

April 30, 2010

Mr. Robert A. Morin
Secretary General
Canadian Radio-television and
Telecommunications Commission
Les Terrasses de la Chaudière
Central Building
1 Promenade du Portage
Gatineau, Quebec
J8X 4B1

Dear Mr. Morin,

Re: Broadcasting Notice of Consultation CRTC 2010-97 – Call for comments on the reporting requirements for new media broadcasting undertakings

1. CTVglobemedia Inc. (“CTVgm”) is pleased to submit the following comments relating to the above-referenced Broadcasting Notice of Consultation (the “Notice”). As outlined in the Notice, the Commission is seeking comments on the scope of information that new media broadcasting undertakings should be required to report pursuant to the New Media Exemption Order (the “Order”).
2. CTVgm is Canada’s leading broadcaster with 27 over-the-air television stations, 30 specialty services and 35 radio stations. CTVgm is an active user of new media as an alternative distribution platform on which to make our traditional programming content available. We are also consistently the number one Canadian-owned on-line video destination¹ according to comScore VideoMetrix (“comScore”).² Consequently, the result of this consultation is of significant importance to CTVgm.
3. CTVgm understands that the Commission’s objective in collecting new media broadcasting information is to allow it to monitor the development of broadcasting in the new media environment. Moreover, CTVgm is pleased to see that the Commission recognizes that any new media reporting requirements should balance the scope and depth of information required to monitor broadcasting in new media with the burden of such reporting; and that reporting requirements should not impose an undue burden on new media broadcasting undertakings.

¹ comScore VideoMetrix Top 100 Properties, Unique Visitors, January 2009-2010.

² comScore is an Internet marketing research company which tracks all internet data on its surveyed computers in order to study online behavior.

4. That being said, for the following reasons, CTVgm does not believe that the approach suggested by the Notice will achieve the Commission's objectives for collecting such information:
 - First, the data collected from new media undertakings will not provide a complete picture of broadcasting content on-line, let alone Canadian content on-line given that Google and Facebook – entities that operate outside the Commission's regulatory purview – typically account for more video viewers than all Canadian broadcasters combined;³ and
 - Second, caution should be exercised in relying on any new media metrics as there is no industry standard that would provide accurate or consistent measurement from which to extrapolate meaningful data.
5. Taken together, it is CTVgm's view that these factors negatively impact the Commission's ability to utilize any potential information that broadcasters could currently report upon and restrict the Commission's ability to draw any meaningful conclusions about broadcasting in the new media environment. Each of these factors is expanded upon below.
6. Given these concerns, and if the Commission remains of the view that gathering new media broadcasting metrics will be useful, then we believe that a working group should be established to assess and recommend the most appropriate and necessary data required for the Commission to monitor new media broadcasting, including the standards on how data to collect the data. Similar industry working groups have been previously established by the Commission and CTVgm believes that this current consultation would also benefit from the establishment of a working group.

Broadcasters' On-line Content is a Fraction of What is Otherwise Made Available

7. Data collected from broadcasters about their on-line content is irrelevant in the context of all the broadcasting content made available on-line. Irrespective of whether the content is Canadian or foreign-acquired, any broadcasting content made available by Canadian broadcasters is only a micro snap-shot of the total amount of content made available by other content providers. This includes content from aggregators such Google and iTunes, and foreign broadcast entities such as Fox Interactive and the BBC, which are not subject to regulation by the Commission. As noted above, Google and Facebook typically account for more video viewers than all Canadian broadcasters combined. Moreover, for comparison, YouTube serves over fifty times more videos than all CTVgm properties combined.⁴

³ comScore VideoMetrix Top 100 Properties, Unique Visitors, January 2009-2010.

⁴ comScore VideoMetrix Top 100 Properties, Unique Visitors, January 2009-2010.

8. Consequently, any information collected by the Commission from broadcasters will not provide anywhere near a complete and fulsome picture of broadcasting content in the new media environment.

