

NEWS MEDIA CANADA BLASTS CANADA POST FOR MUSCLING IN ON FLYER TERRITORY

CALLS ON FEDERAL PARTIES TO COMMIT TO RESTRICT CROWN CORPORATION'S DISTRIBUTION, EXPANSION PLANS USING 'UNFAIR ADVANTAGE'

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A national advocacy group for print and digital media has blasted Canada Post's plans to expand its retail flyer distribution and is calling on the federal parties to block what the group calls unfair competition.

Unlike Canada Post, newspapers that distribute flyers do not have access to lockboxes in apartments and condominiums.

"We don't mind fair competition, but this is using taxpayer dollars and an unfair advantage to deliberately undercut private business," said John Hinds, president and CEO of News Media Canada - an organization that represents some 800 private print and digital outlets across the country, including Torstar Community Brands.

"I don't think that is what Canadians want and I don't think that is good for a



Justin Greaves/Torstar

Canada Post is aggressively pursuing its flyer business in direct competition with newspapers and despite having a distinct advantage over them. It is also occurring after the federal government recently shelled out \$600M to help support Canadian media.

healthy Canadian economy or Canadian business."

Hinds said the move is troubling on a number of fronts for a newspaper industry "knee-deep" in transition, as well as the local communities it serves.

"Flyers are a major pillar of the revenue that funds local journalism," said Hinds, adding newspapers are where two-thirds of Canada's journalists are working and where people get their news and informa-

tion about their communities.

"Canadians have said that local news is really important. At the end of the day, local advertising creates local news."

The move also runs counter to the federal government's \$595-million, five-year plan announced last fall to help prop up Canada's media sector, argued Hinds.

"The government has given us support as we go through this transition on the one hand and on the other hand they are encouraging their own Crown corporation to undermine one of the core revenue streams of the same businesses they are trying to support."

In a statement responding to the industry group's claims, Canada Post denied it's competing unfairly.

It argued it needs flyer revenue as part of its official mandate to be financially self-sufficient.

While it acknowledged it has exclusive access to mailboxes, it added newspaper distributors and other delivery operators often gain permits to access apartments from landlords and apartment building managers.

News Media Canada, however, has called on the federal parties to commit to restricting Canada Post's involvement in this area.

"A healthy media landscape is critical to our democracy, which is why the NDP believes in making sure Canadian outlets survive and thrive in an increasingly challenging environment," party press secretary, Michelle Ervin, said Monday.

The party stopped short, however, of a commitment to any direct interference with Canada Post's plans, laying the blame for declining ad revenues, instead, on the Trudeau Liberals for "making life easier for web giants with special tax treatment - letting them shelter their profits in tax havens - as life gets harder for our home-grown media".

Ervin added the NDP would even the playing field by forcing digital media companies like Facebook, Google and Netflix to pay their fair share in taxes.

Sidestepping any commitment to roll back the Crown corporation's plans or response to charges they are at odds with the federal government's provisions to support journalism, Liberal Party spokesperson Eleanore Catenaro said the party put forward a new vision of Canada Post that "puts service to Canadians at the heart of it", pointing to the June 2018 Canada Post review document.

The Conservative Party did not respond to requests for a statement.

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