



**CANADIAN BRIDGE FEDERATION INCORPORATED
LA FÉDÉRATION CANADIENNE INCORPORÉE DE BRIDGE**

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To: Canadian Unit Presidents

President's of ACBL Districts containing Canadian Units

CBF Members

Jay Baum - ACBL CEO

George Retek - ACBL President

Harriette Buckman - Chairperson of ACBL Canadian Affairs Committee

Jonathan Steinberg - member of ACBL Canadian Affairs Committee

Jerry Fleming - member of ACBL Canadian Affairs Committee

Jim Kirkham - member of ACBL Canadian Affairs Committee

Richard Anderson - member of ACBL Canadian Affairs Committee

Re: Feasibility Study of a Canadian Bridge League

In April of 2001, the CBF President received a petition signed by over 1800 bridge players from eastern Ontario and Quebec, asking the CBF to formally look into the possibility of setting up a separate Canadian Bridge Organization. Given that this petition had been signed by over 11% of the CBF membership, the CBF Board of Directors at its meetings in May of 2002 voted to set up a committee that would prepare a Feasibility Study on a Canadian Bridge League. The final report of this committee was presented to the CBF Board of Directors at their May 2002 meeting.

Basically the report, which has been included with this letter, concluded that a separate Canadian Bridge League would be feasible but would take a great deal of time and energy to set up. It was felt that currently there is not a large momentum to push this forward but there are areas that the CBF should continue working with the ACBL on to help improve bridge in Canada.

The Top Three Canadian Issues

The CBF will be working with ACBL on these issues as its priority.

ITEM 1

The fees charged by ACBL to Canadians are exorbitant in relation to services provided. The ACBL has a monopoly position on provision of these services. This is leading to:

- Decline in numbers of registered ACBL members because of cost**
- Dilution of CBF ability to raise money through membership fees (enough is enough)**

The ACBL prices its services at exchange: memberships, sanction fees and directors fees and as a result they are effectively priced 30-60% higher than they are for a US member. The results are three-fold:

- a) Canadian tournaments are pricing themselves out of the market, or having to eliminate hospitality (with similar effects) because they are required to employ too many directors at too high a price;**
- b) clubs are seriously considering dropping their ACBL affiliation in order to keep table fees down;**
- c) Many individual Canadian members, grassroots and elite alike, are questioning the value of ACBL relative to its cost.**

Preferred position:

Let us set ACBL fees for Canadian clubs, tournaments and players in Canadian dollars at market-will-bear levels. We need a better formula for charges in Canada: either reduced charges, better fee sharing, or both.

Let the CBF and ACBL work together to fund and implement made-in-Canada programs or extensions of existing programs. These might include:

CBF Stac

CBF national publication (Bridge Canada)

ITEM 2

The CBF has no standing with the ACBL. We are not a district, not a zone, not a unit. Our opinions, wishes, requests carry no weight with the ACBL. There is a perception that ACBL=USA; as a result, many Canadians feel they are second-class citizens of an American organization, not equal partners in a continent-wide League. This is most apparent in the Bulletin and on the web site, where Canadian events, teams and players are often overlooked.

Preferred position:

Let us have formal recognition that CBF is a body in Canada whose requests and decisions must be considered seriously. Formal requests from the CBF must be considered seriously, and even if they are not in accord with official ACBL policy, allowances must be made to implement them where possible.

Examples:

- Full control over Canadian Championship events, including Sanctions for championship events**
- CBF Bridge Week Regional controlled by CBF**
- Director appointments for CBF run events**
- Charity funds subject to ACBL handling fee**
- Full Canadian control over Educational program in Canada**

ITEM 3

25% of Canadians are Francophones, many of whom speak little or no English, and the ACBL currently has no services for French-speaking members or clubs.

Preferred position

Let us have essential communications and services available in French; French-language materials available via The Bridge Source. Funding for this should come either from a reduction in ACBL fees to Canadians or a fee-sharing arrangement between CBF and ACBL.

The CBF Board of Directors would like to hear from all Units on their reaction to the feasibility study and their support of the CBF in continuing to work with the ACBL in efforts to address the three key items that came out of the study. A questionnaire has been included for Unit Presidents to complete and return to the CBF.