Current Measurement Tools are Not Up to the Task

9. On the issue of measurement systems, caution should be exercised in relying on new media metrics as there are unresolved issues with respect to current new media measurement tools. As outlined below, this caution applies to both data collected by third parties such as comScore as well as internal data collected by individual broadcasters.
10. Generally speaking, there is no new media industry standard that would provide accurate or consistent measurement from which to extrapolate meaningful data. In contrast, the conventional broadcast industry leverages BBM Canada to provide its audience and programming data for its linear programming as an industry accepted measure.
11. With respect to comScore, while its measurement data is the only available syndicated media planning tool in Canada at this time, there are significant accuracy issues with it. As we noted during our appearance during the New Media hearing in March 2009:

There are some wild discrepancies between our internal metrics....versus our external metrics, or external analytics, which are [measured] by comScore. In the month of December, just as an example, we had a 646 percent discrepancy between the number of video streams that we reported and the number of video streams that comScore reported.⁵

12. Generally speaking, such discrepancies are a result of comScore applying the results from an opt-in panel and projecting those results to the population at large. While we are working with comScore to resolve such issues, such resolution is a long way off. Consequently, providing such data to the Commission would provide an inaccurate picture.
13. Providing internal data – such as unique visitors, video views, video starts and time spent – is theoretically possible; however, it too should be viewed with care as the analytical tools employed by broadcasters are individually customized. In other words, while all broadcasters could subscribe to a single analytical measurement tool such as Omniture or Google Analytics, these tools are specifically customized in order to extract certain pieces of data such as video starts and other data points that represent how long any given video is being viewed.

⁵ BNPH 2008-11, Transcript, Lines 10652 and 10653 (March 10, 2009). Note that the date reference is to December 2008.

14. To draw an analogy, accountants use Generally Accepted Accounting Principles (GAAP) to refer to the standard framework of guidelines for financial accounting used in any given jurisdiction. It includes the standards, conventions, and rules that accountants follow in recording and summarizing transactions, and in the preparation of financial statements. However, on-line measurement tools have no such principles or commonly used practices so there is no comfort in knowing that the same metric principles are applied regardless of who's internal measurement data is being examined. Comparing internally-generated data of one broadcaster to another would, in effect, be an apples to oranges comparison.
15. In particular, data such as the number of visitors to a specific site, what they look at and the time spent viewing, could all vary depending on the exact definitions and measurement tools applied. This is something that the Interactive Advertising Bureau of Canada has itself recognized in a recent report where they note that even the definition of "audience reach" has been the subject of much controversy, and that "no other media has had so much difficulty in defining when a person has been reached and can be considered part of the audience of a specific media entity".⁶
16. Therefore, until comScore improves its measurement methodology, or until there is a viable, alternative vendor which makes this information available in Canada, and until there are accepted conventions for conducting internal measurements by all companies offering video in Canada, the Commission should exercise extreme caution in drawing any conclusions from any data that new media undertakings might be required to report.

Our Responses to the Commission's Questions

17. Our responses to the individual questions posed by the Commission are provided below and are informed by the comments made above.

New media broadcasting information to collect:

Q1. What information should the Commission collect to better understand the new media broadcasting industry in Canada? What are the appropriate metrics for measuring such information?

Q2. What are the most appropriate metrics for monitoring the availability of new media broadcasting content? In particular, address the appropriateness of using the following metrics for monitoring the availability of new media broadcasting content:

The number of audio and audio-visual programs offered by a new media broadcasting undertaking in the past year; and

⁶ Online Audience Reach Measurement Guidelines, IAB Canada's Research Council (March 31, 2010).

http://www.iabcanada.com/guidelines/OnlineReach_BackgroundToApproval_ImportantIssues.pdf

The total hours of new media broadcasting content offered by a new media broadcasting undertaking in the past year.

Q3. What are the most relevant and feasible metrics for measuring the availability of Canadian content in new media broadcasting? In particular address the appropriateness of using the percentage of Canadian content, either in terms of the total number of hours or total number of programs, offered on new media platforms as a possible metric for monitoring the availability of Canadian new media broadcasting content.

Q4. To understand whether broadcasting in the new media environment is serving a comprehensive range of interests and tastes, consistent with the broadcasting policy set out in the Act, to what extent is it appropriate to categorize content based on the following five characteristics⁷ for the purposes of reporting? What are the most appropriate metrics for measuring these characteristics?

