488]

In short, the newspaper industry has endured a decade-and-a-half of crisis. Meta's news ban may have kicked the last legs out from under some of them, and the three-way internet advertising oligopoly has also been progressively choking off a desperately needed source of oxygen—advertising revenue—for a decade but blaming international tech giants as *the* cause of these problems is woefully inadequate. Policy and regulatory remedies built atop such a misdiagnosis are unlikely to do what is needed to truly fix the problems.

The flipside of Meta's news ban is that it has prompted news media organizations such as CTV, the CBC/Radio-Canada, and Torstar's Metroland chain of community papers to lure audiences to their own websites and apps, with some success. Torstar's announcement in September 2023 that seventy-one of Metroland's community newspapers in Ontario would become digital-only publications reflects this newfound resolve. The upshot is that Meta's news ban has forced news media organization to re-assert more control of their news service, its presentation, advertising, and audience data. The effect has been to reduce their dependence on social media platforms.

The newspaper industry becomes more fragmented as it falls apart

Increased digital revenue, new policy supports and public funding, payments from big tech, and the *Online News Act* have come together in the last five years to offer some respite to a beleaguered industry. Over the longer run, however, a series of ownership changes and

bouts of corporate restructuring have led not to more consolidation but to a fragmentation of ownership in both the newspaper and magazine industries.

Long before today's economic woes beset the industry began, concentration levels had risen steadily from 1984 until 2000. In 1984, the biggest four groups accounted for nearly two-thirds of the industry's revenues, a number that stayed relatively steady before bouncing up to 70% in 1992 as a significant new player began to acquire a series of regional papers across the country: Conrad Black's Hollinger Newspapers. Concentration levels rose sharply to 80% over the rest of the decade as Black took over the Southam newspaper chain and Quebecor added the Sun stable of broadsheets in a half-dozen cities to the two daily papers that it owned in Quebec (*Journal de Montréal* and *Journal de Québec*).

That bout of consolidation soon abated when Hollinger sold the Southam chain to Canwest in 2000 and became mired in controversy over Black's dealings, for which he would spend five years in prison. Canwest spun off several newspapers within a few years, fueling the growth of regional chains such as Glacier Media and Black Press. This served to increase ownership diversity, but the takeovers were often heavily leveraged, which soon took a toll.

The Osprey group of newspapers in Eastern Ontario and Quebec, which sold out to Quebecor in 2007, was one short-lived example of this. Concentration reached a high in 2010, when the four largest newspaper groups controlled 80% of the market by revenue: Postmedia (24.2%); Quebecor (23.7%); Torstar (23.2%); and the *Globe and Mail* (9.1%).[489]

As the economic crisis gripping the industry deepened due to consolidation, debt, and falling revenue from circulation and advertising, many of the big press groups again spun off some of their local and regional newspapers. Several of the mid-sized groups formed over the previous decade took advantage of this to create regional monopolies. While newspaper concentration fell nationally, it was being reassembled at the regional and local level.

The best example of this occurred in late 2017 when Postmedia and Torstar swapped forty-one mostly community newspapers, thirty-seven of which were immediately shut down. This effectively divided Ontario into two zones of mutual exclusivity. The Competition Bureau investigated the chains for potential collusion and anti-competitive behaviour but declined to lay charges.[490]

Regional press groups have thus been consolidated across the country, each with a de-facto monopoly in their territory.[491] Others have abandoned the field altogether, such as Transcontinental. The once venerable Torstar was sold to private equity firm NordStar Capital in 2020 and de-listed from the Toronto Stock Exchange. It is thus no longer required to issue financial statements, which has made it even harder to keep tabs on the state of the press in this country.

Other groups have become paler versions of their former selves, i.e. Quebecor and Power Corp., although Quebecor continues to publish the influential *Journal de Montréal* and *Journal de Québec*. Power converted its flagship *La Presse* into a non-profit trust in 2018 and two years later became a Registered Journalism Organization eligible to issue tax receipts in exchange for donations. The latter change was enabled by amendments to the *Income Tax Act*, made as part of the journalism support program announced in 2019 (see below).

While consolidation at the regional level proceeded apace, the overall trend for the past decade has been falling national concentration levels. The CR4, for example, has fallen from 82% in 2008 to 46.1% in 2024, with concomitant declines in the HHI. Postmedia is still by far the largest newspaper group in the country, as its acquisition of the Sun Media chain in 2015 put its share of the market in the 20-25% range, but it too has since slipped to 18.1% in 2024. That slippage also occurred despite its acquisition of Brunswick News from the Irving Oil family conglomerate in 2022, although its takeover of the bankrupt Saltwire in Atlantic Canada in 2024 will likely restore some of that lost ground. Not only have none of these acquisitions drawn scrutiny from the Competition Bureau, but they have also been actively encouraged by bankruptcy courts eager to gain some protection for creditors.[492]

Similar patterns have also reshaped the magazine sector in the past decade, with Rogers, the leading publisher since 1994, selling off a fleet of its mastheads to Transcontinental in 2016 and the rest to St. Joseph's Publishing in 2019.[493] In terms of market structure, magazines have been the least concentrated of all media sectors that we cover since the early 1990s. Concentration levels fell by nearly half based on CR scores between the early 1990s and 2024, with the market share by revenue of the top four publishers hovering in the 20-40% range for the last two decades. It was 27.5% in 2024, while the HHI was on the extremely low level at 246—a fraction of what it was at its high in 1988 (2,315).

Tough times but with some flickering lights on the horizon

That ill winds continue to buffet the newspaper industry can also be seen from the fact that since 2008 the number of paid daily newspapers has dropped from ninety-eight to sixty or so.[494] This must be taken with a grain of salt, however, since News Media Canada has not published its standard *Ownership Groups—Canadian Daily Newspapers* report since 2022, reflecting how it has become less forthcoming than ever with information. Before that, News Media Canada had also changed its definition of "daily newspaper", making it difficult if not impossible to compare data on daily newspapers over time.

Coming at the same time as subsidies and laws like the *Online News Act* became fixtures in the news media sector, this suggests that their sense of public obligation is out of sync with the public policy supports they now receive. It would not be unreasonable to make such supports conditional on demonstrating more transparency about their own operations.

The punishing effects of these trends are nonetheless clear, with some of the more illustrative highlights from the past few years listed below to illustrate the point:[495]

- Postmedia pared its publishing schedule in 2018 by one day a week at eleven local newspapers: the *Kingston Whig-Standard*; *Belleville Intelligencer*; *Brockville Recorder and Times*; *Chatham Daily News*; *Cornwall Standard Freeholder*; *Owen Sound Sun Times*; *Sarnia Observer*; *Stratford Beacon Herald*; *Woodstock Sentinel-Review*; *St. Thomas Times-Journal*; and *Simcoe Reformer*. This followed the closure of six other small-town papers in June and publishing cuts at four others.[496]
- Torstar cut 220 positions in 2016 after eighteen were eliminated at the *Globe and Mail* in 2014, with the latter cuts bringing the number of layoffs at the Globe and Mail to 100 since 2012.[497] Voluntary retirement programs for journalists and editorial staff have been a steady feature at the paper ever since.[498]
- *La Presse* eliminated 102 permanent and fifty-six temporary positions in 2015.
- Postmedia closed 15 community papers, laid off fifty staff, and imposed a temporary 5-30% salary cut for journalists and staff making more than $60,000 per year in 2020 despite receiving $10.8 million that year from the federal government's journalism support program, another $40.3 million from CEWS, and $1 million from the Quebec government's subsidy program. Postmedia's operating profit margin was 36% on revenues of $190.7 million.[499]
- Lindgren and Corbett from the Local News Research Project at Toronto Metropolitan University and University of British Columbia found that four hundred community newspapers, forty daily newspapers, forty-two radio stations, and eleven television stations have closed since 2008. Their Local News Research Project's regularly updated tally of newspaper and broadcasting stations that have been closed, opened, or decided to either pare back or expand their news coverage is an extremely valuable resource that other researchers may want to consult on a routine basis, if they are not already doing so.[500]

Lindgren found in a separate study that the number of newsroom staff at the *Ottawa Citizen* had dropped from 190 in the 1990s to fifty in 2019. At the *Montreal Gazette*, the union CWA Canada had 275 members in 1990; its newsroom now consists of forty-one people.[501] Lindgren and her colleagues note that 57 per cent of journalist respondents to their survey said there are fewer people in their newsrooms than in 2016, and that those cuts had eroded the quality of journalism in their publication.[502]

As Lindgren concludes, the casualties in all of this are people who live in cities, towns, and rural communities across the country. They have been left with little or no access to local news or are being given gruel rather than the robust, timely, verified and independently produced news required to navigate daily life.[503] It is also the case that these grim tidings must not be read in isolation from the ill-fortune besetting the news media outlined earlier in the context of radio and television. The problems are systemic and, accordingly, systemic solutions are needed.[504]

It must be borne in mind when considering the case made by interested parties and lobby groups such as News Media Canada about journalism being in decline based on these scholars' work. First, while the net loss of thirty- to forty daily newspapers over almost two decades is significant, 60% were free commuter tabloids that have never been held up as bastions of original reporting or essential to democracy. Moreover, the vast majority of local news media closures since 2008, i.e. 400 of 526, were community papers, most of which were typically published once a week.[505]

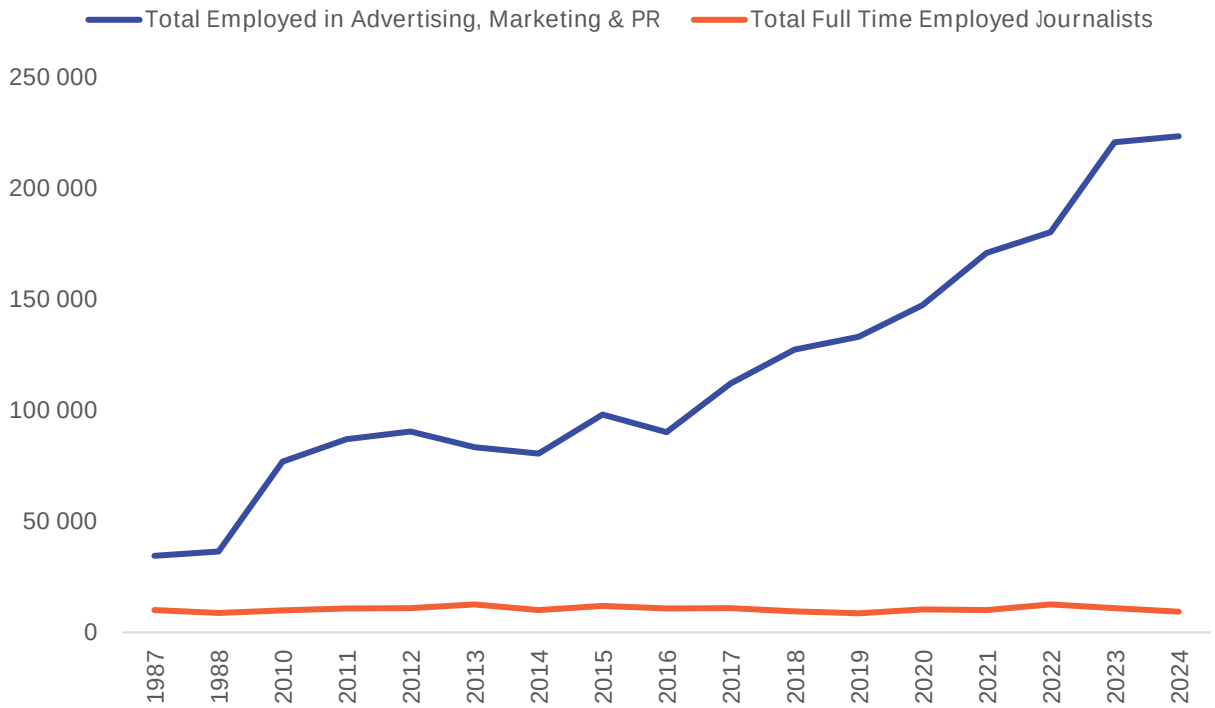
While such publications likely contributed to a feeling of community by publishing accounts of local events and announcements, their main function has been to bring advertising to people's doorsteps on behalf of local businesses. As such, mourning the loss of community weeklies and free commuter papers as a loss for democracy rests on a misleading and false equivalency between these publications and daily newspapers based on original journalism. It is such sleight of hand that too often allow private commercial interests to cloak themselves in the rhetoric of the public interest and the free press to further their own ends.

How to square the circle in this regard is not at all clear. Unless we figure out how to do so, the result will be such as described earlier, where groups such as the US hedge fund-owned Postmedia avail themselves of public subsidies while slashing the journalism that this funding is supposed to subsidize.

It is also important to get a robust measure of the scale of lost journalism jobs over time to get a proper gauge of the seriousness of the crisis of journalism and the policy measures that might counteract it. In this regard, Statistics Canada's data on the number of full-time journalists employed over the decades is the most complete and comprehensive source.

According to Statistics Canada's Labour Force Survey, the number of full-time journalists in Canada fell from 12,600 in 2013 to 8,600 in 2019—a drop of nearly a third and a low point in a downward spiral. This bad news turned around in 2020, however, as the number of full-time journalists jumped to 10,300 in 2020 and to 12,600 in 2022. Much of those gains, however, were lost in 2023, and did not come back the following year, either. According to Statistics Canada data, there were 9,300 full time journalists working in Canada in 2024, down from 10,900 the year before and by over a quarter since the highpoint in 2013. Figure 70 illustrates the ranks of journalists over nearly four decades.

Figure 70: Journalists vs. the public relations, advertising and marketing professions, 1987- 2024



Sources: Statistics Canada Statistics Canada (2025), Labour Force Survey, custom tabulation: Total employment for journalists (NOC 51113) and Professional occupations in advertising, marketing and public relations (NOC 11202). See the Figure 70 sheet in the Excel workbook accompanying this report.[506]

The loss of full-time journalists has never been as disastrous as suggested by the figures circulated by lobby groups and think tanks, especially during the debates over the *Online News Act*. Nor have things been as rosy as implied by those who find anathema any regulation of journalism, routinely berating *any* attempt by government to address the crisis of news. Both groups know the Statistics Canada data exist but studiously avoid them, likely because the data are neither as lurid nor lulling as some would like us to believe. Finally, that the drop in the number of journalists in 2024 after recent years of relative buoyancy coincided with the funding from the Supporting Canadian Journalism running out is also notable, and one piece of evidence that such ongoing public funding could still play a useful role in keeping the profession afloat. It will be interesting to see if the Google-funded Canadian Journalism Collective that only kicked in this year will do much to soften the blow. The evidence here suggests that it could, given that the amount of that fund is only a little less that what had been available under the Supporting Canadian

Journalism. Top-ups and extensions to the Local Journalism Initiative (LJI) could also have a similar effect.[507]

It is also important to note two other things. First, pinning the number of journalism job losses to starting in 2013 is selective given that this was their high point. Prior to that, the number of full-time working journalists in Canada had stumbled upwards over the past few decades, growing by roughly 50% to 12,400 by the end of the 1990s, then plunging after the dot-com bubble burst, before inching ever so slowly upwards until reaching its peak in 2013. Second, the slowing pace of cuts since 2020—a small piece of good news in a sea of misery—has not garnered any headlines. Why?

The grim drop in number of full-time working journalists has been worsened by a huge increase in the public relations, advertising, and marketing professions. There were four people working in the publicity business in 1987 for every journalist, but by 2024 there were 224,000 people working in these industries, outweighing the number of journalists by an astonishing 24:1. Many journalists who once worked for Canada's broadcasters and news publishers now work for public relations and marketing specialists whose job is not so much to deliver these facts in an even-handed way but to promote positions that get their employers the publicity and policy wins they want. Moreover, as Sabrina Wilkinson observes, not only is the number of journalism jobs in decline, but fewer are permanent and job insecurity is the new normal.[508]

Will online news sources revitalize the free press?

Of course, new commercial news outlets and even a few philanthropically supported, internet-based approaches to journalism and public commentary have sprouted up all over the country in the past twenty years.[509] Thus, alongside news outlets closed and journalism jobs slashed, we must also tally up those cases. The Local News Research Project found that 388 local news outlets started up between 2008 and October 2024, with 260 still in operation: eighty newspapers (one of which is a daily), 123 online news outlets, seventeen radio stations, and ten television stations (half of which are publicly owned). About 90% of the surviving new outlets serve 162 communities, adding to news diversity and pushing back against news deserts.[510]

As traditional news media have foundered, some online news sources have flourished. The discussion of online news sources also brings us back to the vital role that Google and Meta have gained in the news industry and the flow of news over the past fifteen years. They have become significant pathways to the news for a third to half of Canadians (44% overall in 2024, and trending down).[511] The *Online News Act* applies to Google and Meta precisely because of the role they play in the distribution and sharing of news and, of course, on account of the entrenched nature of their dominance of the advertising market. While applying now to only these companies, the *Act* could be expanded to cover others that

meet its criteria for designated news intermediary. Apple, Microsoft, Samsung, X, and TikTok are other possible candidates. The *Act*'s thresholds for designation based on revenue, audience reach, and strategic significance is one of its key strengths.

Google and Meta's role as online news intermediaries creates an imbalance in power between platforms and publishers. Part of that imbalance of power between platforms and news sources stems from the collapse and subsequent shift of revenue from legacy outlets to Google, Meta, and Amazon. As we will see later, however, it also applies to a wide range of online media, including video, games, apps, and music. The upshot is that the problems being examined here are systemic, affecting not just certain media sectors. They need to be treated as such, as a growing number of policymakers, competitors, scholars, activists, and others have come to appreciate.

Postmedia and Quebecor still stand at the centre of the English- and French-language press. *The Globe and Mail*'s does, too, and seems to have found a path to money largely because its elite audience is more highly valued then just numbers would imply.[512] Yet, despite their relative positions within the news media ecology, all three of these well-established news brands are scrambling to navigate their way through a smaller and more fragile sector whose prospects remain uncertain.

A flurry of new entrants helps to provide some glimmers of hope for journalism. People now turn to a wide variety of online news sources, well-established and new, domestic and international. This range of sources is one of the most diverse sectors studied in this report. Figure 71 below illustrates this point.

Google and Meta's role as online news intermediaries creates an imbalance in power between platforms and publishers. Part of that imbalance of power between platforms and news sources stems from the collapse and subsequent shift of revenue from legacy outlets to Google, Meta, and Amazon.

Figure 71: Internet news sources—share of average monthly users, 2024

Media	Average Monthly Visitors (000) January - December 2024
Total Internet: Total Audience	32,829
News/Information	30,960
CBC-Radio Canada Sites	21,655
MSN	19,987
Yahoo News Network	17,534
Pelmorex Corp.	17,158
CTV	14,454
Postmedia Network Canada Corp.	11,975
NBC News Digital	9,521
CNN Network	8,671
New York Times Digital	8,489
BBC Sites	7,779
Globe And Mail	6,738
USA TODAY Network	6,698
Apple News (Mobile App)	6,582
Torstar Digital	5,841
Zoomer Daily Hive BlogTO Sites	5,583
Forbes Digital	5,560
Fox News Media	5,437
Future Tech	5,251
Rogers Digital Media News	4,879
NYPost Network	4,376
Quebecor Nouvelles	4,324
Business Insider	4,279
Dailymail Sites	4,034
The Guardian	4,005
La Presse	3,909
DARKSKY.NET	3,638
Reach Group	3,618
Weather Company, The	3,460

Times Internet Limited	3,364
Reuters Sites	3,190
CBS News	3,046
Glacier Media Group	3,035
WASHINGTONPOST.COM	3,007
Dow Jones & Company	2,875
Narcity Media	2,758
ABC News Digital	2,756
CNET Group	2,672
AccuWeather Sites	2,484
NEWSWEEK.COM	2,365
HT Media Group	2,344
The Sun	2,216
Environment Canada	1,864
Groupe Figaro CCM Benchmark	1,734
Associated Press	1,719
Nexstar Inc.	1,711
HuffPost Global (w/ history)	1,665
The Independent	1,641
Bloomberg	1,539
Village Media Inc.	1,516
Les Coops De L'information	1,489
CR4	15.9%
CR10	40.2%
HHI	411
Canadian	49%
US	37%
International (excluding US)	13%

Sources: see Figure 71 in the Excel workbook accompanying this report (based on Comscore Media Metrix Multi-Platform Canada, News/Information Category, News & Information Category - Top 35 Ranked by Average Monthly Users (Average Monthly Visitors (000) January - December 2024.

Canadians get their news from a diverse range of online news sources, including familiar domestic ones such as the CBC/Radio-Canada, Bell Media, Postmedia, the *Toronto Star*, the *Globe and Mail*, La Presse, Rogers, and Quebecor, along with new ones such as Narcity, Zoomer Media (Daily Hive, BlogTO), Village Media, etc. This range also includes major international news media such as NBC, CNN, the BBC, *The Guardian*, *USA Today*, the *New York Times*, Fox News, Reuters, and so forth. It also encompasses news aggregators like Microsoft Start, Yahoo News Network, Apple News, and a few weather services (e.g. Pelmorex).

Based on this evidence, traditional journalism organizations are still the most important sources of news for Canadians. However, those sources also exist in a networked relationship with other sources, online and off, to form a web of connections and associations rather than standing as discrete entities on their own. They employ more journalists than any of the digital upstarts and originate far more stories, which the rest of the media pick up and amplify or dialogue with, so traditional news media continue to set the agenda for the rest of the media. Online news sources have not come close to that, and it is doubtful they ever will. This is not to say that they are not important, but rather to acknowledge their limits and focus attention on the need for measures to shore up the faltering news system. If we are keeping a tally, this can be marked down as being in favour of the *Online News Act*.

Many new news media outlets are still trying to find their footing. Many are operated by independent owners and regional media groups such as The Logic, Overstory Media Group, The Discourse, *iPolitics*, *Policy Options*, the Hill Times' suite of publications (e.g. *The Wire Report*), and so on. These have often been created by people with deep experience as journalists or in the media, all of which bodes well.[513] They also occasionally break stories others have neglected but can set the local, regional, national, and even international news agenda.

None of these have yet to break into the ranks of the three dozen online news sources that Canadians turn to on a routine basis, however.[514] This implies that they account for less than 1% of online news consumption, serving tiny, specialized audiences. While it is disappointing from the standpoints of news diversity and influence to not see more new start-ups on the list of online news sources, at least we do not see dubious sources of information, commentary, and agitation on this list. Rebel News, the *Epoch Times*, America One, Breitbart, and others on the far right do not appear to have gained any traction. These sources can be called dubious because they refuse, and indeed flaunt their refusal, to follow professional conventions of journalism such as fact checking, acknowledging and correcting mistakes, seeking to promote understanding rather than a particular point of view or political agenda, etc.[515]

There are many other reasons why we should not be too naïve about new online news sources. While established professional contacts certainly bode well for many of the new

entrants, they also require solid financial backing. Thus, whether it is the commercial *iPolitics* or the not-for-profit *La Presse*, some of these outlets are heavily subsidized, not by advertising or government funding, but wealthy patrons. For *iPolitics*, it was the Molson family, until it was taken over by Torstar in 2018. The Desmarais family, one of the wealthiest and most politically well-connected in Quebec and Canada, helped to keep *La Presse* afloat before turning it over to a non-profit trust.

The transformation of news media groups into non-profit organizations has been aided by measures in the federal government's 2019 program Supporting Canadian Journalism.[516] Perhaps the best-known example has been the remaking of *La Presse* by its former owner Power Corporation into a non-profit trust in 2018 and then a Registered Journalism Organization charity in 2021.[517] With increased advertising, donations, subsidies from the federal and Quebec government, and payments from big tech companies, *La Presse* appears to be doing well as an independent as a non-profit digital publication.[518]

As of the end of 2025, there are seventeen such not-for-profit journalism organizations that have taken root in the past few years: Coopérative nationale de l'information indépendante, coop de solidarité (CN2i), Coop de Solidarité Pivot, Future of Good Media, Journaldesvoisins.com, La Converse, *La Gazette de la Mauricie, La* Presse, *Le Devoir*, New Canadian Media, Nouvelles d'ici/ New Canadian Media, *La Liberté* (Presse-Ouest Ltée), Ricochet Media, Chateauguay Valley Community Information Services, The Narwhal News Society, The Local TO, *Canadian Jewish News*, and the Tyee Independent Media Society.[519] This is double the number from 2022. Consistent with trends in the US, non-profit journalism is carving out a bigger role for itself than ever in Canada.[520]

Altogether, this remaking of news, opinion and public commentary media in Canada has also brought academics-as-public intellectuals back into prominence in ways that have added expertise and diversity to journalism and the public sphere. The revival of the partisan press, while unfortunately also fueling extreme political voices, can also offer new voices that strengthen and reinvigorate democracy by engaging people to be more actively involved in it.

Overall, this flurry of activity and the mix of commercial and not-for-profit journalism reminds us that, while the crisis of journalism is real, the time is also ripe with opportunity to create a more robust, vibrant, and networked digital free press. To achieve that, though, the caliber of the debate needs to improve and that, in turn, means turning down the dial on the shrillest voices mouthing nostrums about the free press and free speech, but who also seem to know little about the history and political economy of media.

Video games and streaming music services

As introduced earlier, a unified digital communications and media distribution system is emerging, in which wireline and wireless broadband networks are increasingly overlapping with one another while more frequently competing against app stores (e.g. Apple App Store and Google Play), cloud service, and other digital intermediaries across the media aggregation and distribution value chain, including search, social media, ecommerce, operating systems, browsers, and device interfaces. These services all play an integral part in how we communicate and in organizing media distribution, discovery, and use in the online digital media world.

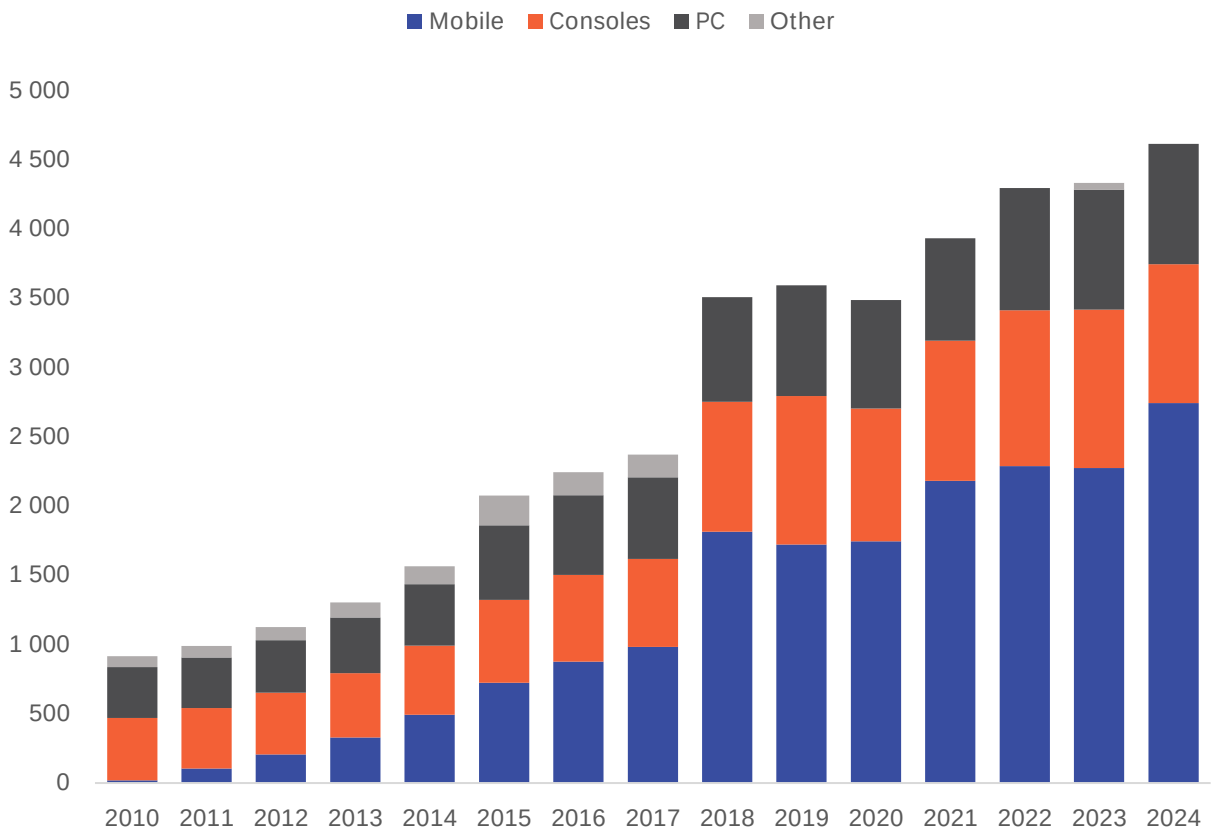
Our focus in the following pages is on how these dynamics are playing out within three specific dimensions of the online media distribution system: app distribution stores, video games, and streaming music. The development of each of these markets is charted, key firms analyzed, and the question posed of whether they can best be defined as being wide-open, competitive and pluralistic, or centralized and concentrated in the hands of a few dominant players. We also look closely at the increasing role and clash of big telecoms and big tech in media distribution markets, as well as how they blunt the sharpest edges of competition by cooperating with one another. We cover these sectors because they are now integral parts of the media ecology and because doing so sheds light on perennial debates between those who have long held up the internet as an antidote to ownership concentration versus those who claim that core elements of the internet have powerful dynamics that are driving consolidation.

The games industry is a big, complex, and highly competitive business[521]

The games industry has become a big business in Canada as it has internationally with revenues of $4.6 billion in 2024 split between two companies: Apple and it App Store and Alphabet and it's Google Play store. The app store distribution market was roughly the same size as the paid online video market ($4.8 billion), more than the pay television ($3.8 billion), twice the revenue of the newspaper industry, and three times that of streaming music services. In fact, it was the largest sector of the media and cultural industries after internet advertising and, therefore, a cornerstone of the emerging online media economy.

The evolution of the gaming industry since 2010 is depicted in Figure 72 below. It also illustrates the changing relative weight of the mobile, console, PC, and "other" segments in the industry over time. The speedy growth of the mobile games segment over the last decade stands out in this regard and will be taken up immediately below.

Figure 72: Gaming industry revenues in Canada, 1984—2024 (current $, millions)



Source: see Figure 72 sheet in the Excel workbook accompanying this report and "Video games" entry in the "Total Revenue (millions)" sheet in the GMIC Project—Canada open data sets.

The development of app store and video games markets are tightly intertwined because game apps are *the* biggest genre of apps and revenue spinners in Apple's App Store and the Google Play Store. Games, for example, made up about 59% of the app distribution market in Canada in 2024 versus 54% worldwide.[522] App stores are also integral to people's overall gaming experience, and to games developers and publishers' success both with audiences and as businesses. Alphabet's Play Store accounts for twice as many downloads as Apple, but the latter took in just over 70% of consumer spending on gaming apps in 2024 in Canada (est. $2.1 billion) while Alphabet's Play Store accounted for the rest (an estimated $777.9 million).[523] This reflects the fact that Apple focuses on the high end of the consumer market while Alphabet aims more at the mass market. It is more evidence of a dual media economy, with one sector for the well-off and the other for everybody else.