Thank you for your continued support.

Yours truly,

Janice Anderson - Executive Secretary

on behalf of the CBF Board of Directors

James Priebe - President & Zone III Director

Claire Jones - Vice President & Zone V Director

Mary Moulton - Zone I Director

Marc Fiset - Zone II Director

Bill Treble - Zone IV Director

Jennifer Ballantyne - Zone VI Director

Report to the CBF Board on the Feasibility of a Canadian Bridge League ("CBL")

Committee and mandate

In early 2001, the CBF President received a petition signed by over 1800 bridge players in eastern Ontario and Quebec, expressing dissatisfaction with the cost and services of the ACBL and asking the CBF to explore the feasibility of setting up a separate Canadian Bridge League for the 16,000 ACBL Canadian members. At its annual meeting in April 2000, the Board agreed to do this, and appointed a committee to study the issue and report back by the end of the year. The committee members and their various areas of responsibility eventually were the following:

Ray Lee (Chair & governance)
Dick Anderson (ACBL liaison)
Aidan Ballantyne (membership issues)
Marc Fiset (Francophone and club issues)
Linda Lee (project manager and budgeting)
Mary Moulton (communications)

Scope of the Study

It became rapidly apparent that with the resources and time available to us, a true 'feasibility' study could not be completed. The scope of this report can therefore be defined as follows:

- 1) identification of various specific issues for Canada and Canadian players within the ACBL
- 2) examination of how a CBL might address some of these issues
- 3) description of some possible models for a CBL
- 4) discussion of the financial viability of these models
- 5) some suggestions for future action

Definitions

It is important to define what is meant by a CBL, and how it differs from the current situation. At present, ACBL sanctions games, clubs and tournaments in Canada; it administers the masterpoint system, and collects membership dues from individuals. By contrast, the CBF does not issue sanctions or masterpoints, but simply exists to promote the well-being of bridge in Canada, to run the Canadian championship events, and to select and fund Canada's international teams.

The concept of a CBL is that of an organization that would combine the current functions of both ACBL and CBF: it would sanction clubs and tournaments, administer a masterpoint program, promote, teach and market bridge in Canada, and be responsible for Canadian championship events, and the selection and funding of Canada's international teams. The ACBL would, by agreement, have no further direct interest in Canada, but work with the CBL on joint issues and concerns for North America.

While there are other possible models for managing bridge in North America, the function of this study was to examine one, the CBL concept, and look at what it might accomplish compared to the current ACBL-CBF organization.

It is also important to state what we mean by 'feasibility'. This involves issues of

- ▶ Political acceptance – by the ACBL Board, and by Units and Districts across Canada;
- ▶ Financial viability of the CBL model ;
- ▶ Legal feasibility (the question of separation from ACBL and extracting possible equity, having a mandate to engage in that discussion, reaching agreements with ACBL such as with reciprocal agreements, etc.)

All these will be addressed in this document.

Issues

Over the course of several months, committee members gathered information and input from club and tournament organizers, Unit officials and individual players across Canada and beyond. A list of concerns was developed, some of which are specific to Canada's role within the ACBL, and some of which are generic issues in regard to the ACBL as an organization; this list is contained in Appendix 1. During the course of this document, suggestions are made in regard to how some of these issues might be addressed, either by a CBL or within the existing ACL-CBF framework.

The biggest single issue, however, is cost. ACBL membership fees and services are paid for in US\$ (see Appendix 2), which currently is effectively adding a 60% burden to organized bridge in Canada. The cost of playing bridge to Canadians is effectively 60% higher than for other members of the ACBL.

Support of the Membership For Change

No systemic effort was made to do a survey of units or members. However, there were informal discussions with districts, units and individuals as well as responses to website and other announcements. Based on this input, there was a range of support for setting up a Canadian Bridge League. There are clearly some units and members who support the present situation, while others were strongly in favour of moving ahead. More effort will need to be undertaken to quantify the support for change, as making a change of this magnitude would require the support of a significant majority of members, clubs and units.