18. Given the lack of an industry standard for new media metrics as we have discussed above, there are no appropriate or industry standard metrics available that would accurately reflect the new media industry in Canada. In addition, with the thousands of hours of content available, it would be prohibitively time-consuming and costly to provide any drilldown on the content.
19. If the Commission establishes a working group – as we highlighted as a possible option – then such a working group should be tasked with developing industry standards which may possibly make some reporting of relevant and useful new media metrics more reliable and more feasible. The working groups should also examine this issue in the context of its impact on resources, both in terms of cost and time.
20. Finally, in its Notice, the Commission has suggested “financial data” as possible information that could be collected to better understand the new media broadcasting industry in Canada. As the Commission does not regulate new media broadcasting, CTVgm submits that it would be inappropriate for the Commission to require broadcasters to report any financial information linked to its new media activities.

Confidentiality of information:

Q5. Should confidentiality be extended to information regarding any of the data which parties propose the Commission collect in Questions 1 through 4 above? If so, to what extent should such confidentiality be extended?

⁷ These are (1) the type of programming; (2) origin; (3) genre; (4) accessibility; and (5) language of content.

21. Irrespective of the concerns that CTVgm has outlined with respect to the data collected by comScore, this data is publically available to any comScore subscriber. We have also outlined our concerns with respect to the collection of internally-generated metrics and as such, we would be reluctant to provide such information irrespective of any confidentiality concerns.
22. However, any relevant data that may ultimately be provided to the Commission as a result of the working group's recommendation should remain confidential.

Frequency of Reporting:

Q6. Considering the dynamic nature of the new media environment, what is the appropriate frequency for reporting pursuant to the New Media Exemption Order? In particular, address the appropriateness of annual reporting, as proposed in paragraph 14.

23. Irrespective of the appropriate frequency for reporting, CTVgm has outlined its concerns with any type of reporting requirements. However, the working group could examine this issue and its impact on resources both in terms of cost and time.

Who would be subject to the reporting requirements?

Q7. Should all affiliated new media undertakings be subject to reporting requirements? If not, what are the appropriate criteria and methodology for identifying those new media broadcasting undertakings affiliated with a conventional broadcasting undertaking that ought to submit data?

Q8. Considering the potentially large number of unaffiliated new media broadcasting undertakings, what criteria and methodology should the Commission use to define the subset of unaffiliated new media broadcasting undertakings, carried on in whole or in part in Canada, that should submit data? In particular, should the subset be defined by the level of revenue, unique visitors, and/or the amount of content transmitted?

24. Should the Commission ultimately determine that there should be some kind of reporting requirement, then all affiliated new media undertakings (i.e., those associated with conventional television broadcasters) offering broadcasting content on-line in Canada should be subject to the same reporting requirements. In CTVgm's view, size or the level of revenues of an undertaking is irrelevant when the Commission is attempting to monitor the development of broadcasting content in the new media environment.

25. In addition, any reporting requirement placed on affiliated new media undertakings should be equally applied to unaffiliated new media broadcasting undertakings (i.e., those not affiliated with conventional television broadcasters). If the Commission's objective is to monitor new media broadcasting content, then to do otherwise would present an incomplete and wholly inaccurate picture of the industry if unaffiliated new media undertakings were excluded, to say nothing of the companies such as Google, Facebook, Amazon, Fox Interactive, Viacom, CBS Interactive and Turner Network, which are outside the regulatory reach of the Commission but are all regularly in comScore's Top 20 list of video competitors in Canada.
26. Moreover, should the Commission agree to establish a working group then both affiliated and unaffiliated new media undertakings should be required to participate.

Conclusion

27. CTVgm reiterates its concerns that the new media reporting approach suggested by the Notice will not achieve the Commission's objective of monitoring the development of broadcasting in the new media environment:
28. Given these concerns, and if the Commission remains of the view that gathering new media broadcasting metrics will be useful, then we believe that a working group should be established to assess and recommend the most appropriate and necessary data required for the Commission to monitor new media broadcasting, including the standards on how data to collect the data.
29. We thank the Commission for the opportunity to provide these comments. Should the Commission require anything further, we would be pleased to provide it on request.

Sincerely,



Kevin Goldstein
Vice President, Regulatory Affairs
CTVglobemedia Inc.

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