Given this sustained and significant growth charter, many new game makers have entered the market. The development side of the industry is more diverse, complex, and hard to track than its publishing and platform distribution aspects. This can be seen in a 2021 study by Nordicity prepared for the Entertainment Software Association of Canada, for example, which found that there were 596 video game companies in Canada in 2017, growing to 692 in 2019.[524]

Our analysis is limited to games publishers and distribution platforms because the developer side of the industry consists of so many entities that come and go, often on a project-by-project basis. It also does not include developers, hardware, accessories, live streaming, or e-sports.[525] Each component of the games industry depicted in Figure 72—console, PC, and mobile—would ideally be treated individually. Given the available data, this can be done for each of the sub-sectors but not for individual firms. We thus discuss games publishing and distribution together but will study them separately in the future if better data becomes available.

This integrated treatment also reflects the reality that hardware manufacturers like Nintendo, Microsoft, and Nintendo, for example, have historically bound their game and those from independent developers and publishers exclusively to their own hardware such as Microsoft Xbox Live, Nintendo (Wii, Wii U, and Switch), and Sony PlayStation. These ties were widely thought to have harmed the industry in the 1990s and early-2000s, but now publishers and platforms are increasingly creating games for cross-platform play because, as Joost van Dreunen noted, "gaming audiences like to play and socialize across different devices."[526]

The mobile games revolution

The emergence of mobile as the leading segment of the games industry has also given rise to new business models, as is also shown in Figure 72. Mobile games distributed mostly through app stores have joined the traditional console and PC-based games as major forces in the games industry. Together they comprise a complex set of revenue streams, business models, and relationships between publishers and platforms which now include in-game advertising, optional payments for character enhancements, merchandising, virtual coins, and other accessories that are now key aspects of the games industry.

Internationally, mobile games overtook console- and PC-based gaming platforms in 2015 and the mobile revolution in the gaming industry also brought new distribution platforms and apps, such as Roblox, and a revival in PC-based games with new firms such as Valve (Steam). The same trend has also allowed Apple's App Store and the Google Play Store to become pivotal parts of the games industries. Sped by the rapid development of mobile gaming applications over the past decade and features such as in-game purchases, game enhancements, and advertising, app distribution platforms have gained a place alongside

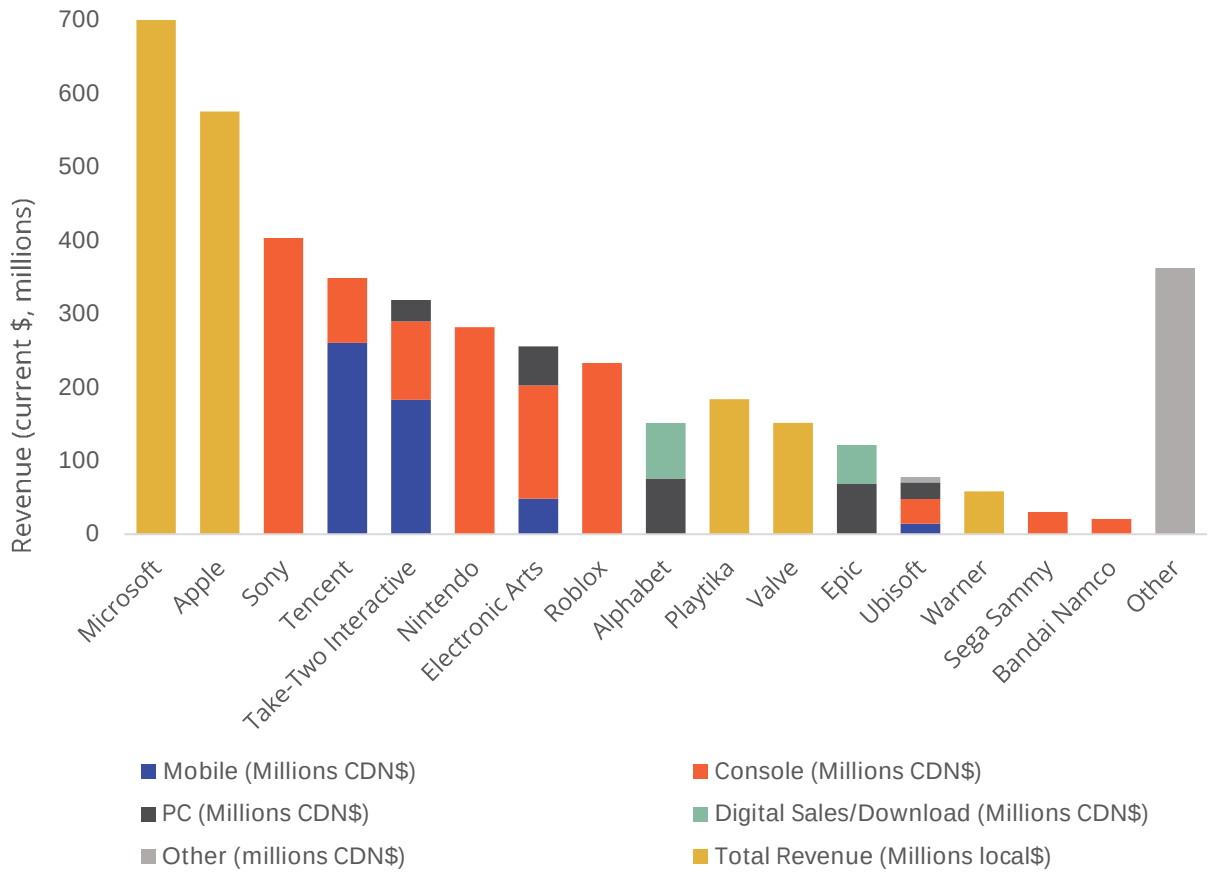
Microsoft, Sony, Tencent, Take-Two Interactive, Nintendo and Electronic Arts at the top of the industry, along with few others which have long dominated the console and PC side of the gaming industry. The big bump in size of mobile data plans in Canada in recent years, significant reductions in the price of mobile data, and a significant jump in mobile internet usage all likely helped drive growth in the games industry here (see Figure 72, above).

Mobile games distributed mostly through app stores have joined the traditional console and PC-based games as major forces in the games industry.

According to our estimate, Microsoft was the leading games company in 2024 with estimated revenues of $766.7 million from its games and services segments. This was a significant year-over-year increase on account of its acquisition of Activision Blizzard at the end of the previous year. Apple growing position at the centre of the games distribution industry netted it $575.6 million in revenue from the service fees it charges to publishers to distribute games through the App Store. Sony was next with revenues of $559.7 million but still does not have a viable mobile gaming division. Chinese big tech conglomerate and one of the world's biggest games developers and publishers ranked fourth, with $348.8 million from its mobile games offerings in Canada.

Take-Two Interactive, Nintendo, Electronic Arts, Roblox, Alphabet, and Playtika round out the top ten games companies in Canada. Another eight companies active both in Canada and internationally, and for which we were able to gather data, round out the core of the games industry in Canada. They are ranked by revenue below in Figure 73. There is still a sizeable group of other actors in the field that remain unknown but which account for close to ten percent of the industry.

Figure 73: Leading games platforms and publishers in Canada, 2024 (current $, millions)



Source: see Figure 73 in the Excel workbook accompanying this report and the corresponding entry for video games included in the master workbook in the GMIC Project—Canada open data sets.

This array of companies has a diverse mix of business models too numerous to list, with revenues from:

- subscriptions to gaming platforms (such as Microsoft's Xbox Live, Sony's PlayStation Plus, and Nintendo Switch Online).
- subscriptions to games or libraries of games (such as Activision Blizzard's World of Warcraft, Microsoft's Xbox Game Pass service, and EA's EA Access service).

- direct-purchase game downloads provided by software publishers (such as Microsoft Halo, Activision Blizzard's Call of Duty, Destiny, Diablo, and Overwatch franchises; EA; NFL, NBA, NHL, FIFA, and Star Wars; and Valve's Steam library).
- in-game purchases and micro-transactions, such as player enhancements, tokens, and other merchandise from both direct-purchase and "freemium games" (such as Valve's DOTA, Riot's League of Legends, Epic Games/Tencent's Fortnite; Activision Blizzard's Hearthstone).[527]

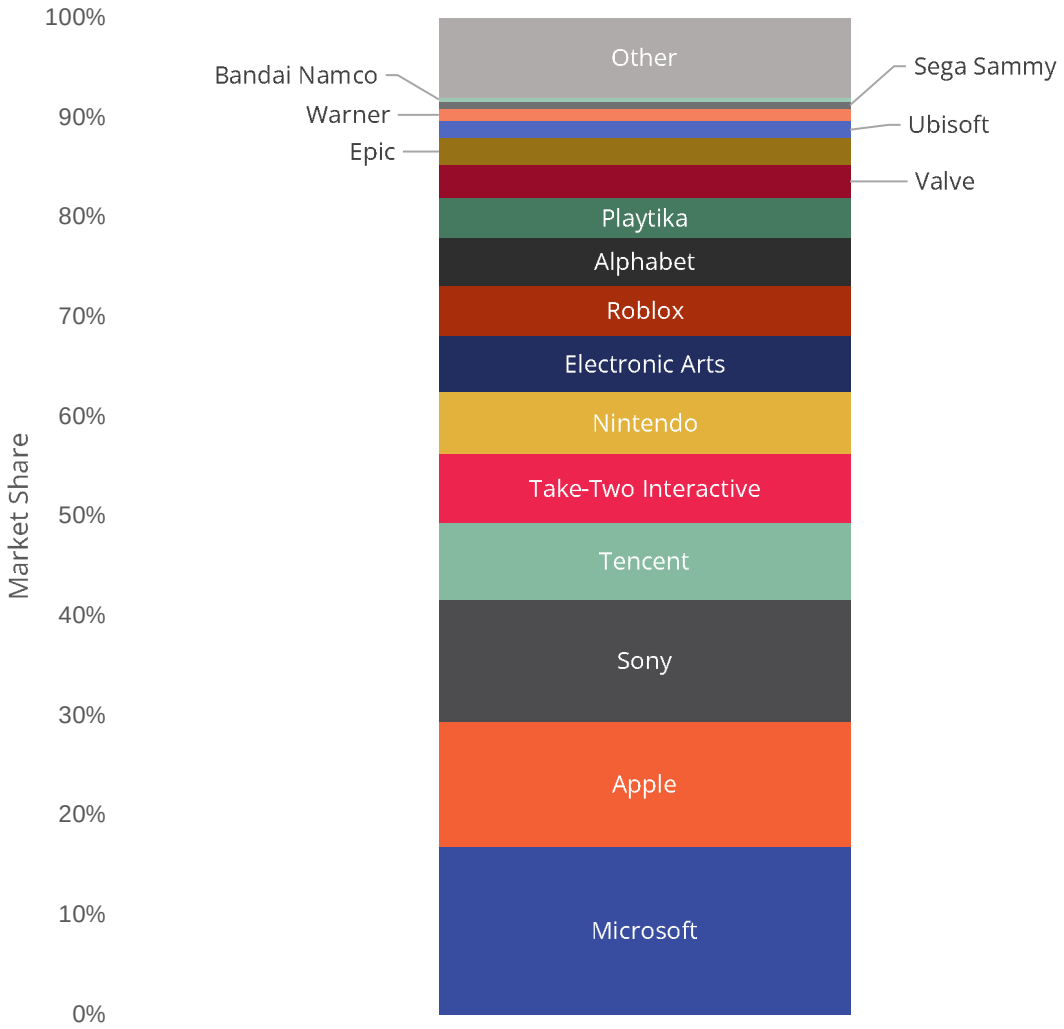
This diversity of companies and business models is evidence of a competitive market by all the usual standards of assessing concentration. Most of the gaming industry's revenues and audiences, however, are funneled through a small clutch of big tech conglomerates and app marketplaces. As Epic Games observes, for example, 80% of its revenue comes through just five companies: Sony, Nintendo, Microsoft, Alphabet, and Google.[528] According to Activision Blizzard, just four distribution platforms account for 60% of its revenues: Apple, Google, Sony, and Microsoft.[529] EA notes that the launch of its digital store front in 2018 and the emergence of PC-based platforms such as Steam have also created new distribution channels.[530]

This dependency of games developers and publishers on a small number of distribution platforms heightens a heightened risk described by Take-Two Interactive Software.

> We cannot publish our titles without the approval of hardware licensors that are also our competitors. . . . We also derive significant revenues from distribution on third-party mobile and web platforms, such as the Apple App Store, the Google Play Store, and Facebook, which are also our direct competitors and, in some cases, the exclusive means through which our content reaches gamers on those platforms. . . . If these platforms deny access to our games, modify their current discovery mechanisms, communication channels available to developers, operating systems, terms of service, or other policies (including fees), our business could be negatively impacted.[531]

The market shares of leading games publishers and platforms are shown in Figure 74 below. The top four firms—Microsoft, Apple, Sony and Tencent—accounted for 48.8% of gaming industry revenues. That was up sharply from the year before due to Microsoft's takeover of Activision Blizzard registering in its bottom line as well as its growing clout in the industry for the first time. That said, even post-merger, both the CR4 metric and an HHI of indicative of a competitive market. The top ten accounted for 81.1%. The HHI for the industry was also low at 917, which implies that the games market is remarkably diverse and competitive.

Figure 74: Gaming publishers and platforms, 2024 (market share based on $)



Total (millions $)	4614.97
CR4	48.8%
HHI	838.16

Source: see Figure 74 in the Excel workbook accompanying this report and the corresponding entry for video games included in the master workbook in the GMIC Project—Canada open data sets.

Games publishers are also acutely aware that broadband network availability, quality and regulation can have significant effects on their businesses. Roblox states, for example, that poor internet connections and weak or no laws governing internet neutrality "could decrease the demand for our Platform and increase our cost of doing business. . . . [and] adversely . . . affect the . . . functionality, and other performance aspects of our Platform."[532] Activision Blizzard agrees that "laws or regulations that adversely affect the growth, popularity, or use of the internet, including laws impacting 'net neutrality' or the availability of bandwidth could impair our consumers' online video game experiences, decrease the demand for our products and services or increase our cost of doing business.[533] Epic Games also notes that the uncertainty surrounding net neutrality in some countries like the US, coupled with the "significant political and economic power of local internet service providers . . . [could] impede our growth, cause us to incur additional expenses, or otherwise negatively affect our business."[534]

The big three national mobile network operators (MNOs) in Canada—Rogers, Bell and TELUS—have campaigned hard against net neutrality. They boast that they operate world-class networks that serve Canadians well, including those who use their networks to play games. While their claim about download speeds being "world-class" is true, on other measures such claims fall flat. High subscription plan and mobile data prices have also suppressed mobile broadband adoption and usage rates, and such constraints would limit game playing and thus likely dampen the growth of mobile gaming in Canada. However, that pressure has been abating over the past half decade, as was shown earlier.

When it comes to network quality for video and gaming, Bell, Rogers, and TELUS score from fair to very good, but never at the top of the international rankings, according to multiple editions of the same report by *OpenSignal* since 2022.[535] The Games Experience of all three MNOs has consistently ranked in the Fair category (65-75), which means that users find their experience to be average and, in most cases, the game is responsive to the player's actions and most users reporting that they feel they have control over the game. Most players, however, also report noticeable delays between their actions and the outcomes in the game.

In short, the relationship of games publishers to big tech and big telecom matters. Games publishers, as the quotes above show, are acutely aware of how the hidden elements of communications and distribution platforms can influence online media services like their own, and how people use them. They are consequently between a rock and hard place, on the one side acknowledging how important these terms of carriage, billing systems, audience data, and so forth are to their ability to survive and thrive, while on the other also being acutely aware that the same control over resources critical to their survival can do great harm to their audiences and, ultimately, their business prospects. None of this is new, however, instead reflecting a 150-year history in which the relationship between cultural industries and larger communications and technology firms has been defined by

an uneasy degree of dependency, typically without the former being controlled by the latter. This continues to be the case today.

The games industry is a risky business: The role of blockbusters and catalogues in managing and reducing risk

Not only do survival and success in the games industry depend heavily on relationships with the big tech and telecom sectors, they also require creating blockbuster productions and building a rich catalogue of popular titles. Most games lose money, so creating hits and a deep catalogue of popular titles subsidize those losses. This logic has always applied to the television, film, music, and book industries, and it now also applies to the games industry.[536] Consequently, the fortunes of game publishers change greatly from year-to-year depending on whether they have a blockbuster title (or several) and a catalogue of popular titles. Activision Blizzard nicely sums this up when it observes that "[c]onsumer preferences for games are usually cyclical and difficult to predict."[537]

The pursuit of blockbusters, with their big production and promotion budgets, is one strategy that aims to offset such risks. According to Ubisoft, "the industry continues to shift towards mega-brands and long-lasting titles that can reach players across the world, across platforms and business models."[538] A couple of examples from leading international games publishers help to highlight just how important blockbuster hits and a rich catalogue are.

- EA, for example, points to its portfolio of wholly owned brands (such as Apex Legends, Battlefield, and The Sims) and more than 300 games it licenses from other developers, but states that its revenue is "primarily driven by sales related to our FIFA and Madden franchises, Apex Legends, and The Sims 4."[539]
- According to Activision Blizzard, just three of its franchises account for four-fifths of sales: Call of Duty, Warcraft, and Candy Crush.[540]
- For Epic Games, the Grand Theft Auto franchise alone provided a third of the company's revenues in 2023.[541]
- At Ubisoft, the Assassin's Creed trilogy, Brawlhalla, The Crew, Far Cry, and a series of adaptations of star author Tom Clancy's Rainbow Six and The Division generate the lion's share of revenue and profits.[542]

Of course, blockbusters and a catalogue of popular titles is easier said than done. To help manage such risks, the games industry, like its counterparts in the television, film, music, and publishing industries, is devoting ever-larger production and promotion budgets to a select few global brands in their drive to "develop hit titles."[543] Such imperatives are also

driving consolidation, as even the biggest firms seek the greater financial and distribution resources they say are needed to compete in what is still a highly competitive industry.[544]

Just as audience taste is hard to predict, so is the creative process that goes into conceiving and producing new games while also being notoriously hard to manage. As Epic Games observes, "we are highly dependent on the expertise, skills and knowledge of our key creative personnel responsible for content creation and development of our Grand Theft Auto and other hit titles and titles based on other brands."[545] In other words, the well-being of the company hangs on a few developers behind the franchise—Grand Theft Auto—responsible for a third of the company's revenue. A key reason for this is that the people who create games must be given a higher degree of autonomy than is usually found in most types of production and office work. While that is intended to spark the creative energies needed to create blockbusters and a rich portfolio of titles, it also creates fertile soil for big egos, toxic workplaces, and precarious work.[546] All of these are yet more reasons why the cultural industries are often called a "risky business."

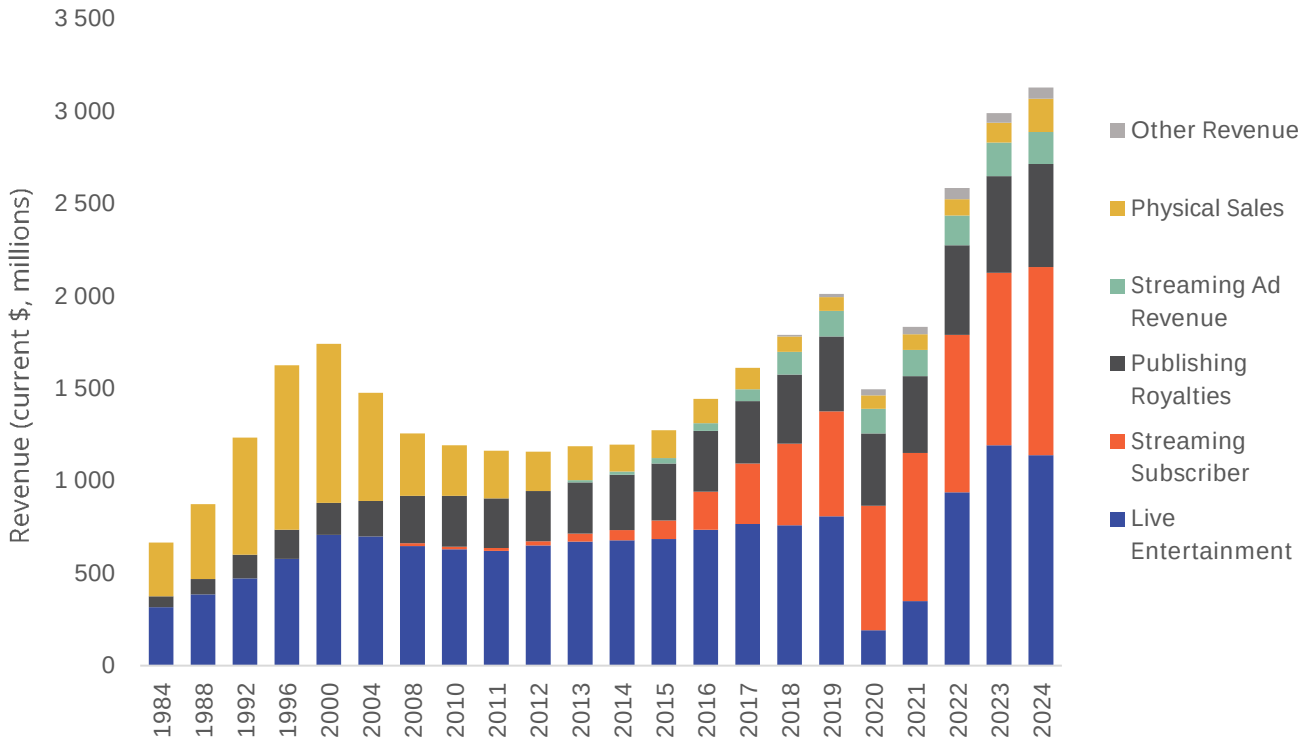
> Not only do survival and success in the games industry depend heavily on relationships with the big tech and telecom sectors, they also require creating blockbuster productions and building a rich catalogue of popular titles. Most games lose money, so creating hits and a deep catalogue of popular titles subsidize those losses.

The reconstruction and resurrection of the music industries in Canada

The music industry is another core part of the cultural industries and an interesting example of a one battered by the rise of the internet and mass piracy in the early 2000s, only to recover in the last decade to become a case study in how such upheaval can be successfully navigated. After a decade-long slump between 2004 and 2014 brought by the internet and mass piracy, combined revenue across the music industries (i.e. physical sales, streaming services, publishing royalties, and live concerts) began to rise again.

The music industries grew swiftly in the late 20th century, with revenues tripling from $666.7 million in 1984 to $1.7 billion by the millennium. They then went into a tailspin, bottoming out at around $1.4 billion from 2006-2014. The tide then turned, with revenues rebounding to $2.1 billion in 2019, stumbling during the pandemic, then surging to an all-time high of $3.2 billion in 2024. Figure 75 below charts the rise, fall, and resurrection of the music industries in Canada from 1984 to 2024.

Figure 75: Music industry revenues in Canada, 1984—2024 current $, millions)



Source: see Figure 75 in the Excel workbook accompanying this report and the entries for music services in the "Total revenue (millions)" in the master workbook in the GMIC Project—Canada open data sets.

The revival of the music industries got a jump start when Spotify entered Canada in 2014, followed the next year by Apple's launch of a streaming music service as part of iTunes (rebranded as Apple Music in 2021). Three years later, Google's YouTube Music Premium and Amazon's Music Unlimited entered Canada. The four international streaming services had combined estimated revenue of $1.1 billion from their operations in Canada in 2024. The big three recorded music companies have also clawed back lost ground, with Sony Music, Warner Music, and Universal Music revenue more than tripling from an estimated $228.8 million in 2011 to $796.1 million in 2024.

The emergence of these new companies and the alliances between them and the record labels have generated a renewed sense of optimism in the music industries over the past decade. SOCAN, the trade association that represents music composers, writers, and publishers in Canada, boasted of "a banner year" in 2015.[547] For several years thereafter, SOCAN proclaimed record high levels of licensing revenue and distributions to members.[548] This turnaround was international in scope. As the IFPI stated as early as 2013 in its annual *Digital Music Report*, "the music industry achieved its best year-on-year performance since 1998."[549] Even as the Covid-19 pandemic took hold several years later, the IFPI remained upbeat, stating:

> The universe of opportunities for artists and labels is diverse, vast, and fast expanding. There's strong growth in both subscription and ad-supported streaming, with plenty of runway around the globe. At the same time, the pandemic has accelerated consumer adoption in areas like gaming, live streaming, social media, and in-home fitness.[550]

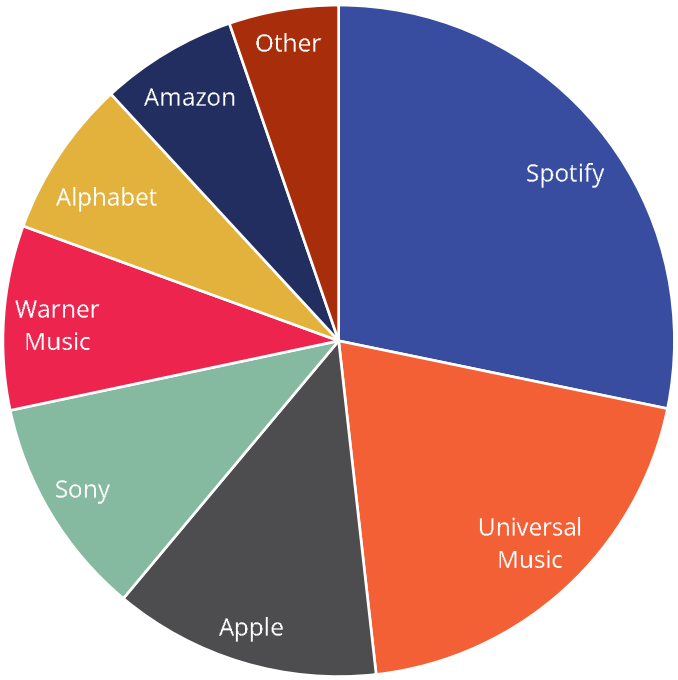
These sources agree that music industry fortunes turned around more quickly than other media because they embraced the online media world earlier. The industry was already gaining about 15% of its revenues from online, mobile, and digital sources by 2012.[551] We estimate that online services now account for two-thirds of the music industries in Canada (excluding live music).[552] Since suffering from illicit file sharing early on, the music industry has been a pioneer in embracing the internet and mobile media.

Like online video services and the games industries, the online music industry is also a complex and fast-developing sector of the media economy. Part of this is a diverse range of business models as different actors, from the traditional music industries and big tech companies, enter the market. These include paid streaming and transaction-download services like Google Play, although the latter has been in steep decline recently. There are also "freemium" models, in which advertising pays the bills, which companies like Spotify, Google, and Amazon use to lure audiences to their subscription-based services. Despite the diversity of these business models, it is clear that subscriptions, not advertising or "free" music, are driving the music industry's growth and will almost certainly continue to do so.

The top four players in 2024 (Spotify, Universal, Apple, and Sony) accounted for 72% of all revenue and their share is heading higher.[553] This is a high level by the standards of the

CR4, but low relative to most other sectors that we cover. This characterization is backed up by an HHI of 1,654. This also puts the music industries as being moderately diverse and competitive by the standards of that measure (or 1,794, if the broader view that includes live music and its leading representative, Live Nation is adopted, see "A Note on Method" below). Figure 76 below illustrates where the music industries stood on these measures as of 2024 (without live music).

Figure 76: Music platforms and publishing, 2024 (market share based on $)



Total (millions $)	2017.59
CR4	71.7
HHI	1653.99

Source: see Figure 76 in the Excel workbook accompanying this report and the entries for each company in the "Unified" sheet in the GMIC Project—Canada open data sets.

A Note on Method

Our analysis of the music industries tracks revenue across four of its main components in Canada: physical sales, streaming and transactional / download services, publishing royalties, and live concerts. We also include a fifth, "other" category that tries to include the value of "free" music that is bundled together with the purchase of, for example, an Amazon Prime membership or on a time-limited basis for those who buy a new mobile wireless plan from one of Canada mobile network operators or an Apple iPhone.

The main data sources that we use are from the Recording Industry Association of America (RIAA), Statistics Canada, SOCAN and PWC's *Global Entertainment & Media Outlook* for concert revenue (ticket sales are included but not sponsorship and merchandising). Our estimates for the different revenue streams that make up the music industry in Canada starts with revenue data for each of these streams from the RIAA for the US[554] We take that baseline and then project it to the Canadian context based on the relative size of, for example, paid streaming services in Canada versus the United States, based on PWC's *Global Entertainment & Media Outlook*. In 2024, for example, for paid streaming music services, the average for the size of the Canadian market relative to the US was 6.3%, a ratio that has stayed consistent for the past several years.

This approach leads to higher revenue estimates compared to a pair of solid reports that put the average weight of streaming services in Canada relative to the U.S at 4.6% over the period 2012-2023.[555] Both of those reports give a low and high figure for each of their estimates. While we hold those reports in high regard, the estimates they foreground seem low, based on the PWC report cited above and trends in other sectors.