Other jurisdictions

In looking at potential models for a CBL, we solicited data from Australia, a country with similar geographic and population issues to Canada, and from several European countries which seem to have been successful in attracting a far higher membership of their bridge associations (per capita) than has been the case here. The results are summarized in the table attached as Appendix 3. There is a wealth of data in this table, but the salient points can be summed up as follows:

- 1) These jurisdictions have been far more successful than ACBL at growing membership. Their per capita membership ratio is several times that of ACBL; thus North America is lagging the world as a bridge community, not leading it. Indeed, in many of these countries, membership has been growing during the same period that the ACBL's has been shrinking.
- 2) There is a fundamental difference in approach to the function of the central federation in these countries. The central organization sees its functions as:
 - a) promotion of bridge to people of all ages, working through the bridge club as the basic unit of the organization.
 - b) coordination of a consistent method of teaching bridge, through a standard curriculum and licensed teachers
 - c) training and licensing of directors
 - d) administering a national ranking system, made as meaningful as possible
 - e) regulation of systems, laws, etc.
 - f) running national championships
 - g) selection and funding of international teams

Recognizing that political structure and geography, not to mention proximity to the USA, make it difficult to draw direct comparisons, it seems that these objectives should form the mission statement of a Canadian Bridge League if it is to be successful.

By contrast, the ACBL's major activities are:

- a) promoting tournaments
 - b) promoting the gathering of masterpoints as a measure of bridge success; MPs have become easier and easier to obtain – even gold points are now available at a club level
 - c) publishing the Bulletin
- 3) Cost for members varies, depending on services and what kind of fees are collected by clubs or local organizations. In general, however, it is noteworthy that membership of the national federation is mandatory in order to play in a tournament, and often even to play at an affiliated club.

Membership services

Membership services can be defined in two ways: bridge services to which membership entitles you, and value-added services related to being a member of a large organization.

For the ACBL, the former include:

The *Bulletin* (*Better Bridge* was previously offered as an option, but may now be subject to an extra charge; everyone gets the *Bulletin* regardless)
Slightly cheaper entry fees at tournaments
Masterpoint recording
10% discount on bridge products purchased from Memphis

The latter include:

ACBL MasterCard program
Insurance scheme
Car rental discount

Comments

- 1) ***The entire ACBL strategic plan is based on the assumption that bridge players care about accumulating masterpoints.*** Undoubtedly, many of them do. However, equally undoubtedly, many of them don't, and for these people, the ACBL has little to offer for its fees. Membership simply becomes a matter of arithmetic, based on the per-session savings at tournaments each year. For Canadians playing fewer than about 25 tournament sessions per year, it is cheaper not to be a member. There is no question, either, that there is still residual resentment of the decision to renege on the free life membership promise for Life Masters. Of course, there are far too many LM's now for the ACBL to carry them for nothing. There are also too many LM's for the rank to be a meaningful achievement any more (see below).

- 2) ***There is little value for Canadians in the other offerings.***
 - a) Many Canadian readers- like the *Bulletin*; again, however, many do not. With 120 pages each issue, no doubt everyone can find a few pages to read, but it is trying to serve too wide a readership, and achieve too many goals. For the advanced player, there is too much novice-level material (and vice versa); major tournament reports often get squeezed out so that they are still being completed months after the event; and the presentation and format are well below the production values of any commercially-produced competitor. There is a perception that there is usually little coverage of anything beyond American players and events.
 - b) It is generally cheaper for Canadians to source bridge books and supplies in Canada, even with a 10% discount from Memphis.
 - c) Remaining member programs are USA-oriented (the ACBL credit card is not available to Canadian residents, for example).

- 3) ***It should be possible to create a package of Canadian value-added services.***

The CBF is already looking at the possibility of an affinity credit card with benefits for members. We have an attractive demographic group, and it should be possible to provide other such value-added programs.

Club services

By focussing on masterpoints and tournaments, the ACBL has essentially set itself up in competition with what should be its fundamental building blocks: the bridge clubs. In countries where membership is much higher than North America, there is a recognition that promotion, teaching and education must be supported at a club level.

