



10 February 2011

Dear Minister James Moore,

I was recently made aware that the newly reworked Aid to Publishers fund (the cornerstone of the Canada Periodical Fund) is to be expanded to allow the use of those funds to include "Website Development and Enhancement" for all eligible print-only periodicals.

As the publisher of the Canadian Motorcycle Guide Online — a web-only magazine that is in its fifteenth year of production and is the most-read online motorcycle magazine in Canada and currently employs Canadians — I fear that this has the potential to decimate existing Canadian web-only media such as my own.

Although the fund includes financial help for editorial content, I have been unable to take advantage of the Canada Periodical Fund (previously known as the Canada Magazine Fund) since its inception in 2000 as it has been limited to supporting print-only magazines. Being a web-only magazine, CMG has been excluded from eligibility.

This may not have been so much a problem in the past, as the two mediums (print and web) didn't compete directly, however this new funding structure will allow print magazines to fund their online presence, which will directly and unfairly impede on web-only magazines that have thus far succeeded without public funding.

As far as I am aware, the original Canada Magazine Fund offered no support directly to a print magazine's website development, whereas the new fund does. Although some small consideration has been given to the web with the inclusion of digital magazines in the Business Innovation fund, the new website funding (and the continued exclusion from the significantly more sizable Aid to Publishers fund) poses a new and grave threat to Canadian online magazines.

Online magazines have established themselves through hard work, persistence and their ability to adapt to rapidly changing markets and technologies. By changing the funding criteria, the government is giving large amounts of money to print magazines to enable their late entry into the game, providing an unfair advantage to our competition.

This is doubly injurious as it comes from the federal government. However, I must presume that due to the government's stated support of entrepreneurship and Canadian small business, this unfair competitive advantage is an unforeseen result of the recent funding revamp.

According to the current Aid to Publisher's Applicant's Guide, any funding must be spent between April 1<sup>st</sup> 2011 and March 31<sup>st</sup> 2012, so there is still time to fix the problem. I implore you to act quickly to stop this money from being used against independent Canadian web media.

I assure you the threat to my business is very real as I have recently lost my News Editor to a subsidised print magazine and another one of my staff has been approached by an additional print magazine, the timing suspiciously coinciding with the release of these funds in April.

Throughout the previous decade of the Canada Magazine Fund I have found creative ways to keep my business ahead of the curve, and I have learned to compete if the playing field is near level. However, if the Aid to Publishers fund remains unchanged as of April 1<sup>st</sup> then the game takes on very different rules.

I will follow up with you next week as I am eager to hear what action you may take to right this situation. Although I would welcome the government's support of web-only media I request that at least they do not partake in its decimation.

Regards,

Rob Harris  
Publisher, CMGonline.com

Encl./ Summary of all government funding for Canadian motorcycle media since 2000.