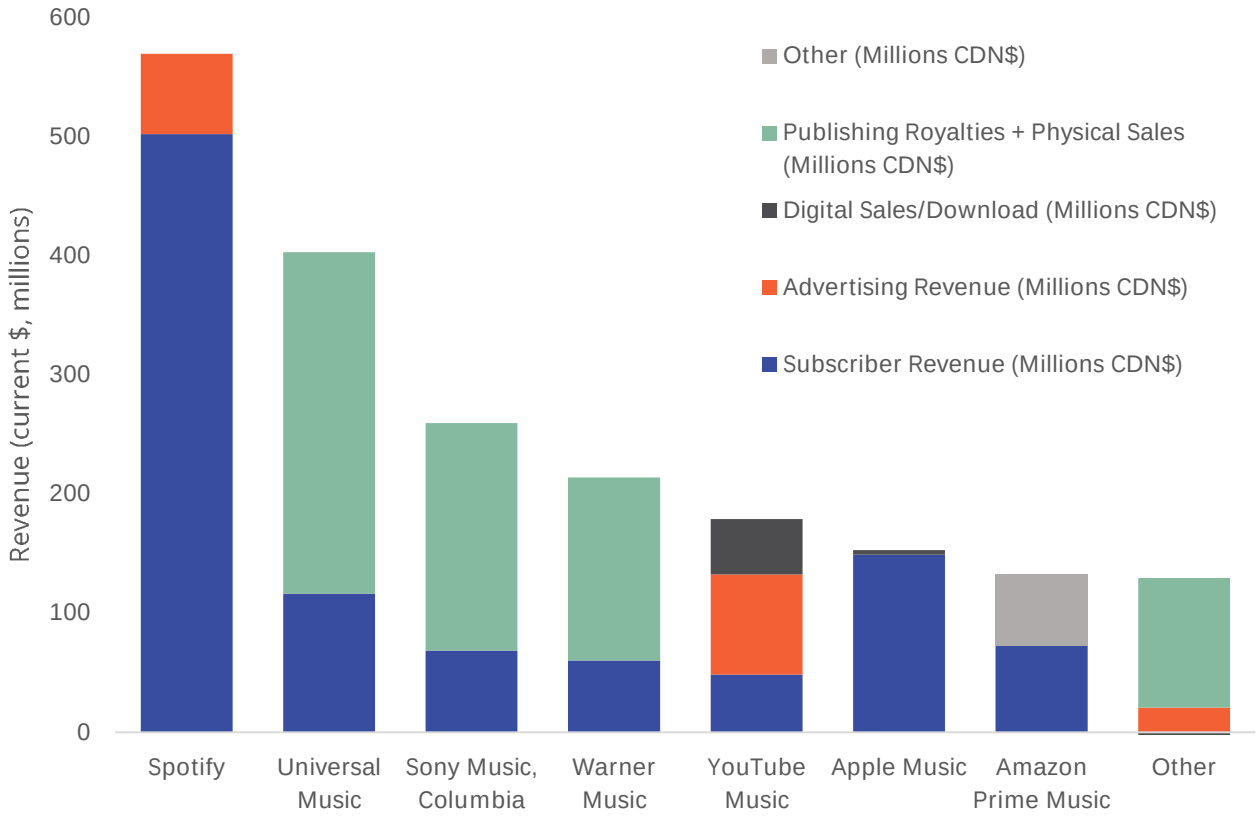
Lastly, we reviewed annual reports from music labels, streaming music services, app stores, and concert promoters that are active in the music industries internationally and in Canada, including: Spotify, YouTube Music, Apple Music, Amazon Prime Music, Universal Music, Sony Music, and Live Nation. Although we include concert revenue because we believe it is a crucial part of the music industries, we exclude it when calculating market share on the grounds that the information on both the firms and overall market in this domain are not good enough to reliably do such a calculation

Detailed notes accompany all our estimates and datasets. Please consult them to see how we have done what we have done, and for concerns we flag that need further attention. A major difficulty in analyzing the music industries is the intertwined ownership and revenue streams between the big three recorded music companies—Universal Music, Warner Music (Access Industries), and Sony Music—and the big four streaming services in Canada: Spotify, Alphabet, Apple, and Amazon. There is thus no doubt some double counting.

It is hard to look at Figure 76 above and not notice that a small number of familiar large international players continue to dominate the industry. This pattern is similar in the online video services, app distribution, and games markets, as has been shown. These brands—well as the marketing and promotion of musicians and both old and new—control the flow of revenue, distribution platforms, billing systems, as their music. The influential role of tech behemoths like Alphabet and Apple through their app stores and, along with Amazon, their own music streaming services distinguishes the digital music industries of the present and those of the past. Their share of the music industries has swelled from next to nothing a decade ago to nearly two-fifths of streaming music revenue in 2024. As a result, they have carved out commanding positions and form an oligopoly with streaming giants such as Spotify, and music groups like Sony, Universal, and Warner, that sets the terms of trade for the distribution and consumption of music within Canada and internationally. This is why they have also been swept into the debates over the *Online Streaming Act*.

The revenues of the big four streaming services and the big three music labels from their music operations in Canada are shown in Figure 77 below.

Figure 77: Leading Music Streaming and Publishers in Canada, 2024 (current $, millions)



Total (millions $)	1018.3
CR4	72%
HHI	1653.99

Source: see Figure 77 in the Excel workbook accompanying this report and the entries for each company in the "Unified" sheet in the GMIC Project—Canada open data sets.

Nominally, the ascent of streaming services and the resurrection of the big three music publishers have led to a more diverse market, although a relatively small number of global players continue to dominate the industry and concentration levels have risen continuously since 2018 or so. Concentration would also likely appear a lot higher if we could pry apart

its components—streaming music services, publishing royalties, and live concerts—to examine them individually, and if we could pierce the corporate veil that shrouds both these sectors and the firms in them. Once again, the inscrutability of big tech and others in this sector, including Live Nation in concert ticket sales, cries out for reform. Without it, efforts to create wise cultural policy is next to impossible. Whether the Commission will use be able to carry through with its push to use the information disclosure obligations of the *Online Streaming Act* has yet to be fully determined because the commendable moves it has made in that direction are being fought vociferously by the companies being discussed here.[556]

In terms of piercing the corporate veil, it would be a mistake to see the players included in Figures 76 and 77 as rivals in the music marketplace. They are thoroughly intertwined with one another by extensive interlocking ownership ties, for instance, between the traditional music publishers (e.g. Sony, Warner, and Universal) and the streaming music platforms (e.g. Spotify). The major ownership stakes that Sony, Universal, and the Chinese big tech conglomerate Tencent hold in Spotify, for example, further exemplifies the interlocking ownership ties that define the industry.[557] In addition, private equity stalwarts Vanguard, Blackrock and State Street also have significant ownership stakes in all of the streaming music services.[558] Revenue sharing deals between the music streaming platforms and publishers are a third tie that binds.

The latter are also shrouded in secrecy because of non-disclosure agreements that govern their relationships. While the details of those agreements are not known for certain, from a variety of leaks, insider accounts, and educated assessments, according to Andrew deWaard, a Canadian music industry expert and Assistant Professor at the University of California, observes in *Derivative media: How Wall Street devours culture*:

> [S]treaming platforms are thought to pay out roughly 70% of their revenues to copyright-holders, which means the labels are the recipient, not the artist. Spotify claims "nearly 70%" in its detail-lacking attempt at transparency on its website; Apple Music claims 71.5%, and artist-championing Tidal proudly proclaims 75%. However, because the Big Three labels require strict non-disclosure agreements (NDAs) in these licensing deals, there is no way to verify this arrangement, even for the artists whose recordings are subject to these contracts. . . . Another glimpse into the black box occurred in a 2015 report conducted by the consulting firm Ernst & Young and the French record label trade group SNEP, which traced where the money earned from a streaming subscription fee in France ultimately ended up. . . . [T]hey found that the streaming platform keeps roughly 20% and pays about 17% in taxes. The label keeps about 45%, leaving just 10% for the songwriters / publishers and a meager 6.8% for the artists. As a percentage of the revenue the platform delivers after taxes, labels keep a whopping 75%.[559]

In addition to the opaque ownership structure and pay-out regimes at the streaming music services, other factors also complicate our ability to gain insight into both the companies and the markets they operate in. As we saw with the online video market, streaming music is often given away for "free," for example with Amazon Prime memberships or when Apple includes Apple Music trial subscriptions with the purchase of MacBooks, iPhones, and other devices. Telecoms such as Vidéotron, Rogers, and Bell similarly attempt to connect their brands with popular culture and music fans to burnish their images and differentiate themselves. Technology and telecoms firms often see in cultural industries a basis for extending and commercializing their much larger and more lucrative operations. While consumers may get "free stuff," and musicians may benefit from increased international exposure, such cross-subsidies underscore the subordinate status of cultural industries to technology industries.

Such practices are essentially subsidies by any other name, a long-standing and defining practice in the cultural industries, as was recounted in chapters 2 and 3 of this report. There are benefits and disadvantages to these alliances between tech, telecom, culture, and subsidies, which is what makes debates about these issues so contentious. Each side of the debate picks up on one dimension to mount their case for or against the impact of big tech on media, but precious few examine both dimensions.

One of the most contentious and significant issues in the music industries is the perennial question of whether its current structure and dynamics have made it easier or harder for musicians to make a living.[560] Wall is again instructive on this point, noting that we face a conundrum: "Streaming revenues are growing dramatically and resuscitating a moribund recorded music business, but many (perhaps most) music creators are struggling to make a living wage."[561] David Hesmondhalgh observes, however, that great care is required to answer this question sensibly, concluding that

> more musicians rather than fewer might now be able to earn money from recorded music than in preceding recorded-music systems. But the current system retains the striking inequalities and . . . poor working conditions that characterised its predecessors, and that better debate requires greater transparency about usage and payment on the part of streaming services and music businesses.[562]

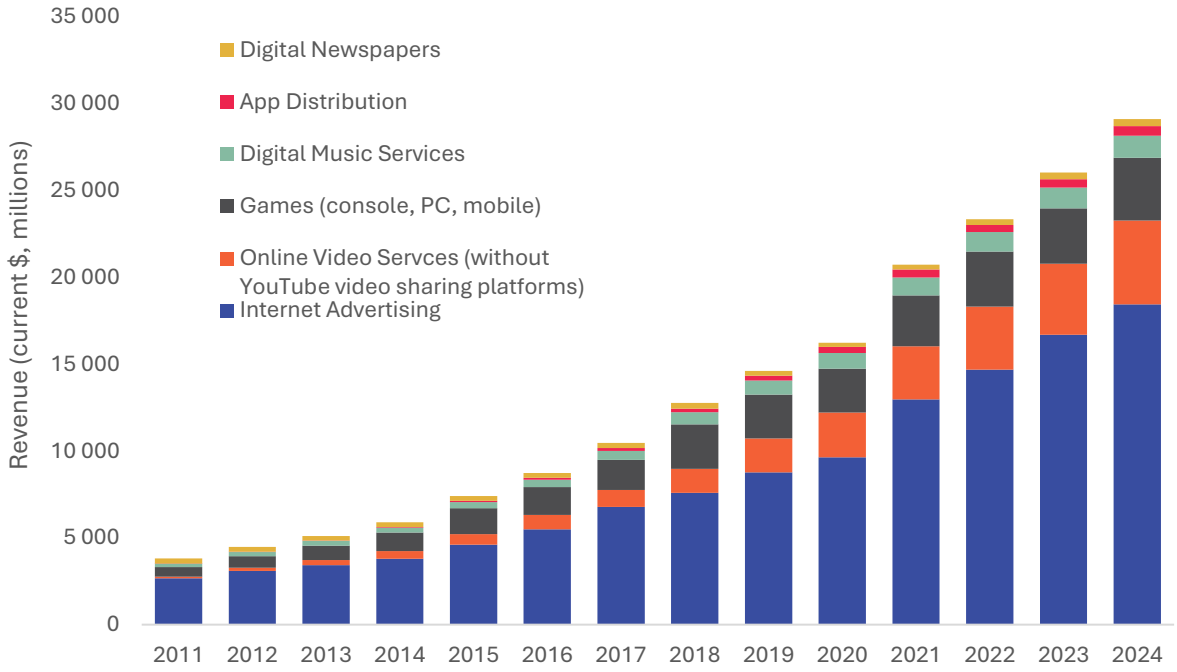
These issues have been central to contentious debates from the conception of the *Online Streaming Act* until now. The bottom line is that musicians need better insights into their conditions of work, which means gaining greater access to the data streaming services and publishing groups have on how consumers use their content. It also requires more insight in questions about the streaming services ownership, revenue, market dynamics, and the structure of the markets they operate in rather than the usual narrow focus on Canadian content, discoverability, algorithms, recommender systems, and playlist quotas. We are the poorer for that, and it is likely that musicians are, too.

Online media services (media content): Growth, diversity, and consolidation

In keeping with the scaffolding approach that underpins our work, the next section draws together all online media sectors covered in this report—internet advertising, online video, games, music services, and app stores—into a composite view. It also draws in traditional broadcasting distribution undertakings like cable television, IPTV, and DTH to develop a holistic view of the content media market and the main means of content aggregation and distribution that underpin it. Both steps set up the next chapter's integrated portrait of the network media economy that combines all the sectors up and down the network media economy stack that have been covered in this report. The conclusion then wraps up with some reflections and policy proposals.

Online media as a group of sectors have developed at a very brisk pace from next to nothing in 2000 to combined revenues of $29.1 billion in 2024, as Figure 78 shows. It also shows that the pace of development gathered steam in the past decade, with revenue for online media in 2024 close to five times what it was a decade earlier. Pandemic-era public health measures that limited the ability to socialize and temporarily shut down live music and entertainment accelerated the trends, almost doubling revenue from 2019-2024.

Figure 78: Growth of the online media economy, 2011-2024 (current $, millions)



Sources: see Figure 78 in the Excel workbook accompanying this report and the entries for each segment in the "Total Revenue (Millions)" sheet in the GMIC Project—Canada open data sets.

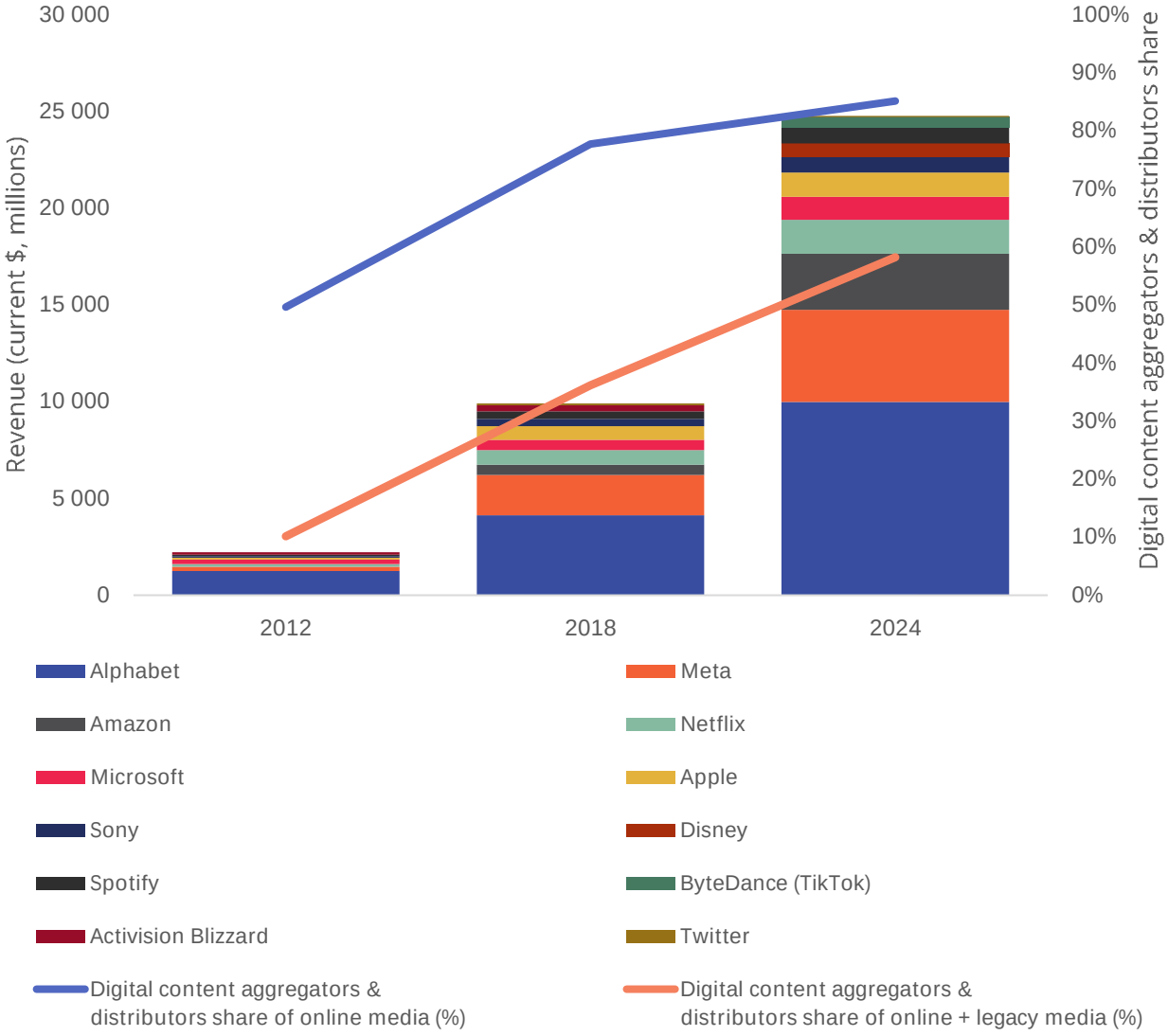
We observed earlier in Figure 44 how revenue for online media surpassed those of the traditional media in 2019. The gap between the two has become a chasm, with traditional media revenue sinking to $13.4 billion in 2024, which was roughly three-quarters of its peak in 2010-2012. A dual-track media economy is arising, with traditional media waning while digital media are growing fast. The vast expansion of digital media has allowed a phalanx of international tech conglomerates and streaming, search, and social media giants such as Alphabet, Amazon, Apple, Bytedance, Meta, Microsoft, Netflix, and Spotify to cut ever more impressive figures on the media landscape in Canada while reshaping the dynamics of that landscape as well.

They are joined by US media conglomerates like Disney, Comcast NBCUniversal, and Paramount, whose streaming services are attracting a significant number of subscribers in Canada. Their "free" advertising-funded services such as Tubi (Paramount), for example, are also growing audiences for their catalogues of old television series, movies, and programs. Such services are sometimes intermediated by Canadian companies like Corus, which appears to be brokering Tubi's programming in Canada. Canadian companies are also striking international carriage and distribution deals with their American and global counterparts. The deals that Bell, Corus, and OutTV have struck with Amazon in recent years signal this development.

The combined revenue of the top ten multinational digital conglomerates and streaming media giants—Google, Meta, Amazon, Netflix, Microsoft, Apple, Sony, Disney, Spotify, and Bytedance in rank order—from media-related activities in Canada reached $24.8 billion in 2024. This makes up 85% of all online media revenues and over half (58%) of all revenues in the online and traditional media markets. Figure 79 provides an overview of the swift growth of this group of digital content aggregation and distribution and online content media giants over the past decade.

The combined revenue of the top ten multinational digital conglomerates and streaming media giants—Google, Meta, Amazon, Netflix, Microsoft, Apple, Sony, Disney, Spotify, and Bytedance in rank order—from media-related activities in Canada reached $24.8 billion in 2024.

Figure 79: Digital content aggregation and distribution platforms' growing share of online and legacy media revenue 2014-2024 (current $, millions)



	2012	2018	2024
Online Media ($ millions)	4,466.4	12,754.0	29,093.5
Online + legacy media ($ millions)	21,842.0	27,388.5	42,540
Pooled average CR4	8%	27%	46%
Pooled average HHI	401.6	538.3	864.9
Weighted CR4	61.5%	70.5%	77.9%

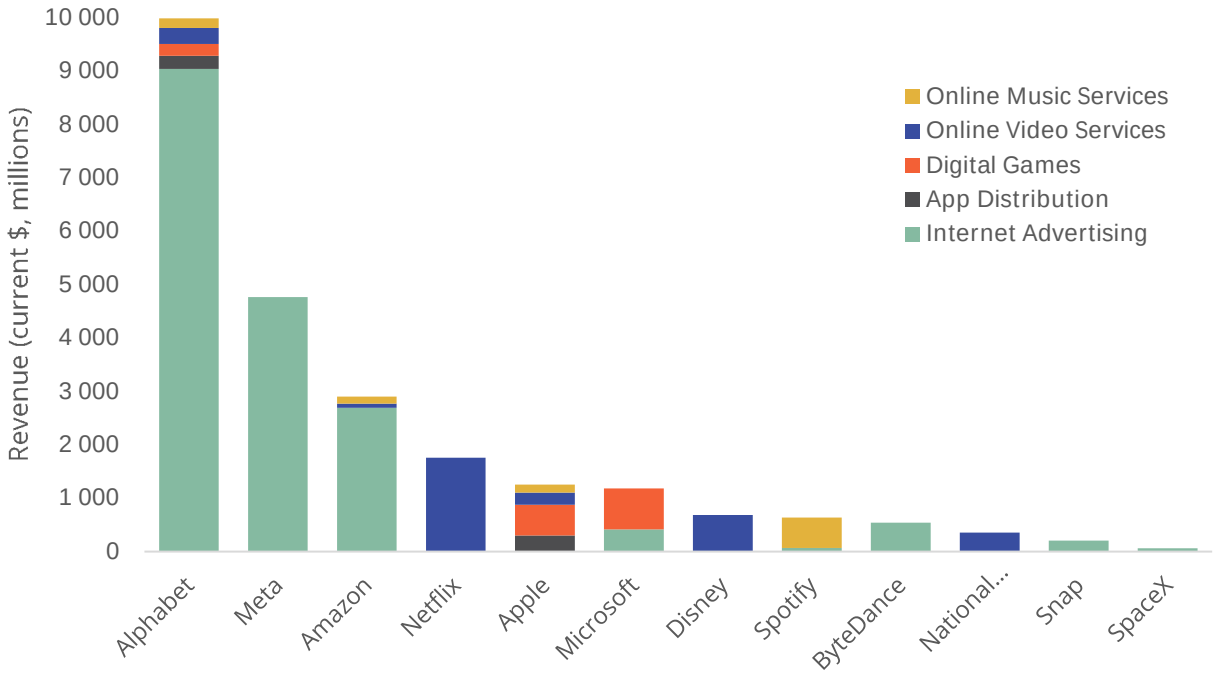
Sources: see Figure 79 in the Excel workbook accompanying this report and the entries for each company from the "unified sheet" and for each sector from the "Total Revenue (Millions)" sheet in the GMIC Project—Canada open data sets.

The upheaval has no doubt been wrenching for Canadian firms who have until recently been shielded from the full brunt of US and global media by a relatively protectionist industrial, technological, and regulatory structure. It also embodies a sweeping transformation of the content media economy which impacts how people find, create, share, and consume media.

Alphabet, for example, had estimated revenues of $10 billion in 2024 from online advertising and its YouTube Premium video and music services as well as Google Play, its digital games and app store distribution platform., As a result, the big tech conglomerate single-handedly accounted for over a third of online media services revenues in the network media economy. It would be even more if its cloud computing service was included, which we accounted for earlier in the report in the context of the telecoms and internet infrastructure dimensions of the network media economy. They will be folded altogether in chapter 6 of this report but, for now, the focus is on the online content media services.

Figure 80 breaks out the leading digital content aggregation and distribution platforms based on their 2024 revenues alone in Canada. Having shown the evolution of these entities over the last decade, the purpose of this figure is to better represent their size relative to one another and depict the range of online content media industries that they are active in.

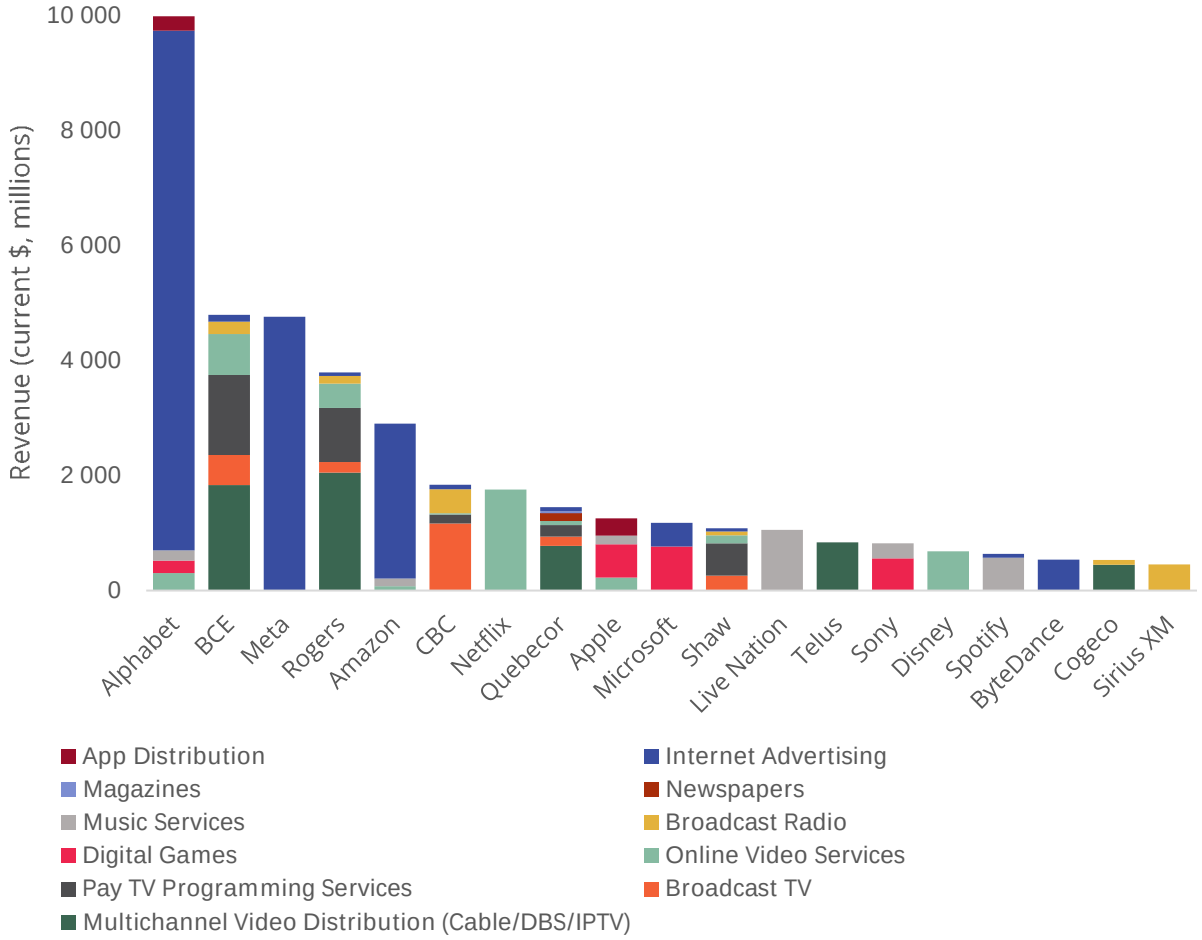
Figure 80: Leading digital content aggregation and distribution platforms in Canada, 2024 (millions$)



Sources: see Figure 80 in the Excel workbook accompanying this report and the entries for each company from the "unified sheet" and for each sector from the "Total Revenue (Millions)" sheet in the GMIC Project—Canada open data sets.

We next return to our observations about the growing convergence and competition between digital communications and media aggregation and distribution platforms such as Alphabet, Amazon, Apple, Meta and Spotify on one side and traditional BDUs such as Bell, Rogers, TELUS, and Vidéotron on the other. To do so, our analysis reconfigures the relevant markets to examine the scale and scope of both groups' activities across the full range of digital and traditional content media, while also including traditional BDUs and app stores. The only thing *excluded* from this portrait is the telecoms and internet infrastructure (i.e. wireline telecoms; mobile wireless service; internet access service providers; and cloud computing). Figure 81 below depicts the top twenty media aggregation, distribution, and content media companies in Canada as of 2024.

Figure 81: Leading media aggregation, distribution, and content companies in Canada, 2024 (millions $)



Sources: see Figure 81 in the Excel workbook accompanying this report and the entries for each company from the "unified sheet" and for each sector from the "Total Revenue (Millions)" sheet in the GMIC Project—Canada open data sets.

Sky-high concentration stands out in core internet markets, and commonly used metrics demonstrate that it has stayed that way for the better part of a decade in most cases.

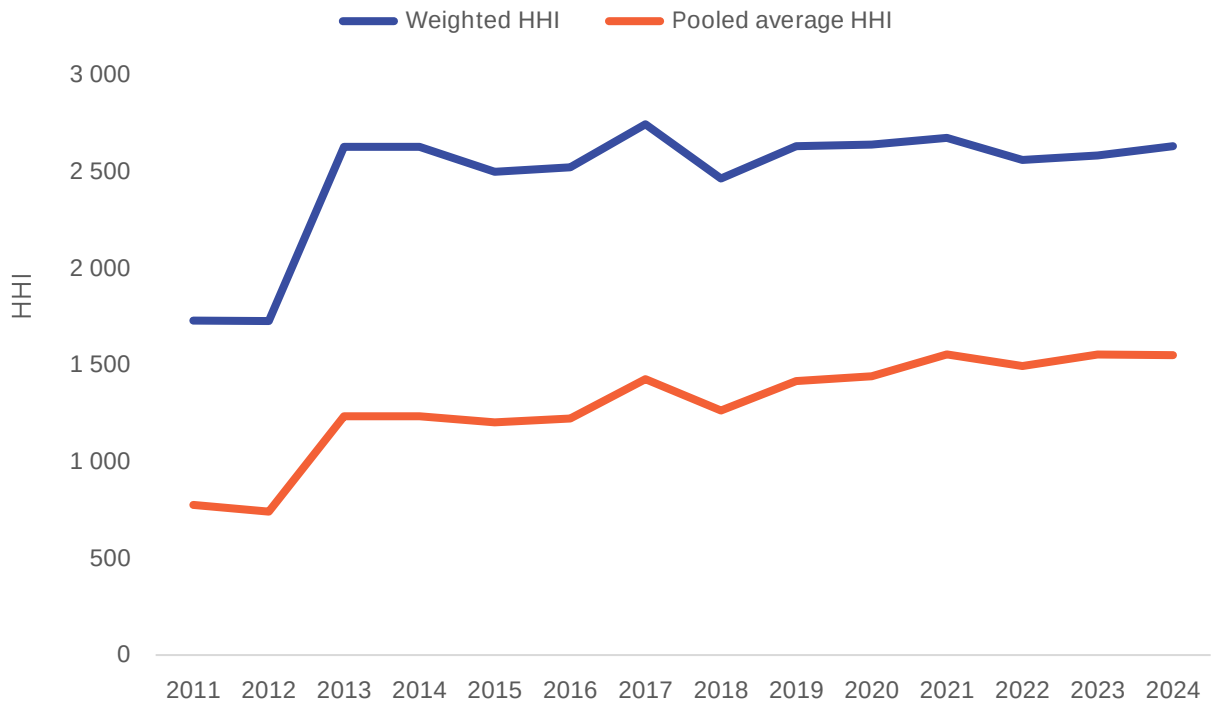
Digital media have clearly grown by leaps and bounds, and this has catapulted a clutch of powerful international companies from next to no presence in Canada a decade-and-a-half ago to now controlling more than half of the content media markets. In short, there is no doubt that Canadian media are facing intensifying competition from the world's biggest multinational internet companies on many fronts.

As Figure 81 above shows, Alphabet stands in a league of its own as the biggest digital media aggregation, distribution, and content company in Canada in 2024. Its control over online advertising, its advertising-supported YouTube video sharing platforms, paid video and music services (YouTube Premium and YouTube Music), and app distribution store, Google Play, add up to a company with 2024 revenues in Canada of $10 billion. This is over twice those of Bell, its closest rival and adds up to Alphabet controlling over a fifth of the $49 billion in revenue generated within the traditional and online media sectors, inclusive of both traditional BDUs and app stores.

Bell and Meta both had revenues of $4.8 billion from content media aggregation and distribution and the range of broadcasting services it offers in 2024. This gave both a stake in the content media market just shy of 10%, and well behind Alphabet. Rogers rounds out the big four media aggregation, distribution and content providers with revenue of $3.8 billion, for an 8% share of the content media market. Amazon is next, with revenue of $2.9 billion and 5.9% market share. Other domestic media providers fall far behind, including the CBC/Radio-Canada, Quebecor, Corus, and TELUS, interspersed by streaming services and big tech companies like Netflix, Apple, and Microsoft.