- 1) ***A network of healthy commercially viable bridge clubs is essential for the well-being of the game.*** The central federation must do the following, possibly through local or regional consultants or employees:
 - a) Assist clubs in promoting bridge in their local schools and community
 - b) Coordinate the development of a standard, simple system of teaching bridge. This should involve both a standard curriculum and licensed teachers. Every graduate should be able to play easily with any other graduate at any club.
 - c) Insure that local tournaments are not competitive with clubs – possibly by returning some of their revenue to local area clubs.
 - d) Promote inter-club events and nationally scored events, using the Internet where necessary.

- 2) ***CBL membership should be mandatory to play at an affiliated club.*** Just as there has to be a value for individuals in joining the CBL, there has to be a value for clubs and their players in affiliating, value which goes far beyond the ability to offer master point games. If clubs are affiliated, and you have to be a CBL member to play at such a club, membership will increase. There are parallels in other sports (for example, tennis and squash) where members of affiliated clubs are simply assessed a small provincial or national association fee

annually. If we could double our membership, we could cut the projected membership fee in half, putting it well within anyone's reach.

The detailed report of the Club Services Committee is attached as Appendices 4 and 5.

Tournaments

Other sections have touched on the number of tournaments and the fact that they often compete with and interfere with the well-being of local clubs. Here it must be noted that for many people, tournaments are simply not very enjoyable any more. Some of the issues reported to us are:

- 1) Reduction in frequency and type of hospitality offered. This varies a lot from tournament to tournament, but fundamentally it depends on the amount of money left over after other expenses, which include ever-increasing director fees, sanction fees and the US\$ mark-up. The social aspects of bridge tournaments are very important to players, and the disappearance of hospitality has had a serious effect on attendance.
- 2) Legalistic rulings and committees.
- 3) The Byzantine alert system.
- 4) Dilution and multiplication of events, which maximizes ACBL revenue through the sale of more masterpoints, but makes them smaller and meaningless (but perhaps for the MP hunter).
- 5) General unpleasantness in the attitude of players one to another.

Obviously, not everyone has a problem with all these items.

It is also important to note the role which Directors need to play. Currently, senior Directors are ACBL employees (which leads to high costs for Canadian tournaments). Under a CBL, the same high standards of tournament direction would have to be maintained; probably initially this would involve an arrangement with ACBL, but over the long run, a cadre of Canadian directors would have to be recruited and trained to run our events. In view of the time and distance between events, it is unlikely that many of them would be full-time.

New issues

It is possible that a CBL would have to face many of the same issues that challenge ACBL with regard to professionalism, cheating accusations and the consequent legal problems. While such things are well beyond the scope of this report, it should be noted that a CBL would have to be prepared, financially and organizationally, to deal with them.

Education

The last seventy years have provided a wealth of evidence about the right way to set up bridge education programs. The success of bridge federations in other countries can often be ascribed to well-organized education programs. In summary:

- 1) There needs to be a standardized curriculum and system.
- 2) Teachers should be licensed centrally.
- 3) In-school programs have been proven to work, while after-school programs usually don't. This may be a long-term investment – typically during family and career-building years of 25-40, most people will not become serious bridge players, but they may well return to the game later in life if they have had the early education.

A CBL would need to establish standards and teacher training, while funding some of our successful Canadian educators to help organize programs across the country in clubs and schools.

Ranking system

There was a time when the simplicity of the masterpoint system was attractive, and when winning masterpoints was an achievement. However, proliferation of events, inflation of awards, professional players, and many other factors have reduced the present ranking system to worthlessness. When it is possible to get 20 Gold Points for winning two matches in Tier 3 of a bracketed regional knockout, the system may already be at a farcical stage. ***Accumulation of meaningless points is not a drawing card for many players.*** On the other hand, other mind sports like chess have shown that a 'real' ranking system is endlessly fascinating to players. On OKbridge, the contortions of people trying to manipulate the Lehman ranking system are amazing to behold – while this is not a good thing in itself, it does demonstrate that players really care about a numerical ranking that is supposedly reflective of ability, and that can decrease with a poor performance. There have been one or two attempts to create the model for a chess-like ranking system for bridge, but even with today's technology, the task of rating individuals via partnership and team results is a daunting one; perhaps more realistic would be a modified masterpoint system like the WBF or French systems, where points disappear with time, so that at least the ranking is more a measure of current success. However it is accomplished, even if a new system must exist alongside the current masterpoint scheme, ***there must be a real ranking process that offers players some challenge and interest, and a reason to play in serious events.***