There is no doubt that consumers can choose from a more diverse range of options today than they could in the past. Yet the days are also over when the entry of new streaming media services, app stores, and internet advertising—and the companies that offer those services—automatically translated into greater media pluralism, as Figure 82 below shows using the "pooled HHI" and "weighted HHI" measures of concentration.[563]

Figure 82: Weighted and pooled HHI for online media, 2013-2024

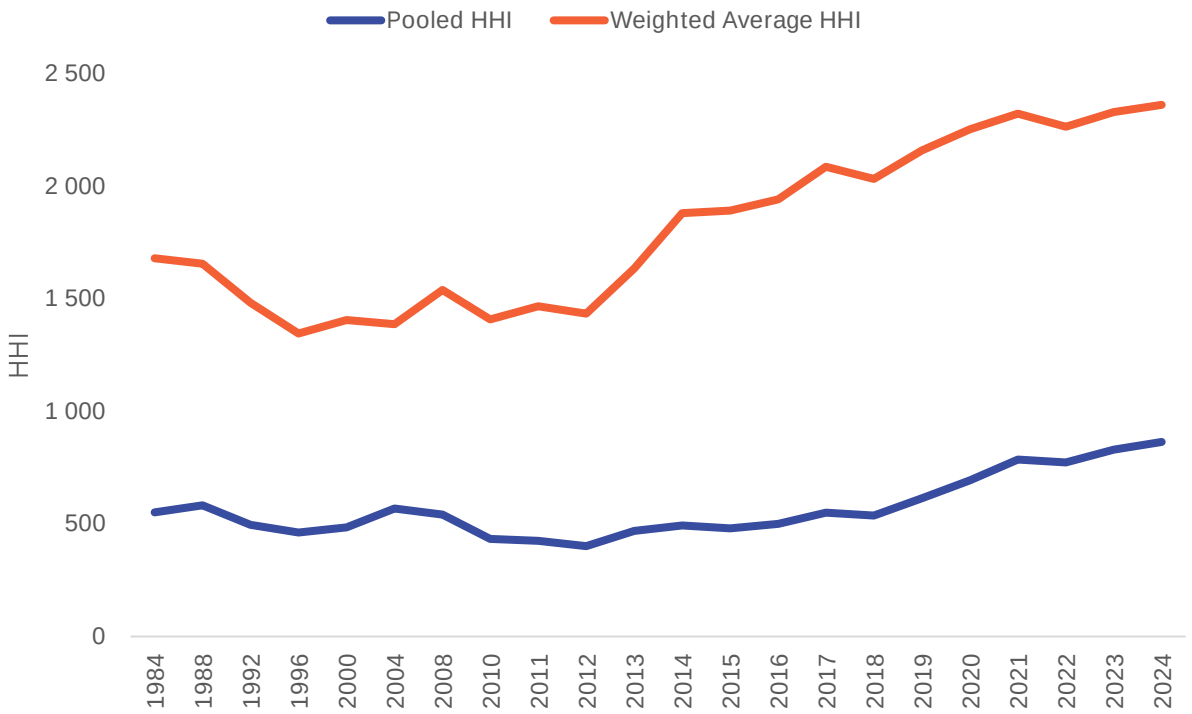


Sources: see Figure 82 in the Excel workbook accompanying this report and the entries for each company from the "unified sheet" and for each sector from the "Concentration metrics" sheet in the GMIC Project—Canada open data sets.

The pooled HHI started out in the low range by the standards of that metric at a little over 1,200 in the early-2010s but thereafter it increased steadily to cross the threshold used to designate moderate concentration (i.e. 1,500) in 2020. It has stayed there since. In contrast, the weighted HHI shows that online media have been above the threshold used to designate high concentration (i.e. HHI ≥ 2,500) all along. This reflects the fact that the biggest sector in this domain by far—internet advertising—has been highly concentrated throughout the period covered here and become more so with the passage of time. However, there are also some moments of significant decline that register, for example, when Amazon and Alphabet jumped into the streaming video and music markets, circa 2015-2018, and at the tail end of that moment, when US media giants like Disney+ and Paramount launched their SVOD services in Canada in 2018. However, those moments came and went without disturbing the headline story by this measure: the online media economy is structurally prone to high levels of concentration and is neither inherently diverse nor a positive contribution to media pluralism (see further below).

Figure 83 below redoes this exercise but this time it combines online and traditional media to give a holistic assessment of whether the advent of online media has made a positive contribution to media pluralism or undermined it. In this portrait, concentration for the media content sectors fell from the 1980s until 2012, with some bumps along the way in tandem with the story told throughout this report, into the pluralistic end of the scale by the standards of the weighted HHI, and the impact was even greater by the pooled HHI. Thereafter, however, growing centralization of advertising and media distribution via digital platforms and app stores, tightening consolidation of internet advertising and app store distribution, *and* the increasing cross-market reach of behemoths like Alphabet, Amazon, Microsoft, and Amazon threw that tendency into reverse. Even the tendency for streaming video and games, for example, to move in the opposite direction were insufficient to stem the tide. In short, a relatively few international big tech, streaming media, and US media conglomerates' cross-market dominance across the content media market has driven up concentration enormously since 2012.

Figure 83: Weighted and pooled HHI for online & traditional media, 1984-2024



Sources: see Figure 83 in the Excel workbook accompanying this report and the entries for each company from the "unified sheet" and for each sector from the "Concentration metrics" sheet in the GMIC Project—Canada open data sets.

From 2012 until 2024, the pooled HHI more than doubled from 402 to 865, but by this measure there is still a significant amount of diversity across the length and breadth of media content markets. The weighted HHI, however, paints a far more concerning picture based not just on "the big picture" view but the relative size of the different sectors that make up that picture. In other words, because internet advertising, online video, pay television, and streaming music services, for example, now dwarf broadcast radio and television and newspapers they are weighted accordingly. Embodying those facts, the weighted HHI shows that from the 1980s through to about 2012, the tendency was for the weighted HHI to slide lower and into the zone of what this measure designates as diverse, pluralistic and competitive. That trend reached a low point in the low- to mid-1,400 range, circa 2010-2012. Thereafter, however, the trend abruptly reverses as concentration climbs concerningly, until reaching its highest point ever in 2024 of 2,364.

While it was once believed fervently that internet centralization and concentration were impossible, Figures 79-83 document the radical transformation by which the internet has been remade in the image of its dominant firms. Sky-high concentration stands out in core internet markets, and commonly used metrics demonstrate that it has stayed that way for the better part of a decade in most cases. Only ten such firms accounted for close to 70% of the online and traditional media market as of 2023, as shown in Figure 80 above. All but four core sectors of online media services have astonishingly high levels of concentration today: online news sources, online video, games, and online music services. Thus, rather than the internet being a wide open, decentralized network in which control is impossible, a series of interconnected archipelagos—digital platforms and content aggregation and distribution services, dominant in an interlinked series of digital markets—has emerged.

Furthermore, instead of the internet being wide open and wildly competitive, it consists of a cross-media "clash of titans", with pockets of cooperation and co-existence. Alphabet and Apple, for example, clash in operating systems, app stores, and browsers, while Alphabet does the same with Meta and, less so, Amazon in the online advertising market. Yet, while they sometimes battle one another for market share with respect to mobile devices, as an example of coexistence and cooperation, Alphabet also pays Apple billions of dollars a year to make its maps and search software the default options on Apple products. This was only one of numerous deals Alphabet has made for exclusive use of Google search by other major device makers like Samsung, LG, and Motorola.[564]

Meta's dominance of social media networks might be raised by some to counter this line of argument insofar that the social media giant has lost ground in the last decade in terms of audience share in the past three to four years. A US court leaned on just this argument to reject the Federal Trade Commission's claim that Meta is still a monopoly today, even if it still stands heads-and-shoulders above its closest rivals.[565] What this means is that concentration tendencies can be strong, but they are not iron-clad.

These are, of course, further examples of a clash of titans, co-existence and cooperation that conform to the "creative destruction" perspective inspired by Joseph Schumpeter in the mid-20th century. But beyond just industrial intrigue and dynamics, it is also important to bear in mind that Schumpeter himself was no fan of democracy. In fact, he thought it was a fairytale from times past and no longer suitable for the age of industrial capitalism. Schumpeter did not just idly rebuke democracy but actively sought to reverse its progress and occasionally flirted with authoritarians in his to try and bring about just such an end.

As captains of big tech now court those who pose a threat to democracy by sidling up to President Trump and his administration, the stakes are serious in the debate over internet and platform regulation, and we will address them head on in the final pages after the next chapter. In the meantime, it is crucial to bear in mind that policy, and how we talk about the internet, digital platforms, and content aggregation and distribution companies, needs to change to better align with the realities being described and analyzed here. This is because how we talk about such matters, and the values and choices that inform telecoms, internet and digital media policy, will go a very long way to shaping the kind of internet, societies, and democracy that we will get.

6. The network media industries in Canada: The view from the top of the mountain

This chapter provides a panoramic view of the network media industries in their entirety. The task of the next few pages is to relay that view and to explain the implications of what we see, before turning in the final section of the report to the policy solutions that could address the issues and concerns that we identify.

The network media economy in Canada has grown enormously and become far more complex and deeply integrated into all aspects of our economy, society, and daily lives. It generated revenues of $130.7 billion in 2024, up sharply from the year before and over four years of post-pandemic economic recovery. It is now 1.6 times the size it was a decade ago, almost three times what it was in 2000, and seven times what it was in 1984. The story does not change when the value of money is adjusted for inflation. The network media economy was worth $102.6 billion in real dollars in 2014, meaning it has grown about 27.3% over the past decade despite uncertain economic times. It is now 25% larger than in 2004, more than double the $50 billion it was in 1984, and six times the $18 billion it was in 1969. This indicates a transformation of the economy from industrial capitalism to digital capitalism over the past half century.[566]

The telecoms, broadcasting, and publishing industries made up 2.6% of the economy in 1969, but the network media economy has carried a much larger weight of roughly 4% since the early 2000s. It has been trending up again in the last decade on account of the addition of new digital communications and online media sectors, with cloud computing, app stores, internet, and streaming audiovisual services leading the charge. Before adding cloud computing, however, the share of GDP accounted for by the network media economy concept was slowly shrinking. This implies that the additional weight of the media economy in GDP is accounted for mostly by US and other international digital communications and media aggregation, distribution and content services, and the biggest of them all, internet advertising

This raises serious issues of infrastructure and economic dependency, and harkens back to Dallas Smythe's 1981 *Dependency Road* that recounts the formation and disadvantages of that dependency for Canada in the 19th and 20th century.[567] And before Smythe, Harold Adam Innis developed his staples thesis of Canadian political economy. This accounted for the country's dependency on centres of power, located initially in London, before progressively shifting to Washington, D.C. and New York with industrialization and the rise

of the latter's status as a financial centre, and the U.S. as an international geopolitical and military power.[568]

Personal and household spending on telecoms, internet, digital media, broadcasting, and publications show similar trends but also some confounding ones. Twenty years ago, for example, household spending on communications, media content and live entertainment services, and home media and information and communication technologies was about $2,500 per household on average (current dollars). That had doubled by 2024 alongside the explosive growth of spending on telecoms and internet access despite spending on traditional and digital media content, culture and live entertainment as well as media and information and communication technologies for home and personal use having fallen.

Switch the metric to inflation adjusted, real dollar terms, and break apart the omnibus household spending amount to reveal its constituent parts—telecoms; media content, culture and live entertainment services; and home media and information technologies—and a different picture emerges. Seen from this angle, household spending has inched upward from about $4,300 in 2000 to $5,008 in 2014, where it has stayed stuck until 2024, when it was $5,038. This suggests that despite the enormous growth in communications, information, internet and media services and technologies that are now standard features of day-to-day life, there is a cap on how much people will spend on them. This is consistent with the principle of relative constancy in media expenditures that has held for decades. A similar principle also applies to advertising, although the last few years have bucked that tendency, with both those points shown earlier in this report (recalling Figures 47-49 and surrounding discussion).

However, look closer and there are significant differences between communications services, media and entertainment services, and household media and information and communication technologies. Household spending on telecoms has grown by leaps and bounds from $1,637 to an estimated $2,592 (a 58% increase) over the same period, circa 2000-2024. Yet, all that increase, and then some, took place until 2020, after which policy and political pressures, and an uptick in mobile wireless competition, lowered household spending by about $200 per year. Except for these short-term pressures, however, the principle of relatively constant spending *has not* applied to telecoms services. Spending on media content, culture and entertainment services, however, where the principle *does* apply, has dropped by about ten percent from $1,270 to $1,125 over the last quarter-of-a-century. Spending on domestic media and information and communication technologies meanwhile fell sharply from 2000 to the mid-2010s before picking up and then exploding in 2020-2021 at the height of the Covid-19 pandemic, before slowly drifting downward since then (see Figure 5).[569]

This means that telecoms services have had considerable room to grow, while traditional and digital media aggregation, distribution and content media firms must compete with one another for a relatively fixed share of people's money, time, and attention in a zero-

sum game. In this competition for scarce resources, the harsh reality is that some media will flourish as others will flounder. Amongst the latter that are valued because of the benefits they bring for personal well-being, society and democracy, extra-market supports such as subsidies must be used to sustain them. Outside those considerations, however, private broadcasters, digital media companies, and publishers in Canada are not only competing against global big tech conglomerates, streaming giants, and (mostly) US media companies, but fighting for a slice of a relatively fixed pie. It is often said that media is a risky business, and this is a key reason why.

The 'old' and 'new' lords of the network media economy

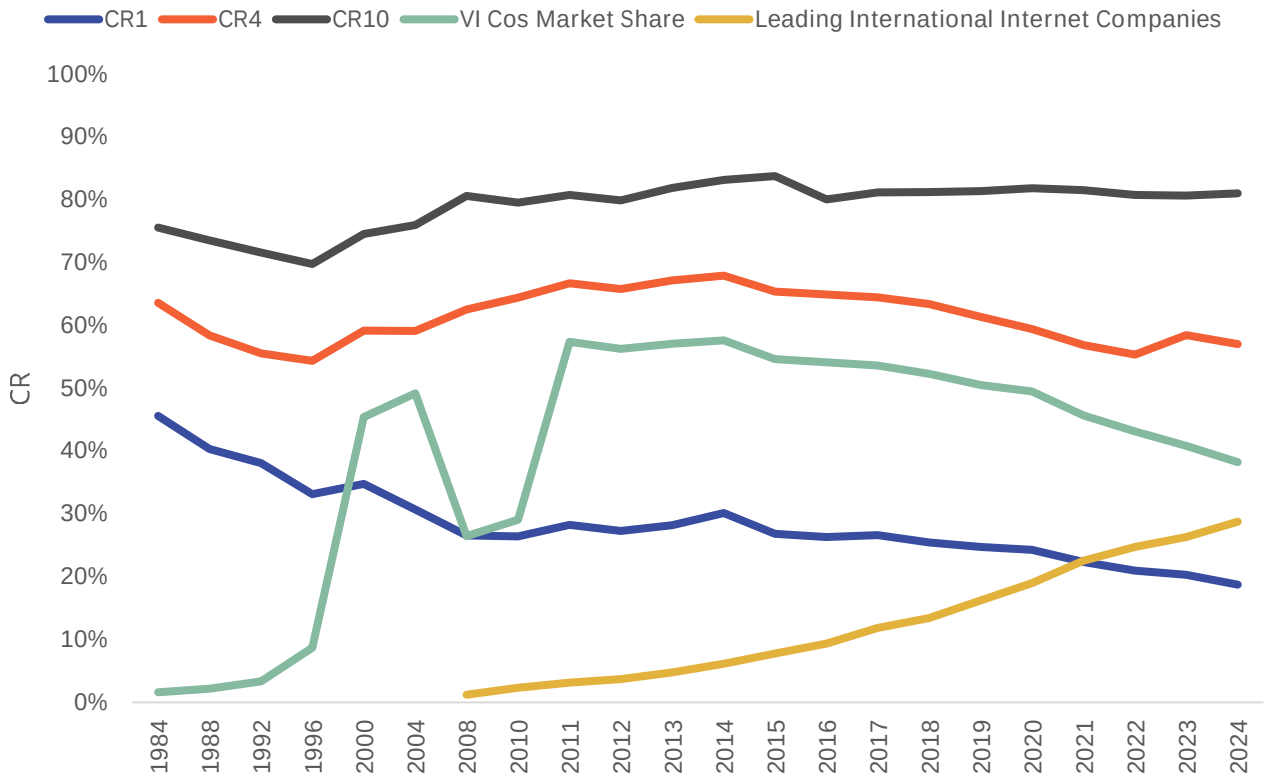
Throughout the latter half of this report, we have suggested that these and other dynamics are generating a clash of titans rather than a competitive marketplace. That is seen by some observers as aligned with the creative destruction school inspired by Joseph Schumpeter in the mid-20th century. These patterns of dominance are not transitory, as Schumpeter and his acolytes would suggest, but now fairly stable.

In Figure 6, early in this report, we presented a rank ordering of the biggest three-dozen telecoms, digital media aggregation and distribution platforms and content services, broadcasting and publishing companies in 2024. While there are hundreds of companies active in the network media economy, this smaller group of three-dozen or so accounts for the lion's share of the spoils, or 94.3%, to be precise. Charting and explaining the twists and turns of who tops that list and where they rank over time, also reveals significant changes in the structure, composition, and dynamics of the network media economy. That is the task for the rest of this chapter.

A decade ago, all but two of the companies on the top ten list of biggest companies in Canada were Canadian: BCE; Rogers; TELUS; Shaw; Quebecor; Google, the CBC/Radio-Canada; Microsoft, SaskTel; and MTS. An earlier wave of consolidation, circa 2007-2013, had put four Canadian telecoms-broadcasting-publishing conglomerates at the heart of the network media universe: Bell, Rogers, Shaw, and Quebecor. Their share of the network media economy had spiked to 57.4% and reached its nadir in 2014, double what it had been just four years before. But then this wave of consolidation caused a 10% jump in the top four firms' share of the network media economy. This was also the moment when concentration broke with the past three decades when, circa 2000-2006, the top four and ten firms accounted for just under sixty percent and three-quarters of revenues, respectively, in a smaller media economy. Thereafter, consolidation drove up concentration by every metric used in this report, namely the CR1, CR4 and CR10 and the "pooled" and "weighted" HHI. Consequently, this bout of consolidation constituted a significant turning point in the historical evolution of the media in Canada. Figures 84 below and Figure 85 a few pages later

depict these tendencies and outcomes, while setting up several other important points that we will turn to next.

Figure 84**: CR 1, 4 and 10 scores and vertically integrated and 'big tech' companies'** share of the network media economy, 1984-2024



Sources: see Figure 84 in the *Excel workbook* accompanying this report and the entries for each company from the "unified sheet" and for each sector from the "Concentration metrics" sheet in the *GMIC Project—Canada open data sets*.

By 2014, the big four vertically and diagonally integrated Canadian conglomerates had locked down control over wireline, broadband internet and mobile wireless communications, all the biggest commercial television services in the country, stables of radio stations (except for Quebecor), newspaper and magazine publishing (Rogers and Quebecor), along with book publishing, printing, and music retailing (Quebecor). Google and Microsoft were amongst the top ten, with an estimated combined revenue of $3.6 billion, but with their sixth and eighth place on the list and market share of just under 4.4%, their scale and influence was still modest. That would soon change.

Indeed, as Figure 84 also shows, that just as the big four Canadian conglomerates were locking down their hold on telecoms, broadcasting and publishing in 2014, a phalanx of powerful new companies that would soon morph into diversified digital conglomerates with planetary reach were carving out an ever-bigger place in Canada. These companies barely appeared on the radar in 2010, but their rise was relentless thereafter. Their combined revenue has soared to reach an estimated $5 billion in 2014 and then again to more than $37.8 billion in 2024. In lockstep, their share of the network media economy has shot up from 2.3% in 2010 to 6.2% in 2014 and to 29% in 2024—a near five-fold increase over just a decade. That said, they only accounted for slightly less than a third of the $130.7 billion in revenues that comprise the network media economy in 2024. By 2024, the top ten companies, controlled 81% of the network media economy, whereas ten years earlier the top ten accounted for 83%, meaning that concentration is down slightly in the last decade by this measure.

This radical restructuring of the field over the past decade has yielded two clusters of giant conglomerates that now tower over the network media economy in Canada: a clutch of vertically integrated firms—i.e. "big telecom"—and a roster of diversified multinational digital conglomerates, i.e. "big tech." The "Goliath vs. Goliath" battle between "big telecom" and "big tech" now defines the network media economy in Canada.

As Figure 84 above also shows, the share of revenue of the biggest company in the 1980s was 46%; it had fallen to 19% by 2024 in a vastly larger media universe. The biggest company in 1984 was Bell, as it is today. Rogers' takeover of Shaw in 2023 catapulted it into second place with revenues the next year of $20.2 billion and a market share of 15.5%. The enlarged scale of post-merger Rogers can be seen from the fact that its revenue increased by a third. Combined, BCE and Rogers—the "big two"—had revenues in 2024 of $44.7 billion, meaning they controlled a whopping 34.2% of the network media economy.

TELUS closely follows Rogers with revenues of $17.6 billion and a market share of 13.5% in 2024. Add TELUS and the "big three" had total revenues in 2024 of $62.3 billion, or just under half (48%) of the total. Seen in this light, BCE, Rogers, and TELUS still control the network media economy in Canada, but their grip is slipping and the gap between them and big tech, the streaming giants, and foreign media conglomerates is closing swiftly. In fact, the next three spots on the list of the biggest companies operating in the Canadian network media economy are Alphabet, Amazon and Microsoft, while Quebecor stands between them and Meta, followed by the CBC and then Netflix to round out the "big ten".

By 2024, Alphabet ranked fourth on the list of leading companies, with estimated revenue of $12.3 billion and a 9.4% share of the network media economy derived from its portfolio of Google Cloud, search, online advertising, Google Play Store, YouTube Premium and video sharing platforms, and more. In that same year, Amazon amassed an estimated $10.8 and a 8.3% share of the network media economy based on its AWS cloud service, dominant online retail advertising platform, and its Amazon Prime Video and Amazon

Music Unlimited services (but excluding its ecommerce platform). Microsoft has also assembled an under-appreciated dominant status based on its Azure cloud service, Bing search and advertising, and LinkedIn social media platform. As of 2024, these services yielded $6.9 billion and a 5.3% stake within the network media economy. Those figures would be higher yet if its other software and business-to-business services were included, but that would stretch the concept of the network media economy too broadly.

Altogether, the big three US-based multinational digital conglomerates had estimated revenue of $30 billion from their services covered by the network media concept and a combined market share of 23%. This is a massive increase from a decade earlier, when their combined revenue was less than $4 billion and market share just below five percent. Bring in Meta and Netflix, which are ranked eighth and tenth, respectively, based on their revenues of $4.8 billion and $1.8 billion, and the big five US companies combined revenue amounted to $36.5 billion, yielding a combined market share of 28%.

Quebecor and the CBC round out the ranks of the top ten. Quebecor ranked as the seventh-largest company in Canada, just behind Microsoft and one in front of Meta, with revenue of $5.3 billion, and a share of the network media economy equaling 4.1%. Quebecor's revenue and market share is up greatly from $4.7 in 2022 due to its acquisition of Freedom Mobile. The CBC continues to cut a significant figure within Canada based on its public funding and commercial revenue of $1.8 billion in 2024, which translates into a tenth-place rank on the list of biggest communications, internet and media companies operating in Canada. While it makes the cut for the top ten list, the CBC's market share of just 1.4% is a far cry from those above it on the list.

Concentration remains high but the Canadian landscape is distinguished by its exceptionally high levels of diagonal and vertical integration

Beyond just ranking the top companies and charting the shuffling in their ranks over time, it is essential to put the spotlight on the concentration issue because in Canada and around the world it is often much higher than people tend to think. Concentration in the telecoms and internet access infrastructure sectors remains stubbornly high, for example, while many core sectors of the internet have maintained even higher concentration levels for a decade or more: app stores, mobile and desktop browsers, operating systems, general and mobile search, and internet advertising, where Google and Meta have steadily tightened their grip on the sector over the last decade, albeit with Amazon elbowing its way into a more prominent place in this sector in the past five years or so.

That said, there are also instances where this is not the case, including streaming video and music services, games, online news, newspapers, and magazines, as we have seen. There

are also significant differences between countries and regions. All of this is true whether we take the birds-eye view of the network media economy or take a closer look at specific sectors that display stubbornly high levels of concentration or those where the opposite is the case. In this regard, Canada is no exception, but where it stands out is in its exceptionally high degree of diagonal and vertical integration relative to both historical and international standards. There is thus little room for complacency.

Regional and national companies like Bell, Rogers, TELUS, Vidéotron, and Shaw, until its take-over in 2023, continue to play the largest role in the mobile wireless and wireline markets (internet access, broadcast distribution, POTS, and other services). The vast expansion of wireline and wireless markets has also fueled their move into new and adjacent markets, mostly in broadcasting but also in new areas we do not track, such as TELUS moving into health care and health-related information services, or BCE diversifying into data analytics through its acquisition of Environics in 2021.

Markets these companies compete in, such as conventional television, commercial radio, and cable distribution are objectively in decline, but their losses are more than offset by their gains from online media services. Canadian communication companies are thus still big fish in a surprisingly big pond. This is evidenced by the fact that three of them—BCE, Rogers and TELUS—stand in a league of their own amongst the largest companies, based on domestic revenue and market share, and Canada's stature as the eighth-largest media economy and the sixth-largest mobile wireless market in the world (see Figures 2 and 23). Network media economy revenues of $130.7 billion in 2024 belie claims that Canada is a pygmy among giants, given that it consistently ranks among the top ten global markets based on revenue.[570]

While concentration in Canada and around the world is often a lot higher than people tend to assume, where Canada really stands out from its peers is in the high levels of *diagonal integration* between telecoms and internet access and broadcasting distribution operators (e.g. mobile wireless, internet access, BDUs, i.e. telecoms) and television services (e.g. broadcast and pay television and online video services) that have been maintained over the past decade or so, along with *vertical integration* between telecoms and broadcasting.[571] The following passages take up this point.

Diagonal integration

Diagonal integration refers to owning operations in adjacent, complementary sectors. The best example of this in Canada is ownership by the major telecoms of mobile wireless, wireline, ISPs and BDUs. Canada is unique in the extent to which wireless and wireline infrastructures are integrated into single firms, with the last stand-alone mobile network operator (MNO), Wind Mobile, being acquired by Shaw in 2016, then spun off to Vidéotron as part of the Rogers-Shaw takeover in 2023. In many other countries, more affordable

stand-alone MNOs have developed organically to compete with integrated firms whose operations cut across multiple markets. In the US, T-Mobile remains a stand-alone MNO, while in Europe, the firms Free Mobile, 3, and Vodafone fulfil that role in many countries where they operate (although Vodaone also operates wireline networks in a few countries, e.g. New Zealand).

High levels of diagonal integration matter for several reasons. For one, diagonally integrated firms find themselves torn between competing all out with the stand-alone upstarts but not competing *too aggressively* to avoid causing harm to their adjacent businesses. As a result, diagonally integrated companies often manage demand, rivalry, and prices across their platforms to ensure that whatever one branch of the company does, it does not cannibalize the revenue of another. This undercuts market-based competition and regulators should deal with this inclination accordingly.

Stand-alone MNOs have improved affordability and adoption rates of mobile wireless services. Stand-alone mobile operators (e.g. T-Mobile in the US, Free in France, Hutchison 3 in the UK, and DNA in Finland) also tend to offer data allowances that are many times higher than in countries such as Canada that are without such a competing mobile wireless operator, and for a fraction of the price.[572] This has been beneficial in general but especially for low-income consumers. In Canada, the advent of strong fourth mobile operators like Vidéotron and Freedom Mobile, both before and after the Rogers-Shaw deal, have helped to drive much more generous mobile data allowances.

Mobile virtual networks (MVNOs)—that is, those companies that compete based on service but, rather than building and owning their own networks, roam on the networks of MNO—have also been helpful in terms of approving affordability and adoption, and are plentiful in Europe and the U.S. In Canada, however, they have not developed organically and the CRTC's regulatory framework has discouraged them. Instead, it adopted a facilities-based MVNO framework in 2021 that allows other operators that own their own facilities in one region of the country to offer competing services in other territories outside their usual regions of operation. This approach produced nothing of note for its first few years of existence, but in the last two years, Vidéotron's Freedom Mobile has taken advantage of the facilities-based MVNO framework in the wake of Rogers-Shaw takeover in 2023 to enter new geographical markets first, before building out its own facilities.

Vertical integration

Canada also stands out for the extent to which three vertically integrated communications conglomerates sit at the apex of the network media economy: Bell, Rogers, and Quebecor. Such entities hardly played a role before the mid-1990s, and their fortunes waxed, waned, and rose again in the 2000s before being locked into place from 2007-2013. Once the dust settled from this wave of consolidation, four vertically integrated companies accounted for

just under 58% of network media economy revenues at their height in 2014, slipping to 38% in 2024. Their number was reduced to three in 2023, when Rogers acquired Shaw, leaving Corus to stand on its own, struggling as the country's largest independent broadcaster.

In addition to being extremely high by domestic standards, levels of vertical integration in Canada are also high in comparison to US and international markets. Canada has stood apart from its peers for more than a decade in that all major domestic commercial TV services had been owned by telecoms until 2023. That changed when Corus was left aside in the Rogers-Shaw deal, meaning that there is now at least one major commercial TV ownership group that is not vertically integrated, although the scale of vertical integration in the country did not decline significantly.

Vertical integration levels in Europe and the US by contrast are a fraction of those in Canada. In Europe, some telecoms operators in, for example, the Netherlands, Belgium, Italy, France, UK, Germany, Finland, Denmark, and a few other countries own broadcast and pay television services, but the scale of vertical integration in those countries pales compared to Canada, as discussed earlier in this report. An earlier experience in France is also instructive on this point. There, Vivendi 's weakness after the 2001 dot-com collapse forced the once-dominant communications conglomerate to shed its U.S. assets, while thereafter and between 2012 and 2017, the French industrialist Bolloré family gradually seized control of what remained of Vivendi's struggling media holdings. The company never regained its luster and in 2024 was broken apart into four publicly listed firms: Canal Plus (television), Louis Hachette Group (publishing), Havas (advertising), and Vivendi (residual diversified assets).[573] So far GMICP contributors have found nothing that would alter Canada's unfortunate status as a leader in vertical integration.[574]

AT&T's acquisition of Time Warner in 2019 raised vertical integration levels in the US considerably, but it spun off the renamed Warner Media into a joint venture with Discovery in 2022, with just an equity stake and not control of the new Warner Bros. Discovery. Comcast is the obvious exception to the rule in the U.S. case. While the carrier is well known for wiring up cities, nations, and the world, AT&T knows little about producing film and television programming or managing creativity in the cultural industries, with producers and managers at Warner Bros. Discovery and HBO seemingly routinely in open revolt against its top brass. The company is now up for sale again. At the time of writing (December 8, 2025), Netflix and Warner Bros. Discovery had just agreed to a sale, but the Ellison family-backed Paramount Skydance responded with a hostile rival bid of its own days later, with additional backing from Jared Kushner and investment funds linked to the Saudi, Qatari and Emirati dynasties.[575] While the Netflix and Paramount efforts both raise serious problems regarding cross-media consolidation and the roll-up of US media amongst Trump loyalists, vertical integration between telecoms and television is not one of them (although it would be, if Comcast was to emerge out of the dust as the holder of Warner Bros. Discovery, although that seems unlikely and even if it did, it would not close the gap between the sky-high levels of vertical integration in this country relative to the US).

The growing role of international big tech companies and US media giants in Canada

Canadian companies are increasingly skirmishing with a handful of planetary-scale, mostly US-based big tech firms like Alphabet, Amazon, Apple, and Meta, along with a previous generation of technology firms such as Microsoft, Nintendo, and Sony. Those skirmishes have also taken place in the rapidly evolving online video, games, music, journalism, and advertising sectors. At the same time, whole new sectors have also been created, such as the app distribution marketplace in which Apple and Google lead. There is also no doubt that the eclipsing of broadcast distribution by online distribution means that the same roster of companies now plays a bigger role than ever. Nevertheless, that fact that the only way for streaming media services, apps, and so on to end up in front of eyeballs is through the common carriers still confers a degree of gatekeeper power that remains unrivalled by big tech or big media, and this is not likely to change anytime soon.

The available evidence also shows that most core sectors of the internet these companies call home have concentration levels far above the HHI's threshold of 2,500 to designate a highly concentrated market and often close in on perfect monopoly territory. The relentless centralization of advertising spend on the internet exemplifies the point insofar that the internet advertising market on its own has had very high concentration for a very long time, albeit with a slight relaxing of that tendency in the last four years. Moreover, Alphabet, Meta, and Amazon have parlayed their dominance of the online advertising market to now command more than two-thirds of the $24.3 billion in advertising spend across all media. Adding BCE's 6.5% share drives up the CR4 for this sector to 74.5% (see Figure 54 above).

At first blush, Amazon's rise appears to have upset the Google/Meta online internet advertising duopoly and replaced it with a three-way oligopoly. However, this neglects the reality that the internet advertising market consists of distinct subcomponents—general search, text and video; social media and display; and online retail submarkets—that are even more concentrated, because they are each dominated by one of the big three tech giants, respectively, as we have shown. Even Alphabet was clear in the context of the DOJ's recently concluded case against its ad-tech monopoly that it sees Amazon's online retail advertising service as complementing rather than challenging its dominance in search, video and text advertising. The Competition Bureau claims in its case against Alphabet / Google that the abuse of monopoly power in this context means that media businesses in Canada are getting less than their fair share of advertising revenue. In other words, this is not mere speculation but is supported by a broad base of empirical evidence and a mounting track-record of litigation.

All this said, the ratchet does not go in just one direction. As Figure 7 early in the report showed, concentration levels vary considerably. There are also four online media services, for example, that are either becoming more diverse or already very diverse: social media, online video, games, music and news sources, respectively. The same can be said of several

'legacy media' sectors, including newspapers and magazines, and a broad conception of the TV marketplace that includes broadcast television, pay television, and online video.

Social media is an excellent example of this. As Meta has lost some of its lustre along with its market share in recent years, concentration levels for social media have declined. Whereas the HHI was around 3,500 in the first half of the 2010s, it slipped two years ago below the threshold from high to moderate concentration. In 2023, the HHI for social media was 2,224. The range of options now on offer here is significantly greater than a decade ago, and social media audience fragmentation is now a reality.

The online video services market is another, with Netflix's half-decade period of dominance cut down to size as a wide range of other services enter the Canada market. Netflix faces more competition from both its big tech rivals (i.e. Apple, Google's YouTube Premium, and Amazon Prime Video), US media giants (i.e. Disney+ and Paramount+), specialized sports streamers like DAZN and a smattering of national media enterprises such as Bell's Crave, Rogers Sportsnet Now, Corus' widening portfolio of online video services (e.g. StackTV), Vidéotron's Club illico, and CBC/Radio-Canada Gem. A few smaller independent television services such as OutTV have embraced online distribution to gain access to international audiences, create new lines of income, and diversify their business models as well, while also reducing their dependence on Canadian cable operators. While the online video market in Canada is unique, the phenomenon of multinational big tech firms competing with US media conglomerates and large domestic companies is being seen worldwide, as researchers in the GMICP have found.

We also observed that the online video market has become more diverse, with the HHI falling to 2,015 if we just consider the narrow view of the paid subscription market. It is even lower at 1,932 if we use the expanded view that includes video sharing platforms like Google's advertising-funded YouTube. It is lower yet if we consider market share by subscribers, where Amazon has a huge number of subscribers because it is basically giving away Amazon Prime Video (and Amazon Music) for "free," which drives the HHI down to just 1,400. That result is well into the green zone of robust competition, a surfeit of consumer choice, and seemingly a "tube of plenty," to borrow the title of Erik Barnouw's classic book.[576]

However, we must also pause to ask if we are running up against the limits of the HHI and other concentration metrics rather than getting the best picture of reality? Is it really a pluralistic marketplace that meets the hopes and dreams of audiences, a free market, and a democratic society when the war for time, money, and attention is being waged between an international streaming giant whose decade-long run of dominance has only recently started to slip (Netflix), the cultural industries branches of three planetary scale tech giants (Alphabet, Amazon, Apple), the brand extensions of US media conglomerates (Disney+, Paramount+), three sports streaming services (Rogers, Bell, DAZN), a "Canadian" service that mostly resells HBO and other Hollywood fare (Bell's Crave), followed far behind by an

under-nourished public broadcaster (CBC/Radio-Canada's Gem/ICI TOU.TV)? Numbers have their strengths; judgment tells us they also have their limits.

Concentration levels have also fallen in pay television services, albeit for reasons that are mixed and ambivalent. These trends in both pay television and online video services, in turn, have driven down concentration levels across the television marketplace, which is a welcome and significant reversal of trends that had been running in the opposite direction for close to a decade-and-a-half. The bouts of consolidation that led to this situation not only produced restricted choices for audiences but also harmed the industry as they lumbered into the highly uncertain and risky world of digital media aggregation and distribution. These were self-inflicted wounds. Policymakers and regulators must be sure that any future policy tools they adopt do not offload the costs and consequences of those industrial choices on to the public. They must also be sure to resist incumbent interests who see all this upheaval, uncertainty and risk as cause for consternation, and who seek to return to the protectionist ways of the past.

For newspapers and magazines that have been such central features of the publishing culture and the news and public commentary it supports, things have been falling apart for decades, and their long-term viability is in serious doubt. As we have shown, there have also been a number of government policy and public funding initiatives—as well as increased commercial and patronage payments from Google, Apple and Facebook—that have thrown a bit of a lifeline to the newspaper and news media industry in the last several years. Policy changes have also opened a window of opportunity by encouraging the advent of non-profit journalism organizations that might yet help to revitalize journalism and, along with it, democracy. Whether or not these policy and funding instruments will stay the course, however, is deeply uncertain.

The fall and resurrection of concentration in the network media economy

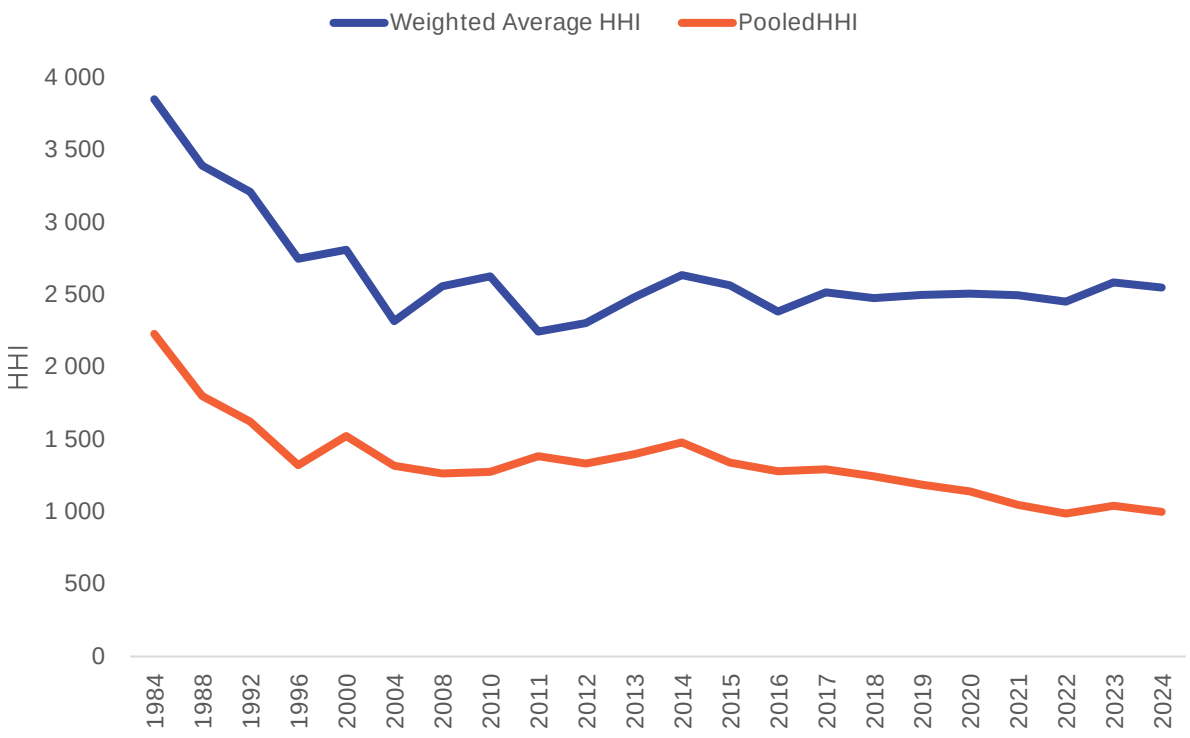
The media economy in Canada, like many others around the world, underwent great growth and transformation with the addition of new communication and media services. The rise of the internet, regulatory liberalization, and so forth, fostered hope that this would lead to greater media pluralism and a communications and media system that was more responsive to people's needs and to democracy than ever. The internet was imagined to be free, open, wildly competitive and impervious to the recurring pressures of centralization and concentration that had beset previous eras.

For a time, reality seemed to match this vision. There was a steep drop in concentration between 1984 and the mid-2000s based on both "weighted" and "pooled" HHI scores, as depicted in Figure 85 below. While that positive trajectory gained traction over the course of two decades, it reversed direction in the mid-2000s, and rose sharply thereafter until

2014 due to the bouts of consolidation amongst the domestic telecoms, broadcasting and publishing groups described in these pages. The pooled and weighted HHI then dropped again as the entry of new digital platforms, app stores, cloud services and streaming media services drove the development of a rapidly expanding digital media marketplace while also generating new competition and diversity.

Yet, twists followed turns, and that momentum also stalled, circa 2017-2022, when new upward pressures gained traction in the face of intensifying consolidation both within and across the largest online media and digital markets, notably internet advertising, app store distribution and cloud services. There were several significant exceptions, as we have just seen, but they were not big enough, nor the degree of pluralism substantial enough, to change the tide. The pooled and weighted HHI then jumped significantly in 2023 on account of the Rogers-Shaw deal. Figure 85 depicts the trends over the last 40 years.

Figure 85**: "Weighted" and "pooled" HHI scores for the network media economy,** 1984-2024



Sources: see Figure 85 in the *Excel workbook* accompanying this report and the entries for each company from the "unified sheet" and for each sector from the "Concentration metrics" sheet in the *GMIC Project—Canada open data sets*.

The magnitude of the bump upwards in both the "weighted" and "pooled" HHI at even this high level of aggregation reveals the industry and market transforming impact of the Rogers-Shaw deal. That is fitting given that it was the largest telecoms ownership takeover in Canadian history, and the sixth largest case of ownership consolidation in the history of the country. Even seen from this 'top-of-the-mountain' view, had the sweeping reforms to the *Competition Act* that took place in 2023-2024 been in effect, the deal would have likely been dead in the water. The companies, thus, not only beat the regulator—the Competition Bureau—but also the clock.

For some observers, the steep drop in HHI scores in the waning years of the 20th century mark the start and end of the story. In this view, markets became more competitive, and we can be thankful for the gains made, and put our worries away. In the years that have followed, a great big unified "digital media ecosystem" has emerged, and in that context, it's a battle of all against all, with no meaningful lines between any of the various media sectors that make up the "digital ecosystem".

We reject that conclusion, however, for several reasons. First, it ignores the fact that the move toward a more competitive communications and media economy bottomed out in the first decade of the 21st century, and concentration has risen significantly since, as we have seen.

Second, concentration as measured by the weighted HHI, even when at its lowest, has bounced above and below the threshold of even the watered-down standards of that measure adopted by the Obama Administration in 2010, i.e. an HHI above 2,500 signifies a highly concentrated industry. The far tougher earlier standards were once again reset by the Biden Administration in 2023 and the conclusions to be drawn on that basis would be even more damning. The "pooled" HHI, which does not calibrate the measure based on the relative size of each of the sectors included in the network media economy, presents a more forgiving picture. But even then, the general trend of a steep decline from the 1980s until the mid- to late-2000s, a significant rise thereafter until peaking in 2014, followed by a slow drift down until 2022, hews closely to the better portrait provided by its weighted counterpart, even if a more forgiving one. The upshot is that these international forces have undoubtedly disrupted the cozy Canadian oligopoly that had reigned for years and created new and intense competitive forces. In sum, there is no doubt Canadians have more media choices to pick from, but we have also entered a new phase of consolidation where adjacent and overlapping monopolies, oligopolies and limited competition have generated a clash of titans that constrains the boundaries of competition and choice.

Third, while it is essential to take the "bird's eye" view of the network media economy and track changes over time, we must also pay close attention to the fine details of different media industries—in keeping with the cultural industries research tradition that we follow. That includes their relationships to one another, and to adjacent big tech and big telecoms operators that deeply influence the media in terms of access to audiences, billing, technical

standards, etc. In doing this, we show that, far from the view of optimists, there has never been a time when concentration has not been a concern for at least some media. To sum up, the scaffolding approach is a core feature of our method because we believe that it is essential to simultaneously grasp the conditions of specific media industries while also offering a holistic view of the network media economy and its place in the broader world.

Communications and internet concentration in Canada in international comparative context

We conclude this section with a few international comparisons based on our concentration metrics, as depicted in Figure 86 below. Doing so places Canada in an international comparative context based on the labour of GMICP scholars so far. A word of caution, though, to begin: the comparisons that follow are not perfect because not all contributors have been able to gather data across as many industries as have been covered for Canada. This is especially so with respect to cloud services, which very few have covered thus far. The poor availability of data regarding streaming media sectors, app store distribution, and digital platforms has also compromised efforts in many countries relative to what has been possible in Canada. That said, if anything, this means that observations regarding Canada may overplay the extent of such actors' impact. To help improve the possibility of making better "apples to apples" comparisons, the Canadian data is presented in two forms, one with cloud services and the other without them.

Based on this holistic view of the network media economy, Canada stands out relative to other countries in several ways. In general, concentration in Canada tends to be on the high to very high side, but it is *not* the "highest in the world", as is so often asserted.

In terms of the biggest media companies in any given country, in Canada, BCE has a market share that is in line with peer countries where the average CR1 is 21.9% but below average compared to the nineteen countries so far reporting this data. Among comparable economies, it is outranked only by Australia and Switzerland, while the largest companies in India, Brazil, and Mexico have a bigger share. Adding cloud services would bring down Canada's standing more in line with its peer countries, but then again, adjusting their measures to include cloud services would cancel out the effect.

The same is true for the CR4, whether assessed with or without cloud services. With a CR4 of 64.5% without cloud services and 57% with them, concentration is above average for the nineteen countries reporting and well above peer countries where the average CR4 is 46%. Canada ranks just shy of the bottom quarter of countries by this measure, surpassed only by two peer countries, Switzerland and Australia. India, Mexico, Portugal and Brazil are even more concentrated regardless of whether cloud services are included or not.

Canada ranks poorly again according to the CR10 measure, with the top 10 firms accounting for 81% of total revenue. Again, whether cloud services are included or not does not change the results. In peer countries, the top ten companies, on average, account for just two-thirds for of revenue. Across all nineteen countries, the leading ten companies, on average, account for 72%. Canada is only surpassed by Australia and Portugal amongst peer countries, while the CR10 is also higher in less wealthy countries like India, Mexico, and Brazil.

Canada also sits at the high end of the scale when it comes to the extent to which big tech, streaming giants, and international media conglomerates have penetrated the network media economy. The extent of these companies' presence changes significantly depending on whether cloud services are out or in the picture. Without them, big tech, streaming giants, and international media conglomerates account for 19.5% of the media economy, which is significantly above the average amongst both peer countries (15.3%) and across all nineteen countries (16.4%). Add cloud services to the picture, and the extent to which the international big tech, streaming and foreign media conglomerates have penetrated the Canadian network media economy is higher yet at 28.8%.

That is a level matched only by China, where such entities accounted for just under 30% of that country's massive $1.1 trillion network media economy in 2023 (albeit the comparison is imperfect because this figure does *not* include cloud services). This is the context within which digital giants like Alibaba, Tencent, JD.com, and more have arisen. Beyond China, big tech and foreign streaming media services account for levels comparable to Canada in South Korea (24.1%), the Czech Republic (20.4%), Switzerland (21.2%), Australia (19%), Mexico (17.8%), and the US (18.3%). Such realities have no doubt driven the public and policy debates in Canada around these companies and led to some tentative first steps to address this reality in the form of the *Online Streaming Act*, the *Online News Act*, and the Competition Bureau's ongoing abuse of market dominance case against Alphabet. Others like Austria, India, Italy, Germany, France, Denmark, Spain, Slovakia, Japan, Brazil, and Portugal are at the other end of the spectrum, with 7-14% of their media economies consisting of these enterprises.

Figure 86: International comparison of CR4 and HHI figures

	CR1	CR4	CR10	Online Video Market HHI	Big Tech share	Pooled HHI	Weighted HHI
United States	11.2%	32.9%	54.5%	1506.5	18.3%	385	2027
Denmark	17.0%	33.3%	50.7%	2047.0	12.4%	453	
Germany	14.6%	37.0%	52.9%	1631.0	11.0%	455	
Austria	14.6%	39.2%	57.6%	1741.0	6.9%	493	2154
South Korea	15.4%	40.9%	56.0%	2323.5	24.1%	542	
China	17.9%	42.0%	65.4%	1961.0	29.6%	648	2098
Czech Republic	14.7%	47.6%	64.9%	3747.1	20.4%	649	2550
Italy	19.6%	42.7%	67.3%	1487.9	10.2%	689	
Spain	18.2%	46.8%	65.9%	3618.0	14.4%	691	3936
Slovakia	16.1%	49.0%	69.0%	2358.2	12.5%	723	2626
France	21.1%	54.2%	77.6%	800.0	12.0%	935	
Switzerland	26.1%	56.2%	74.7%	3207.7	21.2%	1077	
Australia	25.0%	58.0%	84.0%	1994.0	19.0%	1167	3677
Canada (with cloud computing)	18.8%	57.1%	81.1%	1958.6	28.8%	1000	2548
Canada	21.9%	64.5%	80.7%	1958.6	19.5%	1194	2479
Portugal	26.7%	74.2%	92.2%	1946.0	14.8%	1536	4185
India	31.7%	70.1%	82.1%	2308.5	10.6%	1663	5034
Japan	21.1%	51.3%	63.4%	1227.5	12.5%	2084	
Brazil	32.0%	82.6%	99.4%	4731.7	13.1%	2166	
Mexico	47.2%	72.7%	92.9%	2622.7	17.5%	2553	
Average all countries with cloud services	21.5%	52.6%	71.6%	2258.8	16.4%	1055	3029
Average peer countries with cloud services	18.7%	48.0%	67.5%	2106.3	15.9%	859	2963
Average all countries without cloud services	22.8%	55.8%	75.0%	2352.5	16.9%	1165	3129
Average peer countries without cloud services	26.3%	63.6%	85.7%	2750.5	18.0%	1297	1911

Sources: Country reports for the GMICP.

The swift growth over the last decade of the big tech, streaming services and app distribution marketplace is clearly having a significant impact around the world. That impact appears to be unusually large in Canada, which likely reflects the proximity of Canada to the US, the relative openness of its economy and media system, and the reality that having done this type of work for over a decade, this report's author has been able to include a bigger slice of their activities than many other contributors. To put this another way, given the poor quality of data for digital markets, there is no doubt that the results being compared here *under-represent* the scale and scope of tech and streaming media companies in the countries we are discussing.

Nonetheless, it is fair to say that the results still depict the sizeable clout that companies like Alphabet, Amazon, Apple, Bytedance, Meta, Netflix, Spotify and so on have amassed in the past two decades. Simultaneously, it is also fair to say, even if the figures presented above for most countries undercounts the extent of their influence, it is still more modest than most discussions imply. That conditions vary greatly between countries is also significant and worthy of further exploration and explanation. However, those fixated on big tech, global media giants, and streaming titans offer a more black and white portrait that implies that tech firms are dominant wherever one looks.

Turning to the "pooled" HHI, Canada comes out near the bottom once again amongst peer countries. It has the highest level of concentration on this measure of the nineteen countries surveyed, except for Portugal, Brazil, India, and Mexico. By the "weighted" HHI metric, two insights stand out. First, Canada has concentration levels that straddle the threshold for a highly concentrated market regardless of whether cloud services are included or not. Second, the weighted HHI result for Canada is significantly higher than the US, which is in the middle of the moderately concentrated zone (a result that is to be expected, i.e. very big fish within an ocean). It is also higher than China, for similar reasons, and Austria, and consistent with the Czech Republic and Slovakia for reasons that are not yet clear. Canada's weighted HHI results, however, are significantly lower than in Australia, Spain, Portugal and India, all places where media conglomerates and diversified industrial conglomerates loom large in the context of smaller media economies.

The next and last chapter of this report takes up the policy implications and options now on the table for telecoms, digital markets, broadcasting, and publishing markets, in relation to long-standing questions about media, the public, citizen-consumer rights, and democracy.

Conclusion: Control over communications must be matched by strong regulation and public interest obligations

We have come full circle from the telegraph and telephone in the 19th and 20th centuries to broadband and mobile internet now. Throughout that history a common theme stands out: control over communications confers great power. Policymakers and regulators must decide which tools from competition law and telecoms regulation should be updated, adapted, and applied to ensure that with great power come corresponding constraints and obligations. This conclusion refers to what has been done to address that reality thus far, while contemplating the new tools that may also be needed to address emergent realities with respect to digital communications and distribution platforms and online media services.

Telecoms and broadcasting regulation in Canada for the past 150 years has aimed to promote as much competition and cultural diversity as possible and to regulate only as necessary. Liberal and Conservative governments have used public money to support the CBC/Radio-Canada, fund media, and subsidize distribution to support the development of an independent free press and literary culture, e.g. in discounted postal rates for magazine publishers. The ostensible goal in both communication and culture policy has been to bind together a far-flung country through universal and affordable communication and to forge a distinctive Canadian culture through broadcasting. There has always been a gap between that ideal and the reality, however, growing larger or smaller depending on the politics of any given moment.

Canadian federal, provincial, and municipal governments have used a variety of tools to both promote competition and regulate telecoms and internet infrastructure and access as necessary. These have included competing corporate charters, spectrum auctions, cable and telephone cross-ownership bans and approvals. Markets have been segmented along industrial, technological, and regulated lines, sometimes by corporate fiat, other times by policy choices. A mix of provincial, municipal, private company, co-ops, and other mixed ownership types have also always played a role. Common carriage principles have been applied since the 1890s to telegraphs, telephones, broadband and mobile operators. Public agencies and private actors were stitched together at the outset to create the CBC, and the two have jostled against one another in a much larger communications and broadcasting environment ever since. These tools have been used, sometimes haphazardly, to build

communications systems that are, if not world-class as industry and government claim, at least pretty good.

In the most sweeping of terms, Canadians have reasonably good access to good quality wireline and wireless networks (not worldclass), although with patchy coverage outside of big cities and towns. Broadband prices are in the moderate to high range by international standards, but trending downwards in recent years. Mobile wireless plans are still among the most expensive in the world but also trending down. To those who are well-served, communications services are thus accessible but not necessarily affordable. While fibre optic systems are fast replacing coaxial cable and copper in cities, for example, this has taken a long time before gaining steam in the 2010s.

Many Canadians in rural and remote areas, First Nations, and lower-income urban areas continue to be poorly served by wireline or mobile wireless services, suffer constrained bandwidth, limited data, and expensive overage charges on those least able to afford them.[577] In response, people have turned in droves in the past few years to Elon Musk's Starlink for relief, turning it into the sixth-largest ISP in Canada in 2024 with a half-a-million subscribers, but at the expense of Northwestel and Xplore while undercutting Indigenous non-profit providers like K-Net and Broadband Communications North. Starlink could garner a monopoly on satellite communications in remote communities, at least in the short-term, as Xplore's subscriber base collapses while alternative Canadian-owned LEO constellations such as Telesat's Lightspeed LEO are not scheduled to launch until 2026. Cast within this context, the fact that Musk controls Starlink's entire value chain raises urgent questions about national sovereignty and security given his central role in the autocratic Trump Administration and strident hostility towards democratically elected governments in Canada, Europe and Latin America in recent years.

Looking at internet access more broadly, the track-record of regulatory and policy hesitancy and fragmentation between ISED, the CRTC and the Competition Bureau, combined with endless lobbying and litigation by the incumbent telecoms, has been devastating to independent ISPs in recent years. As a result, nearly all the biggest independent ISPs have been bought by incumbents, with the number of subscribers they served plunging by 40% nationwide, and by nearly half in Ontario and Quebec.[578]

Overall, the media economy is vibrant and growing briskly, albeit with significant damage being felt in several sectors and conditions of upheaval and transformation sweeping across others. On the broadcasting and media side, cable television continues to bleed subscribers and revenue. Losses are also severe for broadcast television and radio, newspapers, and magazines that have all historically relied primarily on advertising revenue. This is also not likely to improve enough to make these sectors commercially viable again. Pay television services have been on the wane for a shorter period, but losses there have been less severe, and amply offset by the rise in online video. While commonplace for at least two decades now, it is wrong to generalize from a crisis in some

media to the media economy *as a whole*. Policy makers and regulators should reject this sleight of hand and embrace policies and funding models for the sectors that really are in crisis.

Amid these sweeping changes, several dynamics stand out. For one, we have focused in this report on how a unified field of media distribution has emerged consisting of ISPs, mobile wireless providers, app stores, cloud services, digital media aggregators and distributors, and traditional broadcasting distributors. We call this Convergence 2.0.[579] Within this context, seeing communication and media policy as two sides of the same coin is imperative, contrary to the tendency to focus on media and culture and haughtily dismissing everything to do with communication as "housekeeping" or just the pipes.[580]

Such widely held views in industry, policy and academic circles entails a disfigured view of communication and crowds out important conversations and policy issues. Such misplaced priorities have framed the debates that have raged over the *Online Streaming Act* and the *Online News Act*, from conception to implementation. Consequently, communication and cultural policies have been forever and systematically hijacked by a focus on content and catalogue quotas, program funding contributions, and "discovery" issues. As a result, issues about communication and internet access policy, carriage and distribution, gatekeeping and market power, privacy, data protection, and so forth have tended to go short shrift.

On the flipside, those who focus on communication policy tend to see their enterprise as primarily being about economics and engineering. But this ignores connections between bandwidth and networks on one side and culture and content on the other. It is not just cheaper internet and mobile wireless services that are at stake, although those are worthy goals, but the very evolution of digital culture and markets. The fact that mobile broadband pricing remained so high for decades, albeit with significant improvements in recent years, suggests not only that wireless adoption levels and mobile data usage have long been suppressed, but also that the creation, circulation and consumption of digital media and culture, from news, to online video and games have been suppressed by over-priced data and under-supplied mobile data capacity. That mobile data usage in Canada has been half that of its peer OECD countries is one indicator of this. Such realities have also made broadcasters, publishers and gaming service providers more platform dependent than they otherwise might be as they used Google AMP and Meta's Instant Articles, respectively and for instance, to lighten the load on the monthly data plans and data charges that mobile broadband users incur to stream news, television, music, gaming, and film content.[581]

These tendencies to treat communications and culture in separate silos is, in fact, firmly institutionalized in Canada, leading to a balkanized and fractured approach to both. That separation can be seen, for example, in the existence of two governing pieces of legislation, the *Broadcasting Act (2023)* and the *Telecommunications Act (1993)*. The first falls under the authority of Minister of Canadian Heritage, Marc Miller, while the power to review and vary decisions made by the CRTC under the latter *Act* rests with the Industry Minister, Melanie

Joly. Within the CRTC itself the walls between the telecoms side of the regulator and its broadcasting may not be visible but they are rock solid, with neither side talking much to the other and both located on separate floors. Meanwhile, those who try and draw out the connections between the two are admonished not to. And each side enacts the script outlined above where in the twain between culture and communication will never meet.

In more concrete terms, this means that evocative ideas about how to deal with the entwinement of communication and culture—what this report has called Convergence 2.0—tend to be still born. Ideas in the BTLR report (and other sources) about how to bridge the two, for example, have been left to wither on the vine. Meanwhile, the dominant account that blames all the woes for what has damaged the broadcasting and publishing industries in Canada on the internet and the "vampire squids" from Silicon Valley carry the day and grease the wheels of the *Online Streaming Act*'s implementation.

Take, for example, the overlooked notion of "full-stack neutrality" in the Broadcasting and Telecommunications Review Panel, which considered how the well-deserved status of gatekeeper and accompanying common carriage obligations that currently only apply to telecoms operators in Canada under the *Telecommunications Act* might be adapted to other actors. For instance, digital media content aggregators and distributors, whether those are digital platforms, app stores or devices makers like Samsung, LG, Apple and so forth whose home screens are important media discovery and navigation tools in today's omnipresent and mobile media environment.

As a result of Canada's century-plus long commitment to such principles and the values that inform them, its common carriage framework is the international gold standard and has an extremely useful role to play in this context. The BTLR's borrowing of the notion of "full-stack" neutrality from the French communications regulator, Autorité de Régulation des Communications Électroniques (ARCEP) and the Body of European Regulators for Electronic Communications (BEREC), also leaned into Canada's own history in this regard with an evocative idea. That idea, however, has gone nowhere, forgotten even by those toiling away inside Canada's policy and regulatory machinery. Instead, to the extent that concerns with gatekeeping power and undue preference are marshalled to address the systemic power imbalances between distribution platforms and broadcasting, the CRTC relies on the less muscular *Broadcasting Distribution Regulations* and the *Wholesale Code*. These, however, deliver more bark, less bite—a point we will return to momentarily.

Canada has an advantage here given that common carriage is both the "crown jewel" of the *Telecommunications Act* and the "gold standard" internationally and should use that as a strong guide to how to deal with similar problems that now appear in new guises in age of Convergence 2.0. Questions about common carriage are important because they embody a philosophy of communication, one that says that people being able to use their internet and mobile connections to communicate, entertain, express themselves, work, and play as they want is fundamental to communication rights and free speech in the 21st century.

When the means of communication are restricted by the business models of carriers, who use network control as shields in their pursuit of profit, however, those rights are threatened.

The status of common carriage in any given context goes a long way toward determining whether the expressive rights of people, content creators, and distributors come first, or whether those of the carriers and ISPs will be paramount. The EU, for example, has tightened up net neutrality rules through a series of recent rulings by the European Court of Justice that found that internet access providers that zero-rated some services while throttling others once data allowances are met, or set limitations on roaming, tethering, and speed, all violated the EU's net neutrality rules.[582] In the US, by contrast, the status of common carriage under the *Telecommunications Act* (1996) swings back and forth in synch with the party in power. No sooner than the principle was resurrected (after the first Trump FCC killed it), then the incoming FCC chair in the new Trump administration has made it clear that common carriage's days in the US are numbered.[583]

Canada's sturdy common carriage regime effectively puts the regulator's thumb on the scales in favour of a decentralized model of communication and those with something to express or distribute rather than those who control the means of communication. The CRTC has fortified the principle of common carriage to achieve these ends and the goals of the *Telecommunications Act*, but it has also been inconsistent. In a handful of decisions between 2009 and 2018, the Commission confirmed that common carriage applied to broadband internet access services and mobile broadband as well as to the delivery of streaming television, film and music services over the internet.[584]

The Commission's steadfast embrace of common carriage was a crucial contribution to the success of streaming media in Canada since, which is a reason why the broadcasting lobbyists do not like the principle very much or seem all-too-eager to cast it aside in favour of their preferred priorities regarding the promotion of Canadian content and using the power of distributors to that end. The two concepts do not mix easily, and under the *Broadcasting Act*, this tension is realized and the goal of promoting cultural policy values tend to triumph over those of common carrier principles related to power and control. In putting its thumbs on the scale in favour of people's communication rights and common carriage in the way it did, circa 2009 and 2018, the Commission endorsed a fairly ambitious view of what Canadians need and deserve in the digital media age, rather than embracing the idea that people have to accept only what the carriers and market forces gives them. Those principles need to be extended across the internet and digital communications stack.

The limits to common carriage in Canada are currently set by the fact that only the broadcasting rules apply to the big tech and streaming content aggregators and distributors under the *Online Streaming Act*. Given the structure, logic, and dynamics of Convergence 2.0, it is time to selectively adapt both the *Telecommunications Act* and the *Online Streaming Act* to

create a common "fair carriage" principle. While common carriage would continue to apply to telecoms-internet access providers at the bottom of the "internet stack", the principle would also apply to cloud services, app stores and digital platforms further up, and to digital device makers at the end point.[585] In essence, this commitment to evenhandedly govern the increasingly unified digital communications and media distribution sectors would blend the best parts of common carriage from telecoms regulation and the "undue preference" and "must carry" rules from the broadcasting side.

The first two principles—common carriage and undue preference—are meant to serve as checks on oligopolistic market dynamics and gatekeeping power that arise in the context of telecoms and internet infrastructure, including cloud services, app distribution stores and digital media aggregation and distribution platforms. The first already applies to telecoms and the second to both traditional and digital BDUs, but are muddled by the competing policy imperatives of the *Online Streaming Act* and a seeming lack of certitude about their role in an online media environment. The aim now would be to fortify both and to flexibly apply them across the whole telecoms-internet-digital media aggregation and distribution stack.

The intention here is to learn from the evidence amassed since the last half of the 1800s that telecoms network operators have the ability and incentives to leverage monopolistic and/or oligopolistic markets to crush rivals, throttle service and technological innovation, and potentially interfere with people's charter-protected freedom of expression and communication rights. It also reflects the fact that undue preference cases on the broadcasting distribution side of the media business have been never-ending, even if their frequency and character changes from time-to-time.

New cases and ongoing contentious disputes between the likes of YouTube, for example, on the one side and the BBC, Disney (twice in four years), NBCUniversal, Televisa/Univision, and many European broadcasters on the other that have been reviewed in these pages illustrate the point. The fair carriage principle also recognizes that the undue preference regime embodied in the *Broadcasting Distribution Regulations* and the *Wholesale Access Code* in Canada has been a weak read upon which to pitch the future of broadcasting in Canada. In some eyes, these tools have failed to meet the task at hand, as even the architect of the *Vertical Integration Code* and former CRTC Chairperson now acknowledges. Indeed, if the ability to change the structure and behaviour of firms and markets that are at the centre of the seemingly endless stream of undue preference cases, then the current rules meant to curb those problems have failed. As evidence of that, the number of such cases has doubled or even tripled in the past two to three years, as the Commission's own record in the *Market Dynamics and Sustainability* proceeding reveal.[586] The number of cases in 2025 continue that pace.[587]

Meanwhile, the "must carry" rules that flow out of the *Broadcasting Act* designate specific services of high public interest value that all BDUs must make available. In CRTC parlance,

these are 9.1(h) services, which designate specific services of high public interest value that all BDUs must make available. Their use is still important to ensure that services fitting such characteristics can get distribution rights to match, regardless of platform.

While the idea of "fair carriage" is novel and needs to be worked out further, some of the work has already been done. For example, it has already essentially been extended to digital news intermediaries under the *Online News Act* such as Google, Meta, and others that meet its designating criteria. Critics of the Act were wrong when they claimed that Google's agreement with the Department of Canadian Heritage to pay $100 million a year into an independently administered news fund meant that the Act would no longer apply.[588] The CRTC's ruling on the matter made it clear that the principles of fair carriage contained in sections 51 and 52 of the Act do apply.[589]

Beyond the CRTC, it is important to look for other policy knobs and levers that can be pushed and pulled to help create a digital communications and media system that can serve Canadians, competition, media pluralism and democracy well. The Competition Bureau, for instance, stands out in this regard. It has gained some needed powers in the sweeping reforms to the *Competition Act* made in the wake of its unsuccessful attempt to block the takeover of Shaw by Rogers. That transaction revealed the weakness in Canada's 1985 *Competition Act*, a fragmented regulatory authority, and a long-standing regulatory hesitance.[590]

The years 2023-2024 brought a flurry of *Competition Act* reform as the Bureau laid out how the law prevented it from acting, particularly in digital markets.[591] With the "efficiency defence" that had excused otherwise harmful mergers now gone and tougher rules on when a merger will be presumed anti-competitive, it is likely that the Rogers-Shaw deal would have been dead had these reforms been in place.[592] These are important advances, and the cross-party support they received means they will likely stay in place even if the current Liberal government is replaced.

Beyond legislative reforms, the Bureau's leadership under the more assertive Matthew Boswell will need to be matched or bettered by whoever fills his shoes once he steps down in late December 2025. Leadership and staff at both the Competition Bureau and the CRTC have also been refreshed, with experienced and smart communications regulation and competition policy experts brought in to fix what previous industry-friendly chairs broke. New leadership at the CRTC, for instance, has made important moves in that direction through their first steps in implementing the *Online Streaming Act* and *Online News Act*, Canada's signature legislation that usher in a new era of internet services and platform regulation framework. They are in line with what it is needed, with further progress promised on this front. However, the Commission is squeezed by political pressure from the industries they regulate, the cost- and public service cutting Carney government, and a tempestuous Trump administration in the US eager to cull any such measures. It appears therefore hesitant to use the full powers that the Acts confer, and the authority it has built

up over time, to address the problems in the telecoms and digital media aggregation, distribution, and content services that have been raised in these pages.

Canada is not alone in such matters. Similar moves can also be seen in the European Commission's *Digital Services Act*, for example, which can be read as a "must carry" regime for all lawful content, backstopped by rules requiring designated search engines and social media platforms to notify, explain, and provide due process to citizen-consumers and media services that are deplatformed, demoted or demonetized. When the rights of citizens-consumers, publishers or media providers clash with those of distribution platforms and app stores, it is the former that prevail, but considerable deference to business rights is given at each step. In cases where an internal review or the courts find that content has been wrongly taken down, blocked, or demonetized, etc., it must be put back up.[593]

As in Canada, European regulators have been reluctant or unable to address these realities, but there has been a sea change in that disposition in recent years. This is because even where they had shown resolve in the past, most notably by the European Commission's landmark search and shopping, online advertising, and Android operating system cases against Google, the regulation attempted tended to be piecemeal, prone to delay tactics by the regulated industries, and, like the CRTCs undue preference rules, more or less ineffective in changing either the structure or problematic behaviour of markets and firms alike. Given this, there has been recognition that it is now time to reach for bigger regulatory hammers like break-ups, firewalls, public obligations, and public alternatives.[594]

Steps in that direction have also quickened in the past decade because of the growing recognition of the systemic nature of large digital intermediaries and the imbalances in terms of trade with those who use them, from third-party media services to audiences who access media, apps, and services, and interact with one another via these platforms. The Australian Competition and Commerce Commission (ACCC)'s trilogy of digital services inquiries was one of the first to crystallize this framing of the power dynamics between search and social media platforms and news media, advertisers, and digital markets as being *systemically driven by an imbalance in the terms of trade*.[595]

The European Commission's *Digital Services Act* and *Digital Markets Act*, which came into effect in 2023, have also put a spotlight on systemic risks and the mitigation strategies needed to deal with those risks and to address market dominance, power, and control by the few platforms large enough to meet their thresholds for designation.[596] Platforms that meet those criteria are subject to a graduated regulatory framework that falls heaviest only on the biggest platforms that are designated as very large online search engines (VLOSE) or very large online platforms (VLOP) under the DSA or as gatekeepers and covered platform services under the DMA. They are obliged to identify systemic risks, to report them, and to take whatever steps they can—individually, collectively, and privately—to mitigate them. They also must prioritize citizen-consumer communication, privacy, due process, and

consumer rights over their own, especially in the context of content moderation. There are also rights of fair carriage effectively embedded in both acts.

The rights of citizen-consumers, commercial media, and public media to not be deplatformed, demoted, or demonetized without proper notification, explanation, and recourse are also front and central in these efforts. These are all cast in the language of human rights under the European Convention on Human Rights and overseen by the European Court of Justice.[597] This is market regulation in the name of fair competition, human rights, and democracy.

If designated gatekeepers and VLOP and VLOSE fail in their duties under these obligations, the Commission can step in with penalties, and the courts can also adjudicate disputes and uphold fundamental human rights. As part of its enforcement of the DSA and DMA, the Commission has already issued non-compliance findings with respect to the designated platforms' transparency and information reporting obligations under both acts.[598] It has also just issued a significant €120 fine (CDN$177.2 million) against X for repeated non-compliance with those basic requirements.[599] In short, the DSA and DMA encourage private industry-led regulation according to state-specified rules, norms, and processes, and with the threat hanging in the wings that national governments and the European Commission can step in with heavier sticks if the carrots do not work.

The US has also struck numerous inquiries, legal cases, and proposed bills of its own. The finding in the recently concluded Google Search monopoly case, that Alphabet had illegally assembled and maintained a monopoly in search, is an excellent example of competition authorities using their powers in this regard. The Department of Justice's Google advertising cases is another example, although a final ruling on the remedies part of the case is still pending. Where things will ultimately go in the US is extremely uncertain, however, given the Trump administration's proclivities.[600]

Canada has also taken a seat at the table since adopting the *Online Streaming Act* and *Online News Act* in 2023. The Competition Bureau's announced suit against Alphabet's alleged anti-competitive abuse of its internet advertising market redoubles the sense that Canada is now engaged with digital markets monopolies and regulation in ways previously not seen. The pattern is clear that the watchdog regulatory state is getting back (some of) its teeth after a quarter century of playing handmaiden to the commercialization of the internet.[601]

What also remains to be seen amidst assertive first steps and the powerful political blowback they have elicited is how much Industry Minister Joly and Heritage Minister Miller will stand behind the regulators. To bring positive change across the telecoms-internet access, digital media distribution, and online and traditional media sectors, they will have to sing from the same hymn sheet. ISED, the Competition Bureau, and the CRTC will have to do the same to overcome the endemic problems of regulatory hesitation and forum

shopping by entrenched corporate interests. We need to transcend the perennial tensions between commerce and culture, communication and content, and telecoms and broadcasting for good communication regulation *and* antitrust policy. All of this is needed for a fairer and more competitive communications and internet system better able to serve the needs of Canadians, competition, innovation, and democracy.

The structural turn in communications and antitrust regulation

Governments, regulators, and the public have adopted more skeptical views of market concentration over the past decade, especially in digital communications and media markets. This can be seen from the account above but also in the demonizing depictions of big tech as so-called "vampire squids" in the press, Parliament, and public discussion. This gradual change in discourse and politics has already translated into meaningful changes in policy and regulation. Telecoms-internet access and digital markets regulation are leading the way by drawing on well-established policy and regulatory tools and inventing new ones when needed.

Presumptive bans against mergers

Changes in telecoms regulation in some ways have been the canary in the coal mine for digital markets regulation. Since the early 2010s, for example, there has been a *de facto* presumption against 4-to-3 mobile wireless mergers in Canada, the US, and the EU, albeit with exceptions being fairly routine. The Rogers-Shaw deal as originally conceived was banking on an exception, but the Competition Bureau's opposition to it from the start no doubt helped to force the sale of Freedom Mobile to Vidéotron.

The primary reason behind the presumptive ban on 4-to-3 mergers is the difficulty in monitoring and enforcing conduct remedies. Regulators in the US have struggled with managing the extensive conditions placed on T-Mobile and Dish to approve T-Mobile's acquisition of Sprint. This deal allowed the fourth-largest operator, Sprint, to merge with T-Mobile if a new competitor—Dish (Boost Mobile)—was created. A satellite television provider, Dish, was expected to fill that role, but its prospects for success were dim from the start. Meanwhile, it also seems obvious, at least in retrospect, that conduct remedies which required T-Mobile to "act against its own interests . . . [and] assist its direct competitor" were untenable.[602]

A similar logic influenced the Competition Bureau in Canada during its 2017 review of BCE's acquisition of MTS. The Bureau approved the deal on the condition that BCE transfer subscribers and storefronts to TELUS and Xplornet, creating a new competitor. Xplornet's mobile operations failed, however, ultimately being sold to a New York investment firm and shut down in 2022. The merger eliminated a viable competitor, leaving Manitobans and

Canadians worse off. The T-Mobile-Sprint and Bell-MTS merger cases underscore the dangers of trading an effective competitor for a hypothetical future one.[603] This is why the Competition Bureau was right to try and block the Rogers-Shaw deal.[604]

The Bureau's position was also informed by a dizzying array of digital market dominance cases pointing in a similar direction. The European Commission's trilogy of market dominance cases against Google is an outstanding and early case in point. All were eventually decided in the Commission's favour. The online search and shopping case that began in 2010 saw Google fined €2.3 billion in 2017, but it was under appeal until late in 2021.[605] Google lost. The Android mobile operating system case brought a €4.34 billion fine in 2018.[606] The online advertising case found in 2022 that Google abused its market dominance to harm rivals and users in advertising, search, and operating systems.[607]

Google stonewalled and drew out the European cases for a decade.[608] The Commission faced problems at every step in getting Google to comply with rulings. In the US search and advertising monopoly cases, Google was similarly rebuked for being less than forthright. In Germany, the Federal Cartel Office found Facebook to have abused its dominant market power in social networking to the detriment of advertisers, social media rivals, and the privacy and data protection it provided users. The social media giant tied up the case with appeals and only brought its practices into line with regulatory requirements two years later after they were exhausted.[609] Embodying that unsatisfactory experience, the EC's *Digital Markets Act* included measures modeled after those pioneered by German regulators, with clear reporting requirements to provide better insight into platform machinery, conduct, and business.[610]

Instead of being deterred by these efforts and the obvious disparity between regulators and the big tech conglomerates, regulators have opened new fronts. They have put Apple and Google's app stores under the microscope, while in Canada the Competition Bureau launched its case against Alphabet's online advertising monopoly in 2024, for example.[611]

Regulators are also learning from one another, sitting in on each other's cases and sharing their experiences. Trade and industry associations like the International Institute of Communications, the International Network of Digital Regulation Cooperation Forum, the OECD, and the ITU are also facilitating this learning. Increased inter-agency cooperation at home is also taking place, as with the Canadian Digital Regulators Forum.[612] New sector-specific regulators or specialized regulatory sub-units are also being created to fill gaps. The Digital Regulatory Unit in the UK, for example, was created with a range of powers, from monitoring markets to implementing ownership or functional separation in digital advertising markets.[613]

Frustration over the ineffectiveness of conduct-based regulation for telecoms and digital platforms has become obvious in recent years. Despite headline-grabbing fines, conduct-based remedies have failed to bring about their desired results, which is raising questions

about their usefulness and spurred a conversation about reviving the structural solutions of earlier eras.[614]

To remedy these problems, there is a growing appetite for presumptions against further consolidation, i.e. bans on competition-killing mergers and acquisitions, break-ups, spin-offs, and business restrictions. This is the direction taken in new US merger guidelines which mark an about face from a quarter century of regulators sitting on their hands during tech-related acquisitions. This change can also be seen in academic and policy circles.[615] Changes to the *Competition Act* in Canada over the past two years reflect this newfound disposition, making the case for reform stronger than ever.

This newfound enthusiasm for using the biggest tools in regulators' toolkits is not unbridled, however. For example, the rhetoric about big tech and monopoly power was cooled by the landmark *Digital Markets Report* in the US which used such qualifying language as "regulators should consider" rather than directing them. The discussion of structural remedies in the EC's *Digital Markets Act* is also hedged by suggestions that big structural remedies like market entry bans and spin-offs should only be pursued after *systemic non-compliance* with the Act and substantial risks.[616] This dizzying array of initiatives highlights a newfound resolve on the part of policymakers against further consolidation in digital markets.

Structural solutions: Wielding the biggest hammers in the regulators' toolkit

The ease of application of break-ups, spin-offs, bright-line rules, and presumptions against future take-overs is getting a fresh look in this context and a new lease on life in some cases. This is because structural regulation is simpler to implement and police than alternatives that focus on monitoring and trying to change the conduct of trillion-dollar multinational digital conglomerates.

As the conversation turns to breaking up big tech, several recent US cases against Meta and Google have put divestiture and other kinds of "structural relief as needed to cure any anti-competitive harm" foremost among proposed regulatory solutions.[617] This thinking also informed the DOJ's recommended remedies in the Google search and advertising cases.[618] The Competition and Markets Authority (CMA) in the UK blocked Meta's 2022 acquisition of Giphy, a company that creates GIFs and emojis, ordering it to divest the company.[619]

The most likely path to breaking up Alphabet would be to dismantle its digital ad-tech stack assembled through acquisitions such as Double Click, AdMob, and AdMeld. These acquisitions comprise its monopolistic ad-tech system, so they should be the first to go. Alphabet could also be made to divest from its suite of services (e.g. search, Gmail, YouTube, Google docs, etc.) and its mobile operating system, Android. The possibilities range from forced divestitures at the hard end of the scale to operational separation at the other, although such options were rejected in the Google search monopoly case, as noted earlier.

While break-ups can be seen as the ultimate hammer in the regulator's toolkit, line of business restrictions represent a less intrusive means to similar ends. To prevent firms from leveraging their dominance in one market into adjacent ones, line of business restrictions could prevent entry into markets or require firewalls to ensure fair treatment of its own business and third parties for which it serves as an intermediary.

In Germany, for example, the Federal Cartel Office imposed line of business restrictions on Meta to prevent it from sharing data across Facebook, WhatsApp, and Instagram without clear user consent and opt-in measures.[620] Stopping short of breaking up the company, the ruling erected a firewall between arms of the Meta empire.[621] Having stepped back from the precipice of breaking up the firm, it will fall to the Federal Cartel Office to effectively monitor and enforce these measures. This will not be easy, as we have seen. The *Digital Markets Act* includes a similar data separation obligation for the largest digital platforms.[622] The UK's CMA makes similar proposals for power to "mandate data separation (or data silos)."[623]

Germany's must-carry rules for digital intermediaries build on this principle by requiring fair treatment of users and media distributed by designated gatekeepers by giving them rights to be notified, given reasons, and informed of avenues of appeal if they are demoted, demonetized, or deplatformed, and for them to be restored if appeals are successful. These are strong measures of communication freedom, the right to maintain programming integrity, and the media freedoms guaranteed under the European Human Rights Convention and the new European Media Freedom Act. Similar obligations are also a cornerstone of the DSA.[624] The fair carriage rules for news in sections 51 and 52 of the *Online News Act* in Canada also display such characteristics.

This approach has a long history in Canada, as we saw earlier, where common carriers like Bell were once banned from owning broadcasters, publishers, and other content creators. A trilogy of FCC Computer Inquiries in the US between the late 1960s and the 1990s also advocated for such measures, which were used in the break-up of AT&T in 1982, included in the Telecommunications Act (1996), and drove competition and innovation in the early history of the commercial internet.[625] These have long been tools in the regulatory toolkit and are now being used, even if hesitantly and late in the game.

While such conduct-based regulations are vulnerable to the limitations outlined above, they provide regulators with a less interventionist option. The similarities between the telecoms and cable-based BDUs in Canada and digital media aggregation and distribution platforms that have carved out an ever more substantive positions at the crossroads of the digital communications and media marketplace offers an obvious point where regulations can be harmonized across different dimensions of the network media economy and digital media universe. That is the point of the "fair carriage" advanced a moment ago.

Public obligations—The rights and responsibilities of digital platforms

Public obligations in the proposed new digital communications and media regulation framework being advanced here include transparency, data and privacy protection rules, and audiovisual media and cultural policy regulation.

Mandatory information disclosure requirements and transparency

Regulated entities have had to meet minimum levels of information disclosure since the 1904 creation of the Board of Railway Commissioners, Canada's first formal regulatory agency.[626] This continues and is an important function of the CRTC's regulatory processes, but it has been seriously compromised in recent years by the failures of regulators and by multinational brands such as Netflix, Google, and Meta fighting the requirements.

That changed with the *Online Streaming Act* and *Online News Act*, although the details are still being worked out by the CRTC.[627] They require that broadcasters and "digital news intermediaries" that meet certain thresholds disclose information about their ownership, revenues, expenditures, catalogues, subscribers, and operations, similar to what it already collects. These steps should help to ensure that a major streaming service like Netflix could never again defy a request for basic information from the CRTC, as was the case in 2014 when the then CRTC chair, Jean-Pierre Blais, clashed with Netflix's director of global public policy, Corie Wright, on this very point.[628] Such measures will also benefit researchers who find the current dearth of information imperils their ability to understand the digital media landscape, although much will turn on how the Commission balances claims of corporate confidentiality with the public's right to know.[629]

These recent advances are consistent with past practice. As the CRTC states on its website, "[w]ho owns a broadcasting or telecommunications entity is of concern . . . [because] we strive to ensure that each market has access to content from a variety of sources and provided by a variety of services."[630] Similar principles are found in telecoms regulation.[631] The European Media Ownership Monitor similarly observes that all print, broadcast, and online media that could influence public opinion should be covered by this access to information principle.[632]

Canada can also take notes from the progress has been made on researcher access to data through the information reporting requirements of the European Commission's *Digital Markets Act*, *Digital Services Act*, and *European Media Freedom Act*.[633] Concerns over how to identify corporate ownership have also risen up the policy agenda internationally in banking, finance, taxation, and pharmaceuticals over the past decade. These embody an effort to rectify the power and knowledge asymmetry between regulators and the regulated. Just as financial institutions undergo regular audits, Alphabet, Meta, TikTok, and Spotify could be audited for ownership, revenues, business practices, algorithms, and content moderation policies. The adoption of such practices in Canada would bring it into

line with current practice under the DSA and DMA in the European Union. This could make them more accountable to content creators and the publics that they serve and provide regulators and policy makers with a picture of global companies operating within our borders.

Oren Bracha and Frank Pasquale (2008) have suggested a Federal Search Commission that would conduct annual audits of not just internet companies but also of telecoms and digital media services companies.[634] The goal of these audits would be to create a unified standard of transparency and accountability across the network media economy. The Australian Competition and Consumer Commission's (ACCC) *Digital Platform Inquiry* report and ensuing News Media Bargaining Code are predicated loosely on such an idea.[635] While the ultimate aim of laws like this in Australia, Canada, and elsewhere is to have Google and Meta pay news media organizations for the news content they use in search and social networks, too many observers unfortunately seem to forget about, or at least ignore, these other key elements of the emergent digital platforms regulatory regime.[636]

While these are potentially valuable steps in the right direction, the Australian and Canadian laws also favour reviews of platform behaviour rather than making bright line rules. Laws like these will likely result in a lot of the disclosed information being shrouded in claims of "commercial sensitivity" and confidentiality. Information must be made public, however, for it to be of public benefit. Claims of "commercial sensitivity" should thus be put on a very short leash.

Opening the black box of complex economic-technical systems so that regulators, the public, media service providers, and content creators can discern their workings would go a long way to reducing the market power of dominant players. It would also allow those who rely on such services to adapt to the changing technical conditions of platforms while affording greater insight into audience data, promotion, billing, revenues, etc. Just as the CRTC adopted "no head start" rules to level the playing field between distributors and programmers, Australian regulators proposed a "heads-up" rule requiring digital news intermediaries to give thirty days' notice of any planned technical and business changes.

This is what a new discovery mandate should look like instead of getting more content in front of Canadian eyeballs.[637] The *Online Streaming Act*, backed by comments from the past Heritage Minister and CRTC, seems to make regulating the algorithms of distribution platforms off-limits', a notion that needs to be revisited and rescinded. This is a sign that, far from being too heavy-handed, the *Act* skirts too gingerly the real levers of power in the emerging internet-centric, digital media environment.

Reining in the surveillance capitalism business model

Another critical flaw of the *Online News Act* in Canada, the *News Media Bargaining Code* in Australia, and various iterations of the *Journalism Competition and Preservation Act* in the US, is that they do little to rein in what they know about audiences. Domestic companies have

been pushing just as hard as any big tech conglomerate or streaming service for a bigger slice of the "big data" pie. The original *Online Streaming Act,* for example, did not include any measures to protect privacy and personal data, although calls from academics and lawyers delivered some in the law as adopted.[638]

These problems need to be fixed in the *Online News Act* while the potential of the *Online Streaming Act* to do good things with respect to privacy and data protection will need to be fleshed out early in the CRTC hearings related to the latter. Broader potential fixes include revisions to the *Digital Charter Implementation Act* bill that have been bandied about for years to address these concerns, i.e. undue deference to business, lack of human rights standards, and failure to cover political parties.[639]

The EU's General Data Protection Regulation (GDPR) tools and principles—e.g. privacy as a human right, depersonalized data, cross-platform data portability, algorithmic transparency, enforcement powers for data protection authorities and privacy by design principles—could and should also be applied to all actors in the network media universe. Doing so would enhance protection and control of personal information and align Canada with its EU trading partner.

Increased audit powers for the Office of the Privacy Commissioner would also put it in a position like the UK Privacy Commissioner which was able to seize the servers and audit the business records of Cambridge Analytica. Such enhanced powers would also include greater enforcement powers and AMPs (Monetary Penalties) for the OPC (already included in the *Digital Charter Implementation Act*). These are issues well-suited for the Canadian Digital Regulators Forum and perhaps they are already being taken up there.

Taking such an approach would also flesh out and update the under-appreciated privacy dimensions of the common carrier principle to match today's realities by applying similar values and regulatory standards to broadcasting (although the revised *Broadcasting Act* remains silent on this point). Such standards could also be applied in the process to "content aware" internet platforms like Meta, Google, Amazon, and so on, as well as to smart television sets and other "smart" devices. Taking that route would also align well with the ETHI committee's report *Democracy Under Threat: Risks and Solutions in the Era of Disinformation and Data-opolies* and the previous Privacy Commissioner's reply to that report, as well as Abramson and McKelvey's intervention that brought about positive changes with respect to people's privacy in the *Online Streaming Act*.[640]

Media policy and regulation

The next plank in the public obligations dimension of a new generation of digital communications and media regulation is probably the most difficult and contentious:

developing media policy for online media services delivered over the internet. The *Online Streaming Act* brings influential television, film and music streaming services such as Netflix, Crave, Disney+ and Spotify under the *Act* and the authority of the CRTC, while exempting user-created content uploaded to and shared via YouTube or Meta.

The Act's proponents have been fixated on a vision that hews closely to existing modes of broadcasting regulation and have focused on making streaming services contribute a portion of their revenue to Canadian programming. This means that digital media aggregators must contribute through levies on their Canadian revenues to, for example, the Canadian Media Fund and other funds designated by the CRTC to support efforts by Indigenous, Black, Queer, and other marginalized creators to produce and distribute their work. The Commission set the levy at 5% of revenue for streamers with revenue over $10 million in Canada with the intent to capture only large video and music streamers. User-generated content posted on YouTube or TikTok is excluded, despite the claims of critics. The 5% figure is similar to what cable television providers have paid since 1994, which was extended to DTH satellite providers in 1995 and to IPTV services in 2010.[641] The levy thus simply extends a long-standing practice whereby whatever looks like television is regulated as such, whether delivered over cable, satellite, fibre optic cables, or the internet. This does not mean that the internet is broadcasting or that everything on the internet is regulated.

The 5% threshold also stands out because the CRTC rejected those who wanted to set the bar as high as 30% on the grounds that streaming services should be treated like the biggest *conventional broadcasting ownership groups*, but the lower 5% figure has always applied to BDUs. The analogy of digital content aggregation and distribution to broadcast distribution is arguably better than that of streamers to the biggest broadcast program ownership group. Pay television and audio services have also historically been set at much lower rates (0-10%).

Media policy and public alternatives

Countries have always regulated and set policy for media and cultural goods such as books, radio, film or television. Properly administered, public subsidies have provided a transparent way for democratic governments to serve expressive and democratic ends. Far from being antithetical to a "free press," they are part and parcel of the history of liberal democracy, and they should continue to be so.

The history of broadcasting and public culture in liberal capitalist democracies cannot be understood without grasping this role. There are, of course, details to be worked out, for example: where the subsidy will come from, at what level it will be set, to whom will it be directed, has the framework been set up through legitimate, democratic means, and will it meet the goals sought?

Where public subsidies have not been forthcoming, or are insufficient, or poorly executed, two other types of subsidies have stepped in to fill the void: advertising and wealthy

benefactors. While the past three years have seen advertising break track with previous trends, as advertising declines in proportion to the overall media economy, while rising and falling in tandem with economic good times and bad, some other form of assistance is sought and provided. Public funding for the CBC/Radio-Canada has also declined to only 9% of all television revenues in 2024 compared to 38% in 1984, as Figure 68 above shows.

A renewed conception of digital communications and media services regulation requires a commitment to strong public alternatives beyond the structural solutions, firewalls, and public obligations introduced in the preceding pages. In this respect, the next few pages offer a modest proposal and a more ambitious one. As inspiration for the proposals that follow, bear in mind that the original goal of the US Post Office was to bring "general intelligence to every man's [sic] doorstep." It was heavily subsidized in part to cultivate a free press and deliver newspapers and magazines across the country.[642]

The modest proposal is to eliminate advertising from the CBC/Radio-Canada to focus on its public service remit and remove it from competing with commercial media for limited advertising dollars. The CBC/Radio-Canada needs funding more in line with historical levels embraced by numerous governments. Boosting public funding for the CBC/Radio-Canada would put it on par with international peers. The CBC/Radio-Canada currently receives about $36 per capita in annual funding from Parliament, which the media advocacy group FRIENDS has proposed be raised to a minimum of $50. This seems a modest ask and could be considered as a floor.

While public funding for the CBC/Radio-Canada seems to have stayed stable over time, with some increase in recent years, it is proportionately a quarter today of what it was in its prime. While a call to increase the CBC/Radio-Canada's public funding by 400% could be taken as a sign of madness, it would not be out of line with past practice or the need for a robust public service media dedicated to original programming and independent news.

Doubling or tripling current public funding as a compromise would put the CBC/Radio-Canada back in line with other well-funded broadcasters. As scholarly research consistently shows, a well-funded, independent and robust public media service is linked to strong a democracy.[643] This more ambitious approach is needed to restore public media in Canada to where they were in the early 1980s. Increasing parliamentary funding from about $1 billion a year to $3-4 billion would increase the per capita expenditure to $90-120. By comparison, Austria, the Scandinavian countries, the UK, and Germany spend $100-180 per capita, so this ask is in line with international norms.[644]

A levy placed on large, advertising-funded digital media aggregation and distribution platforms, similar to that applied historically to BDUs, could contribute to this refunding of public service media in Canada. Based on Google and Meta's combined 2024 advertising and media distribution related revenues in Canada of $13.3 billion, such a 5% levy would contribute roughly $740 million to restoring public service media.

An even more ambitious view of public service communication and media could encompass not just the 21st century version of broadcasting but also a novel view of communications and culture. Creating a Canadian Communications Corporation (CCC) by combining Canada Post, the CBC/Radio-Canada, the National Film Board, and Library and Archives Canada, could help to fulfil this ambitious view of public service communications, media, and culture. The CCC could repurpose some of the CBC/Radio-Canada's existing spectrum and broadcasting towers for nation-wide mobile wireless service, while its real estate could be used for towers. This aspect of the CCC could include such things as operating as the fourth mobile wireless carrier offering services both to the public and at the wholesale level. Given the persistent lack of progress in achieving objectives such as universal, affordable and reliable communications and public media services, this would represent a clear break from Canada's steady state. Post offices could sign up new mobile phone subscribers and sell devices. The CCC could blanket cities with public WiFi, utilize the vast stock of under- and unused fibre, and extend broadband access to under- and unserved rural, remote, and poor urban areas.

The CCC could disseminate public art and culture, making them as accessible and enjoyable as possible. Its activities could be funded from the planned digital services tax and the HST/GST applied to digital platforms. The CCC would function as a national platform for the aggregation, hosting, and delivery of media, information, and culture in Canada and act as custodian of a national digital archive and library, continuing the tradition of institutions such as the CBC/Radio-Canada and NFB.

Fenwick Mckelvey has also asked how the conversation around Artificial Intelligence might change if, instead of focusing exclusively on commercial AI tools like Gemini and ChatGPT, "what if AI were developed as a public utility rather than as a commercial service?". Tying into the proposal here, he suggests that

> "Canada's long history with public service media — namely the CBC and Radio-Canada [to which we could add public telecoms services from SaskTel to TBayTel and hundreds of others that have made up communications history in Canada]— offers a useful model for thinking about how AI could serve the public amid growing calls for a public interest approach to AI policy".[645]

While the decade-long collapse of advertising, even if recently abated, *and* public funding for broadcasters and journalism is a big problem, it is not a one-dimensional one. Valuable new additions to the public sphere are being made by others. Among them are new online news sources, both domestic and international, a growing number of non-profit news sources, and the return of the public intellectual to the town square. All enrich the Canadian media ecosystem, are needed, valuable, enjoyable, and should be funded as such and considered to be part of the benefits Canadians get via public policy.

The extraordinarily rapid manner in which Alphabet and Meta have consolidated their stranglehold on online advertising while skirting effective regulation has led some to suggest a levy on a few large online platforms. This was an idea floated in Canada by the 2020 report of the Broadcasting and Telecommunications Legislative Review Panel (BTLR) and was adopted by News Media Canada in its report published later that year titled "Leveling the Playing Field."[646] A policy agenda then being driven by industry needs made the notion of a levy on digital platforms seem like a terrible idea, but platformization and centralization by a few multinational digital conglomerates has changed what the internet even is. It also makes those digital conglomerates look more like broadcasters because they are aggregating, distributing, and monetizing content created mostly by others. Now that they look a lot like broadcast distributors, the levy seems like a better idea.

The problem is steering clear of a Pandora's Box of problems once you start thinking about big tech and streaming media giants *too much like* broadcasters. Out from the box spring all kinds of horrors, including some which trade on outmoded notions of media effects dating to the early 1900s which have long since been rejected by most serious scholars. Real concerns over "fake news" and the integrity of the political and public sphere mingle with a trumped-up moral panic. The real impact of "lawful but awful" content is not so much its direct effects on people's attitudes, behaviour, and beliefs, but its corrosive effect on public trust in media, journalists, truth, and everything else that makes a civil and democratic society possible.[647]

The enthusiasm for cracking down on platforms as broadcasters and publishers for their allegedly lurid effects on well-being and democracy also deflects attention from the past half century of economic polarization and political alienation that have given birth to the cultural and political forces working against democracy.[648] Such diversions impair our ability to properly diagnose and deal with the problem.[649]

That will require devising a regulatory philosophy and machinery to reconcile the power and wealth of big telecoms, big tech, and big media with public obligations to match their influence. This would allow not only for better diagnoses but also for developing a clear-eyed understanding of the role played by big tech in particular.

For the potential of greater regulatory oversight brought by the *Online Streaming Act* and *Online News Act* to be realized, however, the propensity of regulators to be too deferential to corporate power and business prerogatives must change. The Acts include some measures to address market power and even more to limit gatekeeping power. The *Online News Act*, for example, prohibits digital news intermediaries from giving undue preference to one news service over another, and from discriminating unjustly between them.[650]

This measure is the crown jewel of the Act, as it adapts and applies the long-standing common carrier tradition to contemporary realities. However, a clean break is also needed from the weak standards that have prevailed with respect to the undue preference regime

on the broadcasting side of the equation relative to the sturdier common carriage principle on the telecoms side. This is where the principle of fair carriage advanced above comes in. Interpreted with the discretion that the Commission has in such matters, the crucial question is whether the CRTC will use the *potential powers* that it has on the broadcasting side effectively. Its first major ruling on this is promising.[651] Even if the CRTC under the leadership of Vicky Eatrides continues to use this power well, will the Commission do so under whomever takes her place? The track record of regulatory hesitancy and dramatic swings from one Chair to the next, as seen between the last head of the Commission (Ian Scott) and his predecessor (J. P. Blais), does not inspire confidence. The sharing of regulatory authority between two very different ministers (Heritage and ISED) and regulators (CRTC and Competition Bureau) also raises concerns.

The *Online Streaming Act's* version of the undue preference principle will need to be given teeth if it is to be up to the task when, for example, Amazon's Prime Video or Google's YouTube Premium get into a carriage dispute such as seen in the cable television business for decades.[652] As we saw in the battle between Google and Disney, NBCUniversal, the BBC, and Televisa/Univision Disney and NBCUniveral were able to get Google to quickly accept a new carriage agreement, while the others were not.[653] Canadian services without Disney and NBCUniversal's clout would be more vulnerable to the dictates of Google.

Whether the *Online Streaming Act* would be of any help in such a situation is an open question. The more assertive language of the *Online News Act* forces the regulator to take a tougher stance in favour of fair carriage. An even more powerful lever would be provided by giving the CRTC power to proactively investigate terms of carriage and distribution rather than waiting for complaints.

The broader policy community, including advocacy groups for the cultural industries and creators, will also play a big role in shaping the direction of these Acts, but they should jettison their penchant for threat inflation. It may be good for drawing attention to their cause and even for getting what they want, but only by playing fast and loose with the facts. These same groups also tend to bend reality, for example, in comparing obligations in the EU with what they want them to be under the *Online Streaming Act*. This has also been seen in discussion of the levy that has been extended from traditional cable distributors to online streamers and digital audiovisual aggregators and distributors.[654]

Even the CRTC has displayed this tendency at times by publishing data that exaggerate big tech and streaming revenues, subscriber penetration rates, and their impact on traditional broadcasters and news media. This problem was especially pronounced in the late 2010s during discussions on the Broadcasting and Telecommunications Legislative Review Panel, to the extent that the Commission eventually walked back its own data upon which *Broadcasting Act* reform was built. Leadership of the CRTC has changed, however, and the depth and quality of the research and data now being published, and of the research group now gathering it, is better than in recent years. This upward trajectory must continue, and

any inclination to sugarcoat current conditions on either the telecoms or broadcasting side put to rest.

These issues are especially pressing in the context of the previous Liberal government's efforts to pass online harms legislation.[655] Calls to dispense with rather than fine-tune the limited liability model which governs internet intermediaries have fortunately been dropped from recent versions of the law. While neither of the two past versions of the act passed, any new iterations must address these concerns. The offices and staff behind the last bill seemed more open and dedicated to a wider and more nuanced view of what such a bill should do and what it should not. Some voices who spoke loudly when the first bill was being debated, and who desperately tried to shoehorn digital communications and media regulation into a conservative model of broadcasting policy, have seemingly given up on such a regressive approach. This is a sign that public policy debate in Canada can work to improve what will eventually become law. The last thing we need is the multinational conglomerates that run the back end of digital communications and markets being enrolled as shields against all the social and political ills we face.[656]

Whatever public obligations are ultimately adopted in future iterations of the *Online Harms Act*, they need to be targeted and bounded. This does not diminish the need for online harms regulation, but it does reflect strong reservations about the tendency to make content regulation the first tool used. This is the path too many media and cultural policy advocates and academics tread as they attempt to justify their preferred policy agenda. Tackling illegal and harmful speech in the same way reflects a penchant for turning to broadcasting regulation for guidance and shows a poor understanding of social communication processes and media effects.

While these efforts are often presented as applying rules in a "platform neutral" way, they are better seen as a Trojan Horse. They take the exceptional standards for broadcasting and early film regulation established in the mid-20th century and apply them to online media in the same way. This would lower freedom of expression and press freedom to the restrictive standards of broadcasting and film set in this earlier epoch. These standards were based on exaggerated concerns over powerful socio-psychological effects of film and broadcasting which have long been rejected by most communications and media scholars. The evidence justifying such a radical course of action, which invokes filter bubbles, echo chambers, and platform dependency, downplays or ignores scholarship showing that such effects are modest and contingent on a range of intervening variables.[657]

With the *Online Streaming Act* and *Online News Act* now law, and the potential for a new *Online Harms Act* bill in limbo, a new level of maturity is being brought to the table in digital platform regulation debates. The beauty of the regulatory options outlined above is that they are oriented toward structure and conduct as a priority and to content only as a last resort. In the spirit of free speech and press freedom, the lighter the state touches on expression, the better. These regulatory solutions do not skirt the need to regulate some

kinds of expression and content—illegal ones, and they certainly do not look askance at properly funding the media we want and need. That said, they are cautious when it comes to government regulation of speech, just as they are about concentrated chokepoints using their power to illegitimately and non-transparently regulate what people say and do online.

The first objective in the approach being advanced here should be to dismantle the conditions, business models, and technical capabilities that have enabled disinformation and other threats to democracy to flourish. They also aim to redress the imbalance in terms of trade and power borne of concentrated digital markets and which is systemic across these industries. It is also grounded in nearly two hundred years of experience of telecoms, broadcasting, and now big tech and digital markets, which shows clearly that powerful corporate interests will vigorously fight regulation that seeks to redress power imbalances in a democratic society. With that experience in hand, we do not need to reinvent the wheel to address the urgent issues in front of us. There are a lot of good tools ready-to-hand that have been devised over the past nearly two centuries. We just need to dust off and use the good ones, toss out the bad, and create new ones for new problems. We hope that this report helps to guide decisions on the best approach to take.

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238 Shaw (*2002*), *Annual report, 2001*, p. 35.

239 *CRTC, 2004*, pp. ii, 23-24.

240 See CRTC (*2006*). CRTC TD 2006-77 *Cogeco, Rogers, Shaw, and Videotron–Third-party internet access service rates*; CRTC (*2008*). *CRTC TD 2008-17. Revised regulatory framework for wholesale services and definition of essential service*; CRTC (*2010*). *CRTC TRP 2010-632 Wholesale high-speed access services proceeding*; CRTC (*2011*). *CRTC TD 2011—44 Usage-based billing for Gateway Access Services and third-party internet access services in 2011.*

241 See CRTC (*2010*). *CRTC TRP 2010-632 Wholesale high-speed access services proceeding*; CRTC (*2011*). *CRTC TD 2011—44 Usage-based billing for Gateway Access Services and third-party internet access services in 2011.*

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244 Jordan, G, Zhao, W., Jurkevic, J. & Hamza, M. (*Nov. 5, 2021*). Operators bet on streaming video as pay TV penetration declines worldwide. S&P Capital IQ (paywall); TMT Geography Knowledge Base (2024). S&P Capital IQ (paywall); North America IPTV market summary (*April 3, 2021*). S&P Capital IQ (paywall).

245 Rogers' Ignite TV is an IPTV-based service. It had 800,000 subscribers in 2021—about 55% of the company's subscriber base (Rogers Annual Report 2021, p. 34). In the past, IPTV-based networks were associated exclusively with the incumbent telephone companies, but this is becoming less so with the passage of time as cable operators switch over their systems to fibre- and IPTV-based technology.

246 The subscription rate that we present have been slightly different—and slightly higher—than that of the CRTC in recent years. We both agree that there are 9.05 million subscribers but whereas the Commission reports 54% subscription rate, we indicate 58.6%. The difference probably stems from the number of households assumed to be in Canada. We assume 15.454 million households, the CRTC says 16.7 million. Our estimate is based on Statistics Canada (*2023*) *Census Profile. 2021 Census of Population. Private dwellings occupied by usual residents* (table) (Released March 29, 2023), with years between census data points based on CAGR. The CRTC cites Statistics Canada for its estimate but does not offer anything more than that. One possible explanation is that the difference is the difference between "private dwellings occupied by usual residents" versus the total number of households, which would include, for example, vacant homes and temporary abodes such as cottages, both of which we do not count in our total. The difference is significant for the politics of policy, with the CRTC's approach accelerating and amplifying the effects of cord-cutting. CRTC. (*2025*). Communications Market Reports - Open Data, Broadcasting-distribution-sector, Tab U-T5. Evolution of broadcasting distribution revenues ($ billions) and subscribership (millions) compared to the number of households in Canada, 2009-2024 (Nov. 2024).

247 CRTC. (2025). Communications Market Reports - Open Data, Broadcasting-distribution-sector, Tab U-T2. Percentage of households subscribing to BDU services vs. Canadians watching television exclusively online vs Canadians watching television on any platform, 2014-2024 (Nov. 2025).

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258 Bell Canada. (*2015, October 20*). *Petition to the Governor in Council to Vary Telecom Regulatory Policy CRTC 2015-326, Review of wholesale wireline services and associated policies*; Governor in Council (*May 5, 2016*). *PC 2016-0332 Order declining to vary the Canadian Radio-television and Telecommunications Commission Telecoms Regulatory Policy CRTC 2015-326.*

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261 CRTC (*2023*). *TD CRTC 2023-358 Review of the wholesale high-speed access service framework – Temporary access to fibre-to-the-premises facilities over aggregated wholesale high-speed access services.* Also see the entries for ISPs in the last two years in the master workbook accompanying this report.

262 CRTC (*2023*). *Telecom Decision CRTC 2023-358.* Review of the wholesale high-speed access service framework—Temporary access to fibre-to-the-premises facilities over aggregated wholesale high-speed access services.

263 CRTC (Aug. 13, 2024). Telecom Regulatory Policy CRTC 2024-180: Competition in Canada's Internet service markets.

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273 Based on estimated revenue of $4.8 billion for paid online video services and $1.2 billion for paid streaming music services such as Spotify and three-quarters of households subscribing to such services, according to MTM (Oct. 2, 2025). Big Options on the Big Screen: How Connected TV Sets Took Over Canadians p. 23 and MTM (Oct. 2, 2025). L'écran de toutes les possibilités: adoption massive du téléviseur connecté au Canada, p. 23.

274 The "BDU + Subscription TV, Video & Audio Services" category has traditionally covered BDU and Pay and Specialty TV services. Statistics Canada, however, expanded this category to include most streaming and transaction-based video services made available over the internet such as Netflix, Crave and Amazon Prime in 2015. It did so again in 2019 to include paid audio services made available over the internet such as Spotify. It calls these services "Audio and Video Subscription Services" (Personal correspondence with Statistics Canada, Nov. 23, 2022; also see Mitchell, T., Feb. 27, 2019, An analysis of the 2019 Consumer Price Index basket update, Based on 2017 expenditures, Statistics Canada). We use a slightly different label to be consistent with the language that has long been used to describe these services, including by Statistics Canada, the CRTC and in these pages.

Online video and audio services have grown greatly since being included into the CPI. As of 2024, they accounted for close to half of revenue in this segment. As streaming services continue to grow and traditional BDU services to slip in the years ahead, we will have to adapt our terminology and discussion accordingly.

275 In terms of speed and price, Canada tends to rank in the top quarter- to one-third of OECD and other comparable countries. CRTC. (2025). Communications Market Reports - Open Data, Retail Fixed internet (Nov. 2024), Table N-I2 Overview of retail fixed internet sector, 2017-2024. In the US average data usage per subscriber per month was nearly 700 GB per month in 2024. It was 500 GB three years earlier (OpenVault, 2024, OV Broadband insights report, p. 3). In the UK, average household data usage per month per fixed broadband connection was 535 GB in 2024 (Ofcom, *Communications Market Report 2025*, p. 3).

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281 Canadian Telecommunications Association (*March 18, 2024*). Fighting inflation one gigabyte at a time (also published as an op-ed in *The Hill Times*).

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285 CRTC. (2025). Communications Market Reports - Open Data, Retail Fixed internet (Nov. 2024), Table N-I2 Overview of retail fixed internet sector, 2017-2024.

286 CRTC. (*2025*). Communications Market Reports - Open Data, Retail Fixed internet (Nov. 2025), Table N-I2 Overview of residential internet access market, 2017-2024; Tab N-F19: High-speed residential Internet services subscriptions (%), by transfer (upload/download) capacity (GB) and type of service provider, 2013-2024.

287 Mersereau, M. (*2023*). Telecom Notice of Consultation CRTC 2023-56, Review of the wholesale high-speed access service framework - Public record: 1011-NOC2023-0056.

288 OECD (*2024*). Broadband statistics. Table 1.2.1. OECD Fixed broadband subscriptions per 100 inhabitants, by technology, December 2024.

289 OECD (*December 2024*). Broadband statistics. Table 1.2.1. OECD Fixed broadband subscriptions per 100 inhabitants, by technology, December 2024 and Table 1.10. Percentage of fibre connections in total fixed broadband, December 2024. Also see CRTC. (2024). Communications Market Reports - Open Data, Retail Fixed internet (Nov. 2024), Table N-F6 & F7 Residential internet access service subscriptions by access technology (%), 2013-2024.

290 Estimate based on average y-o-y subscriber base multiplied by ARPU of $140/month based on posted prices for its standard plan in Canada. *Starlink* (2025). Service plans.

291 Subscriber and revenue figures for Starlink and Xplornet are hard to come by but can be pieced together from various presentations by the companies themselves and reports in the press. The figures and estimates presented here are based on the following: Starlink (*July 17, 2024*). Post to Twitter / X claiming 400,000 subscribers in Canada; Cohen, S. (*Nov. 4, 2022*). Starlink in the North. CBC/RADIO-CANADA; Xplornet Communications (*June 11, 2020*). Xplornet Announces Completion of Sale to Stonepeak Infrastructure Partners; Xplornet Communications (*2019*). Xplornet: Canada's Largest Rural-focused Service Provider (presentation); Ulrichsen, H. (*Nov. 15, 2024*). Ontario launches $100M partnership with Elon Musk's Starlink. *Northern Ontario Business.*

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297 Van Droonen, J. (*Nov. 28, 2024*). Musk gets into gaming. *Super Joost Playlist.*

298 See, for example, Australian Competition and Consumer Commission (*2021*). *Digital Platforms Inquiry--Interim Report #2: App Marketplaces.* Melbourne, Australia: Author; Authority of Consumers and Markets (Netherlands) (*2019*). *Market study into mobile app stores.* The Hague, NL; Germany, Bundeskartellamt (*Oct. 5, 2023*). *Ongoing proceedings against large digital companies*; United States, Judiciary Committee (*Oct. 6, 2020*). Investigation of Competition in Digital Markets.

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https://www.theverge.com/2021/3/16/22333777/google-play-store-fee-reduction-developers-1-million-dollars. To reflect this change, we reduced the average app service fee to 28% after 2021.

300 Epic Games, Inc. v. Apple, Inc., No. 21-16506 and 16695 (*9th Cir. 2023*); Browning, K. (*April 24, 2023*). Apple largely prevails in Appeal of Epic Games' app store suit. *New York Times.*

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302 Epic Games (*2023*). *Annual Report 2022*, pp. 11-12, 20; Electronic Arts (*2023*). Annual Report 2022, p. 4.

303 Epic Games (*2023*). *Annual Report 2022*, p. 22.

304 See Activision Blizzard (*2023*). *Annual Report 2022*, pp. 8 & 33; Electronic Arts (*2023*). *Annual Report 2022*, p. 4; Epic Games (*2023*). *Annual Report 2022*, pp. 11-12, 20-22; Roblox (*2023*). *Annual report 2022*, p. 22.

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Estimates for earlier years for Amazon, Microsoft, Google, Salesforce, IBM, Oracle and Alibaba based on the sum of these companies' revenues as stated in their annual reports. There is also an assumption based on the above sources, e.g. Synergy Research Group and Haranas, that such firms' account for about 95-97% of total revenue in any given year, while 'other' firms make up the rest. The US share of total international revenue from 2018 to 2024 is based on the weighted average of US revenue as a percentage of revenue in the annual reports of the bigest cloud computing services, namely: Amazon, Microsoft, Google, Salesforce, IBM, Oracle and Alibaba. The average of that result is applied to the years before 2018, i.e. 53.3%.

The estimate for Canada's cloud computing revenue is based on Canada's GDP relative to the United States and the assumption that since such services are used mostly by private and public enterprises, this is GDP is the appropriate reference. The GDP comparison is based on World Bank (nd). World Bank national accounts data Washington, D.C.: Author. Currency conversion rates between Canada and US dollars based on Bank of Canada annual average for each year.

311 Winseck, D. & Thompson, P. (2023). Share and share alike? News sharing models in the digital media ecology: selected international case studies. Study prepared for the Department of Canadian Heritage. Gatineau, QC: Department of Canadian Heritage, pp. 64-72.

312 McKelvey, F. (*Oct. 5, 2022*). Evidence.

313 Pluto TV is a division of Paramount Studios which, in turn, is owned by Viacom-CBS. FAST stands for free advertising supported television and is primarily a service focused on making back catalogue programming available once again. In these developments, we can also detect the resurrection of the classic "windows" distribution model that, since the end of World War II, had divided film and television markets based on time, geography and technology, with the release of a film, for example, staggered so that it came out first at the box office in the US, then progressively to other regions of the world thereafter, then to a pay-per view video-on-demand service, then premium cable, standard pay television, broadcast, etc. For the last two decades, many have thought that the rise of streaming services would lead to the demise of the windows model as Netflix, for example, jumped the queue from the back to closer and closer to the front of the line the bigger it became, until simultaneous release became a significant phenomenon, not just at Netflix, but Warner Media and others, during the first year of the Covid-19 pandemic. Throughout this process, the windows model was being compressed both in terms of time (i.e. simultaneous release and shorter waits between box office and home distribution) and space (i.e. films released simultaneously in the US, Europe, China, etc). Now, however, the rise of the FAST model and other developments appear to be restoring the windows model albeit in changed form.

314 See, for example: Amazon (July 3, 2024). Notice of appeal: Amazon.com.ca and the Attorney General of Canada (re. CRTC Broadcasting Regulatory Policy CRTC 2024-121). Ottawa: Federal Court of Appeal; Apple Canada Inc (July 3, 2024). Notice of appeal: Apple Canada Inc and the Attorney General of Canada (re. CRTC Broadcasting Regulatory Policy CRTC 2024-121). Ottawa: Federal Court of Appeal; Motion Picture Association-Canada, Crunchyroll, LLC, Netflix Services Canada ULC, Paramount Entertainment Canada ULC and Pluto Inc. (July 2, 2024). Notice of appeal: Motion Picture Association—Canada, etc. al. and the Attorney General of Canada (re. CRTC Broadcasting Regulatory Policy CRTC 2024-121). Ottawa: Federal Court of Appeal; Spotify (July 4, 2024). Notice of application: Spotify AB and the Attorney General of Canada (re. CRTC Broadcasting Regulatory Policy CRTC 2024-121). Ottawa: Federal Court of Appeal.

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320 Cridland, J. (2019, March 25). *The end of open: BBC blocks its podcasts on Google [UPDATED].* Podnews. For a fuller discussion of European media concerns about excessive platform dependence, see Winseck, D. &

Thompson, P. (*2023*). Share and share alike? News sharing models in the digital media ecology: selected international case studies. Study prepared for the Department of Canadian Heritage. Gatineau, QC: Department of Canadian Heritage, pp. 68-69. Other examples are raised in EBU (*Jan. 23, 2023*). Is big tech tampering with media content? Brussels: EBU. Another example closer to home was the decision by Elon Musk to slap the government-funded media label on the CBC/RADIO-CANADA's Twitter account at the behest of opposition party leader, Pierre Poilievre, earlier this year (a move that it also applied to other public service broadcasters, from NPR in the US, to the BBC in the UK, before reversing that decision a short-time later amidst a firestorm of controversy). See Scherer, S. (April 17, 2023). Canada's public broadcaster's Twitter account labeled 69% Government-funded Media'. *Reuters.*

321 Maas, J. (*March 17, 2022*). Amazon closes $8.5 billion acquisition of MGM studios. *Variety.*

322 See Canada (*2023*). *Online Streaming Act* (information sheet); Canada (*2023*). *Broadcasting Act* (legislative text). Canada (2023). sec. 9.1(h).

323 Canada (*2023*). *Online News Act* (information sheet); Canada (*2023*). Online News Act (legislative text). See sec. 51, which explicitly prohibits digital news intermediaries, i.e. Google, Facebook, or other designated entities, "from acting in any way that (a) unjustly discriminates against the business; (b) gives undue or unreasonable preference to any individual or entity, including itself; or (c) subjects the business to an undue or unreasonable disadvantage".

324 Kettemann, M. C. & Tiedeke, A. S. (2020). Back up: can users sue platforms to reinstate deleted content? *internet policy review*, 9(2); Quintais, J.P., Appelman, N. & Fahy, R. (*2022*). Using terms and conditions to apply fundamental rights to content moderation (November 25, 2022). *German Law Journal.*

325 European Commission (*2020*). Contestable and fair markets in the digital sector *(Digital Services Act Package--contains both Digital Service Act + Digital Markets Act)*; United States, House Committee on the Judiciary (*June 23, 2021*). *H.R. 3843, the Merger Filing Fee Modernization Act of 2021; H.R. 3460, the State Antitrust Enforcement Venue Act of 2021; H.R. 3849, the Augmenting Compatibility and Competition by Enabling Service Switching Act of 2021 or the ACCESS Act of 2021; H.R. 3826, the Platform Competition and Opportunity Act of 2021; H.R. 3816, the American Choice and Innovation Online Act; H.R. 3825, the Ending Platform Monopolies Act. Bills, Amendments, Votes.* Thanks to Dr. Ana Bizberge from the National University of Quilmes, Buenos Aires, Argentina, for helping clarify these points, in particular with respect to 'asymmetrical obligations'.

326 We use PricewaterhouseCoopers *Global entertainment and media outlook, 2025-2029*'s estimate for online advertising as of July 30, 2025 (after currency conversion at US$:CDN$ of 1.3698). PWC and IAB Canada work closely together and their results usually closely align. eMarketer's estimate for 2024 is $18 billion (Briggs, P. April 2025, Canada Digital Ad Spending 2025, *eMarketer*).

327 IAB.Canada (Oct 2025). *2024 IAB Canada internet Ad Revenue Survey*, p. 41.

328 Canada (*2025*). *Annual report on Government of Canada advertising activities, 2023-2024*, pp. 2-3; Canada (*2024*). *Annual report on Government of Canada advertising activities, 2022-2023*; Canada (*2023*). *Annual report on Government of Canada advertising activities, 2021-2022*, p. 2; Canada (*2022*). *Annual report on Government of Canada advertising activities, 2020-2021*, p. 2.

329 Picard, R. G. (*2011*). *The economics and financing of media companies*; Garnham, N. (*1990*). *Capitalism and communication*; Miège, B. (*1989*). *The capitalization of cultural production.*; Garnham N (1990) *Capitalism and Communication: Global Culture and the Economics of Information.* Sage Publications *of cultural production*; Vogel, H. L. (*2010*). *Entertainment industry economics: A guide for financial analysis*. Cambridge University Press.

330 The basic idea here is that advertising spend as a portion of GDI was below its long-term average—i.e. 0.65% versus 0.68%—between 2013 and 2020. Had the average figure held steady for these years, the sum would equal the amount being spoken about here.

331 The US internet advertising market had revenue of CDN$303.68 billion last year. PWC. *Global entertainment & media outlook*, 2024-2028.

332 After its 2024 Annual Report, Meta no longer broke out ARPU on a regional basis. Meta (*2024*). *Annual report 2023*, p. 69.

333 Mosco, V. (1989). *The pay-per society.* New Jersey: Ablex. Parenthetically, Professor Mosco passed away in 2024. He will be missed.

334 Odlyzko, A. (*2001*). Content is not king. *First Monday.*

335 Thanks to my colleague in the Communication and Media Studies program at Carleton University, Ira Wagman, for these insights and his generous engagement with me on these points and another that follows shortly about how strikes by the Writers Guild of America and the American actors' guild SAG-AFTRA in 2023 may help to explain the quite steep drop in television advertising that year.

336 Canada (*2025*). *Annual report on Government of Canada advertising activities, 2023-2024*, pp. 2-3.

337 Again, thanks to my colleague Ira Wagman for this point on the possible impact of the WGA and SAG-ACTA on sagging television advertising revenue in Canada in 2023. Also see Steinberg, B. (*Jan. 18, 2024*). Advertisers ride the brakes: Sharp drop in TV spending make media companies vulnerable. *Variety.*

338 IAB.Canada (Oct 2025). *2024 IAB Canada internet Ad Revenue Survey*, p. 39.

339 Alphabet (*2025*). *Annual Report, 2024*, p. 64.

340 See van Couvering, E. (*2011*). Navigational media. In Winseck, D. & Jin, D. Y. (eds.) (2011). *Political economies of media.* London, Bloomsbury; Hindman, M. (*2018*). I *trap*; Noam, E. (*2016*). *Who owns the world's media?*

341 IAB.Canada (Oct 2025). *2024 IAB Canada internet Ad Revenue Survey*, p. 15. This involved taking the estimated revenue for the ad-supported Google YouTube video sharing platform out from Google's total estimated advertising revenue in Canada and calculating that as the share of search advertising revenue indicated by IAB.Canada.

342 It should be noted that exactly what to include in calculating that figure is disputed, specifically what Alphabet calls "traffic access costs" (TAC). While complicated, the point is that Google Network partners are paid for generating the ads that Alphabet makes money on. Alphabet categorizes this as TAC. In 2024, those costs amounted to just over a fifth of its advertising revenue.

The case for removing TAC from Alphabet's bottom line is simple at first blush. They are pass-through costs that Alphabet pays to Google Network parties, ie. third parties who sell ads through its services. The amounts of TAC are easy to identify because they are listed in its financial reports. This could also help check against the possibility of double counting whereby money counted for Alphabet might also be counted for, say, Bell, Rogers, the Toronto Star, and LaPresse which sell their inventory of advertising space through Google AdExchange. The case against taking out the TAC charges is just as easy to make. Most compellingly, Alphabet itself does not do this. In fact, it includes TAC as part of its revenue and that revenue is included in its balance sheet for calculating operating profits and corporate tax purposes.

After careful reflection over the past two years, this report has decided to not remove TAC. Before moving on, it should be noted that Alphabet's dominance of the online advertising market does not turn on the

outcome of this dispute, because whether its share is 40% (TAC removed) or 50% (TAC not excluded), both are indicators of monopoly power, and that has remained true for a very long time.

343 IAB.Canada (Oct 2025). *2024 IAB Canada internet Ad Revenue Survey*, p. 15.

344 United States, Department of Justice (*Jan. 24, 2023*). United States, Commonwealth of Virginia, State of California, State of Colorado, State of Connecticut, State of New Jersey, State of New York, State of Rhode Island and State of Tennessee v. Google LLC (Digital advertising case)(complaint), para 6.

345 United States District Court, DC (April 17, 2025). Memorandum opinion. US and Plaintiff States v. Google LLC [2023], Case 1:23-cv-00108-LMB-JFA.

346 As this section of the report was being written, the Competition Bureau in Canada announced that it had filed a suit with the Competition Tribunal (a specialized court dealing with matters under the Competition Act) alleging illegal anti-competitive behaviour by Alphabet in relation to its online advertising exchange. The suit alleges that such activities have resulted in media companies getting an unfair cut of advertising revenue and other consumer harms, while seeking to have the company divest aspects of its ad-system and to pay penalties for the harms caused. Competition Bureau (*Nov. 28, 2024*). Competition Bureau sues Google for anti-competitive conduct in online advertising in Canada. Ottawa: Author.

347 United States District Court, DC (August 5, 2024). Memorandum opinion. US and Plaintiff States v. Google LLC (Search case) [2024]; United States District Court, DC (August 5, 2024). Memorandum opinion. US and Plaintiff States v. Google LLC -- remedies decision [2025] (search case); United States District Court, DC (April 17, 2025). Memorandum opinion. US and Plaintiff States v. Google LLC. Case No. 20-cv-3010 (APM) (advertising case).

348 United States District Court, DC (August 5, 2024). Memorandum opinion. US and Plaintiff States v. Google LLC [2024]. *Closing arguments–PPT Deck* (November 25, 2024) and *Proposed remedies* (October 08, 2024). (Google Search case); Mulholland, L. A. (*Oct. 9, 2024*). DOJ's radical and sweeping proposals risk hurting consumers, businesses, and developers. *Google Blog.*

349 European Commission (*2017*). *Commission Decision—Google Search (Shopping) (AT.39740)* (*Decision*). Brussels: Author.

350 European Commission (*2018*). *Antitrust: Commission fines Google €4.34 billion for illegal practices regarding Android mobile devices to strengthen dominance of Google's search engine (press release).* Brussels: Author.

351 European Commission (*2019*). *Statement by Commissioner Vestager on Commission decision to fine Google € 1.49 billion for abusive practices in online advertising* (*press release).* Brussels: Author.

352 European Commission (EC) (*2017*). *Competition Policy: AT.39740 Google Search (Shopping*; European Commission (EC). (*2018*). *Competition Policy: AT.40099 Google Android.* CASE AT.40411: Google Search (AdSense), (*March 20, 2019*); Szucs, A. (*2021, November 10*). *European General Court upholds $2.8B fine for Google*. Andolu Agency (AA).

353 Australian Competition and Consumer Commission (ACCC) (*2021*). Digital Platforms Inquiry—Interim Report #2: App Marketplaces; Authority of Consumers and Markets (Netherlands) (*2019*). *Market study into mobile app stores*; *US. (2020). Investigation of competition in digital markets: Majority staff report and recommendations.* pp. 377-402; Bundeskartellamt. (*2019*). Facebook, Exploitative business terms pursuant to Section 19(1) GWB for inadequate data processing, B6-22/16 (Bundeskartellamt [Federal Cartel Office] of Germany February 6, 2019). p. 4.

354 Kwoka, J. & Valletti, T. (*2021*). Unscrambling the eggs: breaking up consummated mergers and dominant firms. *Industrial and Corporate Change;* Kwoka, J. Waller, S. W. (*2020*). Fix it or forget it: a "no remedies"

policy for merger enforcement. *Competition Policy International*; Khan LM (*2021*). *Memorandum: Vision and Priorities for the FTC*; Khan LM (2020) The end of antitrust history revisited. Harvard Law Review 133.

355 Except for a small dip to 49.2% in 2017. Data is monthly average users based on self-reported user survey data from DataReportal (*2024* and earlier years). *Digital 2024: Canada.* LinkedIn does not publish MAU. DataReportal figures are based on its registered members, but that would likely exagerrate its size because not all members use the service on a monthly basis. To better approximate its reach consistent with other social media, LinkedIn's registered members are multiplied by .485, the estimated number of its MAUs according to App Ape, as reported by Statista (*2024*). In other words, roughly half of LinkedIn's registerd users check in once a month. Twitter data has also been adjusted because, as Datareportal reports, there's "some particularly bizarre trends in the data reported in X's advertising tools over the past year. Given this, Twitter/X data from 2021 onward has been revised downward in line with observations by Iqbal, M. (*Feb. 22, 2024*).

356 Meta (*2025*). *Annual Report 2024*, p. 72.

357 Insider Intelligence | eMarketer. TikTok Ad Revenue, US and TikTok Users in Canada Generated on April 23, 2024.

358 Australian Competition and Consumer Commission (ACCC) (*2021*) *Digital advertising services inquiry. Final Report*; Bundeskartellamt (*2019*) Facebook, *Exploitative business terms pursuant to Section 19(1) GWB for inadequate data processing (Case Summary)*; United Kingdom, Competition and Market Authority (*2020*). *Online platforms and digital advertising*, p. 245; United States Federal Trade Commission (*2021*). *Federal Trade Commission v. Facebook, First amended complaint for injunctive and other equitable relief*; also see Winseck & Bester (*2022*). Regulation for a more democratic internet.

359 United States District Court, DC (Nov. 18, 2025). Memorandum opinion. Federal Tade Commission v. Meta.

360 Calculations based on data from Meta/Facebook annual reports. For more details, see the Figure 54Facebook Growth sheet in the Excel workbook accompanying this report and the "internet advertising" entry in the GMIC Project—Canada open data sets.

361 Meta (*nd*). How Meta Audience Network works; Constine, J. (*Oct. 7, 2014*). Facebook opens its mobile ad "Audience Network" to advertisers and apps. *TechCrunch.*

362 IAB.Canada (Oct 2025). *2024 IAB Canada internet Ad Revenue Survey*, p. 15.

363 United Kingdom, Competition and Market Authority (*2020*). *Online platforms and digital advertising*, p. 245; United States Federal Trade Commission (*2021*). *Federal Trade Commission v. Facebook*; also see Winseck & Bester (*2023*). Regulation for a more democratic internet.

364 Testimony of Prof. Michael. D. Whinston (*Oct. 5, 2023*). US and Plaintiff States v. Google LLC, p. 11.

365 Australian Competition and Consumer Commission (ACCC) (*2021*) D*igital advertising services inquiry. Final Report;* Bundeskartellamt (*2019*). *Facebook, Exploitative business terms pursuant to Section 19(1) GWB for inadequate data processing (Case Summary)*; United Kingdom, Competition and Market Authority (2020). *Online platforms and digital advertising*; Germany, Bundeskartellamt (*Oct. 5, 2024*). *Ongoing proceedings against large digital companies*; Germany, United States, Department of Justice (*Jan. 24, 2023*). United States Department of Justice (*2023*). US and Plaintiff States v. Google LLC.

366 United Kingdom, Competition and Market Authority (*2021*). C*ompleted acquisition by Facebook, Inc of Giphy, Inc—Provisional Report.*

367 United Kingdom, Competition and Market Authority (*2022*). *Completed acquisition by Facebook, Inc (now Meta Platforms, Inc) of Giphy, Inc Final Report.*

368 Our research shows that while the Canadian economy is roughly 8% of the US economy, there is a 'cultural discount' that applies at different rates to different media. As noted earlier, the online advertising market is about 5.5% the size of its counterpart in the US , while for streaming services there seems to be considerable variation, ranging from 7-11% depending on whether one is referring to video or music, services that are funded by subscribers or advertisers, etc. The idea of the 'cultural discount' is meant to channel Hoskins, C., McFadyen, S. & Finn, A. (*2000*). Global Television and Film: An Introduction to the Economics of the Business. *Canadian Journal of Communication*, 25(2) and Grant, P. & Wood, C. (2005). *Blockbusters and trade wars: Culture in a globalized world.* Toronto: Douglas & McIntyre.

369 The following source states that retail accounted for 19.9% of the online advertising market in Canada in 2023 that it estimated to be worth $16.2 billion. Our estimate of Amazon's share of that market assigning its advertising revenue to the segment, but one could adjust this downward by assigning some of that amount to Twitch. eMarketer states that Amazon accounts for 80% of the digital retail advertising market. Briggs, P. April 2024, Canada Digital Ad Spending 2024, p. 5.

370 United States Department of Justice (*2023*). US and Plaintiff States v. Google LLC, p. 38; Testimony of Prof. Michael. D. Whinston (*Oct. 5, 2023*). US and Plaintiff States v. Google LLC.

371 DataReportal (*2024*). *Digital* 2024. Canada.

372 Iqbal, M. (*Feb. 22, 2024*). Twitter Revenue and Usage Statistics (2024). Business of Apps. DataReportal (*2024*). *Digital 2024 (various* years): Canada; Mac, R. & Conger, K. (*Nov. 24, 2023*). X May Lose Up to $75 Million in Revenue as More Advertisers Pull Out. New York Times.

373 This sum also includes the "Other" category, assuming that most of the companies in that category are Canadian.

374 See the "All advertising sheet" in the *Excel workbook* accompanying this report and individual entries for companies in the Master Workbook that underpins this report and all our work.

375 CBC/Radio-Canada (2024). CBC/Radio-Canada: Public purpose in a digital future. Ottawa: Author, ch. 1.

376 Australia (*2021*). *Treasury Laws Amendment (News Media and Digital Platforms Mandatory Bargaining Code) Bill 2021*; Turvill, W. (*Dec. 2, 2021*). Canada's news industry wants up to $150m annual windfall from Australia-style big tech crackdown. *Press Gazette*. The Canadian adaptation of Australian news media bargaining took the form of Bill C-18, the *Online News Act*, which ws passed earlier this year and comes into effect December 19, 2023. Canada (*2023*). Online News Act (information sheet); Canada (*2023*). *Online News Act* (legislative text). See Winseck, D. (*April 19, 2022*). Bad News: Ottawa's Proposed Online News Act Misses the Mark. *CIGI Online.*

377 Office of the Privacy Commissioner (*2015*), *Results of the Commissioner Initiated Investigation Into Bell's Relevant Ad Program*, Ottawa: Author, para 73.

378 CRTC (*2018*). *Set-Top-Box Industry Working Group–Update.* Ottawa: Author. The group consists of Shaw (Corus), Bell, Rogers, SaskTel, TELUS, TekSavvy, the CBC/RADIO-CANADA, Blue Ant Media, Cogeco, Eastlink, Pelmorex, the Canadian Cable Systems Association and Independent Broadcasters Group. While this gives the appearance that the effort levels the playing field, the obvious exclusion of Netflix, for example, gives the lie to that and, thus, smacks of protectionism—if in fact, the group and its goals were desirable to begin with, which is a questionable proposition to say the least. Quebecor also quit the STB Working Group in 2019. Thiessen, C. (*July 5, 2019*). Videotron to challenge CRTC ruling on set-top box data sharing. *Broadcast Dialogue.*

379 BCE (2021). *Annual Report, 2020*, p. 39.

380 This estimate based on BCE's Q1 2021 Shareholder Report which states that 19.4% of the company's revenue in its "Other services" category in the wireline segment was attributable to the EA acquisition (p. 18) That revenue was $74 million in Q1 2020. That is roughly $14 million per quarter, or $60 million for the year.

381 AT&T acquired AppNexus in 2019 (renamed Xandr).

382 Competition Bureau (*July 12, 2024*). Competition Bureau statement regarding the acquisition by Bell of Outedge Canada

383 Helmond, A. (*2015*). The platformization of the web: making web data platform ready. *Social Media & Society*, 1(2); Nieborg, D. & Poell, T. (*2018*). The platformization of cultural production: Theorizing the contingent cultural commodity. *New media & society*, 20(11).

384 on AT&T's acquisition of AppNexus, which it rebranded into Xandr, see AT&T (*2020*). *Annual report*, 2019, p. 17 and AT&T (*Aug. 15, 2018*). AT&T completes acquisition of AppNexus. On BCE deal with AT&T Xandr, see Connell, M. (*2021*). Bell Media partners with Xandr for self-serve DSP, *Media in Canada.* Also, BCE (*2022*). *Annual report, 2021*, p. 53.

385 In Canada, television services made available to subscribers over cable, DTH or IPTV services are formally referred to as specialty and pay television services. Throughout the rest of this report, they will be referred to as 'pay television' services because that is less cumbersome.

386 See: Quebecor and Videotron in 1997, its English-language equivalent in Canwest and Western International Communications in 1998, and CTV's acquisition of Netstar in 2000 before its acquisition by BCE.

387 See: Alliance and Atlantis in 1998; CRTC *(2000*). Decision 2000-5 Radiomutuel.

388 *Shaw Annual Report 1999*, p. 6; Shaw *Annual Report 1998*, p. 9.

389 CRTC (*2000*). Decision CRTC 2000-747 Transfer of effective control of CTV Inc. to BCE Inc; Winseck, D. (*Sept. 27, 2000*). Take cover, here comes Mediasaurus. *The Globe and Mail.*

390 CRTC (*2008*). BD CRTC 2008-69. *Transfer of effective control of BCE Inc. to a corporation to be incorporated and a consequential change in ownership of CTVglobemedia Inc.*

391 CRTC (*2007*). B*D CRTC 2007-165. Transfer of effective control of CHUM Limited to CTVglobemedia Inc;* CRTC (*2008*). *BD CRTC 2008-69. Transfer of effective control of BCE Inc. to a corporation to be incorporated and a consequential change in ownership of CTVglobemedia Inc.*

392 CRTC (*2007*). *BD CRTC 2007-429. Transfer of effective control of Alliance Atlantis Broadcasting Inc's broadcasting companies to MediaWorks Inc.*

393 CRTC (*2007*). *BD CRTC 2007-359. Astral Media Radio (Toronto) Inc. and 4382072 Canada Inc., partners in a general partnership, carrying on business as Astral Media Radio.*

394 Namely, the CBC/RADIO-CANADA, Rogers, Corus, Astral and CTVglobemedia.

395 DeWaard, A. (2024). *Derivative media: How Wall Street devours culture*; Winseck, D. Financialization and the "Crisis of the Media": The Rise and Fall of (Some) Media Conglomerates in Canada. Canadian Journal of Communication, 35(3), 1-28.

396 The then head of the CRTC, Konrad von Finckenstein, now concedes that the CRTC's permissive attitude toward consolidation during his leadership from 2007 to 2012 was probably a mistake.

397 CRTC (*2011*). Broadcasting Regulatory Policy CRTC 2011-601. Regulatory framework relating to vertical integration.

398 CRTC (*2020*). *BD CRTC 2020-116: V Interactions Inc.—Change in ownership and effective control.*

399 BCE (*2024*), *Annual Report, 2023*, p. 43; BCE (*July 11, 2024*). *Comments of BCE Inc.: Broadcasting Notice of Consultation CRTC 2023-138: The path forward—working towards a modernized regulatory framework for contributions to support Canadian and Indigenous content*; Hudes, S. *(June 14, 2024*). Bell cutting 1,300 positions, closing or selling 9 radio stations. *The Canadian Press / Financial Post*.

400 CRTC (*2025*). *Financial summaries for broadcasting sector—conventional TV.*

401 CRTC (*2025*). *Financial summaries for conventional TV and discretionary and on-demand services; Government of Canada (nd). Statistical and financial summaries for broadcasting sector.*

402 Lindgren & Corbett (*Dec. 2024*). *Local News Map data reports—raw data*, p. 9.

403 Quebecor (*Nov. 9, 2023*). Quebecor Inc. reports consolidated results for third quarter 2023. Press release. Canadian Press (*Feb. 16, 2023*). Quebecor to cut 240 jobs, including 140 at TVA. Montreal Gazette.

404 Hudes, S. *(June 14, 2023*). Bell cutting 1,300 positions, closing or selling 9 radio stations. *The Canadian Press / Financial Post.*

405 Canadian Press (*Feb. 8, 2024*). Bell Media planning cuts to CTV, BNN Bloomberg following BCE layoffs, sale of 45 radio stations. *CBC/RADIO-CANADA.* Pawson, C. (*Feb. 8, 2024*). B.C. premier calls out 'corporate vampires' after BCE announces layoffs, sale of radio stations. CBC/RADIO-CANADA; Urquhart, M. (*Feb. 8, 2024*). BCE Inc.'s massive radio sell-off includes 5 radio stations in Maritimes. CBC/RADIO-CANADA.

406 Lindgren & Corbett (*Dec. 2024*). *Local News Map data reports*, p. 5.

407 Lindgren & Corbett (*Dec. 2024*). *Local News Map data reports—raw data.* Lindgren and Corbett's data also shows some increases in service, and a few partial reversals of previous cut-backs, but these do not alter the general run of events.

408 Tasker, P. (*Dec. 5, 2023*). With layoffs looming, CBC/RADIO-CANADA execs want foreign streaming giants to pay more to support Cancon. *CBC/RADIO-CANADA News.*

409 Wolf, M. & Kane, J. (*April 16, 2024*). CBC/RADIO-CANADA getting $42-million in budget after warnings of job cuts. *Globe and Mail.*

410 Neff, T., & Pickard, V. (*2024*). Funding Democracy: Public Media and Democratic Health in 33 Countries. *The International Journal of Press/Politics, 29*(3), 601-627.

411 This discussion is based on SiriusXM and Stingray's annual reports and filings with the CRTC as well as Nordicity (2023). *Harnessing Change Financial Model of the Canadian Audio Sector* (Study prepared for the CRTC). p. 20 and CRTC (*2022*). *Harnessing Change: Financial model of Canadian audio sector, Figure 6: Audio sector revenue in Canada by platform.*

412 Lindgren & Corbett (*2023*). Local News Map data reports—raw data.

413 Lindgren & Corbett (*Dec. 2024*). *Local News Map data reports*, pp. 8-9.

414 BCE (*2025*). Annual report 2024, pp. 119-120.

415 BCE (*2025*). Annual report 2024, pp. 105-112.

416 Joannou, A. (*Feb. 9, 2024*). No layoffs or closures says buyer of 21 Bell radio stations in B.C. *Global news.*

417 Pawson, C. (*Feb. 8, 2024*). B.C. premier calls out 'corporate vampires' after BCE announces layoffs, sale of radio stations. CBC/RADIO-CANADA; Urquhart, M. (*Feb. 8, 2024*). BCE Inc.'s massive radio sell-off includes 5 radio stations in Maritimes. *CBC/RADIO-CANADA*.

418 CRTC (*2025*). *Financial summaries for broadcasting sector—discretionary and on-demand (summary).*

419 CRTC (*2025*). *Financial summaries for broadcasting sector—discretionary and on-demand (summary).*

420 CRTC (*2025*). *Financial summaries for broadcasting sector—discretionary and on-demand (summary).*

421 BCE (*2025*), *Annual Report, 2024*, pp. 105; Rogers (*2025*). *Annual report, 2024*, p. 43; Quebecor (*2025*) *Annual MD&A & financial documents*. p. 11; Corus (*2025*), *Annual Report 2023*, p. 2.

422 Canadian Press (*June 17, 2024*). Corus replaces CEO after losing key content rights to Rogers. *Globe and Mail.*

423 CRTC (*Aug. 12, 2024*). Public process number: 2024-0418-5. Allegation of undue preference/disadvantage - Corus Entertainment Inc. v. Rogers Communications Canada Inc.

424 CRTC (*2010*). *BD 2010-782 Canwest Global Communications Corp, on behalf of its licenced broadcasting subsidiaries.*

425 CRTC (*2011*) *BD 2011-163 Change in effective control of CTVglobemedia Inc.'s licenced broadcasting subsidiaries.*

426 CRTC (*2013*) *BD 2013-310 Astral broadcasting undertakings – Change of effective control.*

427 This also includes Bell Globemedia, whose first attempt at cross-media ownership by acquiring CTV and *The Globe and Mail* in 2000 ended in failure in 2006, after which the company abandoned the field, only to return in 2011 after re-acquiring CTV, while maintaining a 15% ownership stake in *The Globe and Mail* all along.

428 CRTC (*2024*). *Financial summaries for broadcasting sector—discretionary and on-demand (summary).*

429 See the "Pay Television Programming Services" sheet in the *GMICP Workbook—Canada*.

430 BCE (*2024*), *Annual Report, 2023*, p. 77. While details are not available for these licensing agreements, such agreements are typically last for five years. Recall, as well, that in early 2021 AT&T spun off Warner Media into a joint venture with Discovery Communications.

431 Nordicity (*various years*). *Profile: Economic report on the screen-based media production industry in Canada*. Study prepared for CMPA, Heritage Canada, Telefilm Canada & Association québécoise de la production médiatique). See, in particular, Exhibit 1-2 Total volume of film and TV production in Canada. See Figure 27 below for further details.

432 BCE (*July 11, 2023*). *Comments of BCE Inc.: Broadcasting Notice of Consultation CRTC 2023-138: The path forward—working towards a modernized regulatory framework for contributions to support Canadian and Indigenous conten*t; CRTC (*June 4, 2024*). Broadcasting Regulatory Policy CRTC 2024-121: The Path Forward – Supporting Canadian and Indigenous content through base contributions.

433 CRTC (*2013*). *BD 2013-310 Astral broadcasting undertakings – Change of effective control.*

434 CRTC (*2013*). *BD 2013-737 TELETOON/TÉLÉTOON, TELETOON Retro and TÉLÉTOON Rétro – Licence renewal and amendment.*

435 MusiquePlus and MusiMax were subsequently excluded from Bell's take-over of V Media in 2020. CRTC (*2020*). *BD CRTC 2020-116: V Interactions Inc.—Change in ownership and effective control.*

436 See the "TV Services Ownership Groups" sheet in the *GMICP Workbook—Canada*.

437 CRTC. (*2016*). *Broadcasting Decision CRTC 2016-110: Various television services and stations – Corporate reorganization (transfer of shares)*; Willis, A., & Dobby, C. (*2018, June 12*). Shaw trying to sell its stake in Corus Entertainment to focus on Freedom Mobile expansion. The Globe and Mail. More equity stakes in Corus were sold and acquired by a consortium of Canadian banks in 2019; Jackson, E. (*2019, May 16*). Sale of Shaw stake could mean more deals for Corus: Analyst. Financial Post; However, ownership and control still rests with the Shaw family through the Shaw Family Living Trust, which represents "85% of the outstanding Class A Voting Shares, for the benefit of descendants of the late JR Shaw and Carol Shaw". Corus. (*2021*). *Corus Entertainment Annual Report 2020.* p. 41. Also see the CRTC. (*2021*). *Corus Corporate Structure* [Ownership chart].

438 CRTC (*2025*) *Communications Monitoring Report Dataset—Data Broadcasting Overview*, Tab B-T45. Similar patterns are visible in the US and UK In the US, year-over-year viewing time stayed the same between 2021 and 2022, after having increased in recent years, while broadcast TV's share of total viewing time slipped to 21.6%. Nielsen (*August 2022*). Streaming claims largest piece of TV viewing pie in July. *Nielsen. Mediatique (2020). Connected TV gateways: review of market dynamics* (A report for Ofcom), p. 59.

439 I want to thank Amanda Lotz, Professor, Digital Media Research Centre, Queensland University of Technology, Australia, for her help in clarifying and refining the discussion in the following section.

440 See, for example, Amanda Lotz (2017). Portals: A treatise on internet-distributed television; Jennifer Holt & Kevin Sanson (eds.) (2013). Connected viewing. On the increasing role of subscriber fees in this context, and the origins of the subscriber-based video services in the practices, financing and business models of HBO, see Holt, J. (*2019*). Teasing apart television industry disruption: consequences of meso-level financing practices before and after the US multiplatform era. *Media, Culture and Society, 41*(7), pp. 923-938.

441 Estimates based on tally of total subscriptions from each provider, as explained in the notes to the master Excel workbook accompanying this report, and rates of adoption from: MTM- (Oct. 2, 2025). Big Options on the Big Screen: How Connected TV Sets Took Over Canadians p. 23; MTM- (Oct. 2, 2025). L'écran de toutes les possibilités : adoption massive du téléviseur connecté au Canada, p. 23.

442 MTM (Aug 1, 2024). Indigenous Respondents and Their Use of Media and Technology, p. 23.

443 Estimating Netflix's subscriber and revenue numbers has become easier since December 2019, when the company changed how it reports its financial results. These changes allow us to break out revenue and subscriber figures for the US , which leaves a residual from its broader US -Canada (UCAN) region that can be attributed to Canada.

444 See the "Online video services" sheet in the GMICP-Canada workbook and the notes explaining how we arrived at our estimates for each service's year-over-year subscriber numbers. MTM- (Oct. 2, 2025). Big Options on the Big Screen: How Connected TV Sets Took Over Canadians p. 23; MTM- (Oct. 2, 2025). L'écran de toutes les possibilités : adoption massive du téléviseur connecté au Canada, p. 23.

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since acquiring the distressed publications in CN2i is a cooperative group consisting of the six Quebec based newspapers that were formerly part of the Groupe Capitales Médias that had been formed in 2015. That company itself had been formed by well-placed Liberal Party insiders to pick up distressed community and daily newspapers to see if they could make a go of them, starting with a group of five papers from *LaPresse* owner Gesca in 2015 and another dozen in 2017 from Quebec-based printing and publishing company Transcontinental. PWC (*Nov. 19, 2019*). Rapport du Syndic Sur L'Etat des Affaires ed des Finances de la Debitrice. Annex 1. Correspondence with a well-informed who has close ties to the publisher (04092024).

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521 The following analysis and discussion benefits greatly from many conversations with and insights from games industry experts and GMIC Project contributors, David Nieborg, Joost van Druenen and Aphra Kerr. Any errors, however, and of course, are my responsibility alone.

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This diverse list of companies and the wide array of activities they are involved in makes it difficult to separately account for different lines of revenue within firms or the revenue split between platforms and publishers. That, in turn, makes it hard to avoid some double-counting of revenue. Nonetheless, alert to that possibility, we have done our best to do minimize it and added detailed notes to our estimates to help guide readers through the steps that we have taken to generate the results being presented here, while also flagging areas of concern that we aim to improve on in future iterations of this report.

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531 TakeTwo Interactive (*2024*). *Annual Report 2023*, p. 12.

532 Roblox is a games publisher that focuses on children and a games distribution platform, e.g. Miner's Haven, Skywars, Islands). See Roblox (*2023*). *Annual report 2022*, p. 28.

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537 Activision Blizzard (*2023*). *Annual Report 2022*, p. 20.

538 Ubisoft (*2023*). *Annual Report 2022*, p. 3.

539 Epic Games (*2023*). *Annual Report 2022*, pp. 8-10.

540 Activision Blizzard (*2023*). *Annual Report 2022*, p. 19.

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542 Ubisoft (*2023*). *Annual Report 2022*, p. 3.

543 Epic Games (*2023*). *Annual Report 2022*, p. 10.

544 Activision Blizzard (*2023*). *Annual Report 2022*, p. 19; Epic Games (*2023*). *Annual Report 2022*, p. 6; Ubisoft (*2023*). *Annual Report 2022*, p. 23.

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546 The stories of both toxic workplaces and precarious work take up considerable space in games companies annual reports. They also have gained considerable attention from academics working on the games industry, such as Poell, T., Nieborg, D. & Duffy, B. (2022). *Platforms and cultural production*, pp. 26, 47, 74; Kerr, A. (2017). *Global games*; Hesmondhalgh, David. 2019. *The Cultural Industries (4th ed.)*, pp. 37-38.

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550 IFPI (*2022*). *Global Music Report*, p. 2.

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555 See Wall Communications (*2022*). Study of the economic impacts of music streaming on the Canadian music industry (Study prepared for Heritage Canada); Wall Communications (*2019*). Study on the economic impacts of music streaming platforms on Canadian creators (Study prepared for Heritage Canada).

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560 This is the focal point of the SSHRC-supported Cultural Capital project led by Brianne Selman, Brian Fauteux, and Andrew deWaard. That project "investigates the political economy of music in the streaming age and the struggles of musicians in a highly consolidated, global industry". I also want to thank the directors of that project for their insights and discussion of the evidence and story being presented here.

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562 Hesmondhalgh, D. (2022). Is music streaming bad for musicians? Problems of evidence and argument. *New Media & Society*, 23(2).

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resource as is the *blog* hosted by Martin Husovec, an associate professor of law at the London School of Economics and Political Science. Paddy Leersen at IViR is also a very knowledgeable source on these matters. See for example, Leerssen, P. (*2021*). Platform research access in Article 31 of the Digital Services Act: Sword without a shield?, *VerfBlog*.

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