ACBL relationship

Any independent Canadian Bridge League would have to negotiate an agreement with ACBL on several issues. In particular

Masterpoints

US and Canadian players at each other's tournaments would want to get credit in their home country for masterpoints won in the other. The simplest way of achieving this would be to arrange for ACBL to administer the Canadian masterpoint system for the first few years; however, if the cost of this proved prohibitive, it would not be a huge job to set up a Canadian masterpoint administration process. Similarly, the simplest way to administer masterpoints at the start would be to retain exactly the US system until such time as a Canadian ranking system could be designed and implemented.

Reciprocal membership

Canadians and Americans will want to continue to have access to each others' events, as well as having their masterpoints recorded. Many border tournaments rely on attracting people from both countries. Ideal would be a reciprocal membership agreement, allowing full privileges to CBL and ACBL members in the each other's countries.

Bulletin

Communicating with members is a critical piece of the puzzle, and a regular magazine is an important part of this. Canadian members would be served by the CBL publication(s), with material available in both French and English. The ACBL Bulletin would be available, as now, on a subscription basis to those who wanted it, although perhaps a favourable bulk rate for Canadian members could be negotiated.

Communications

Internet

The Internet has to be an important communication medium for the CBL; indeed, much information should probably only be available in this manner, including ranking lists and tournament results. The CBL website should also host a Canadian Bridge Hall of Fame, as well as live Vugraph for National finals and up-to-the minute Canadian bridge news. More use should be made of the possibility of scoring events across the country simultaneously using Internet-based software.

Clubs can be supported through the Internet (there are commercial attempts to do this even now), but the central web site should be a forum for exchange of ideas, support, and education and marketing programs for the clubs.

Canadian magazines

The Bulletin can be replaced for Canadian readers with something more appropriate. Among the issues to be considered for such a publication are:

- a) frequency – probably 6-8 issues per year
- b) language – bilingual, or separate French and English publications?
- c) distribution – mailed individually (expensive) or distributed through bridge clubs?
- d) level – should there be a separate publication for novice or social players?
- e) CBL could support local publications by paying for contents / advertisement (the French model)

While the ACBL Bulletin undoubtedly has economies of scale not available to a CBL, there would be more than enough readers in Canada to support a quality publication.

CBL members who wish to continue receiving the *Bulletin* could continue to subscribe at the published rate of US\$20 per annum, even if no better deal could be arranged.

CBL Governance

If we assume a model where the affiliated club is the cornerstone building block, and where CBL membership is mandatory for players at these clubs and at tournaments, then the simplest organization is something like this:

- 1) Clubs elect delegates to Unit annual meetings, based on membership. These delegates elect Unit board members.
- 2) Units elect 8 zonal CBL directors (again, proportionately based on Unit membership where a Zone spans more than one unit); Zones would be roughly constituted as at in the CBF at present, possibly adjusted to align more to provincial boundaries, but Zones 2 and 3 would split to create two new,. This would retain some balance regarding regional representation, but move away from the current CBF model where less than 25% of the membership controls 66% of the votes on the Board.

- 3) CBL Directors serve 4-year terms, with a maximum of two consecutive terms (two are up for election each year). Officers are elected by the Board for two 2-year terms – no one would serve more than two consecutive 2-year terms.
- 4) Board meets preferably once per year, to set strategy, while the CBL CEO runs the operation on a day-to-day basis.

The mandate of the Units would, as now, be to organize tournaments, in cooperation with the clubs, not in competition with them, including the local levels of National championship events where appropriate. The current 'District' level of organization would become redundant and disappear; regional tournaments would be assigned to Units within the Zone. There would be no Zonal organization as such.

However, it is important that the CBL be seen as an organization that serves all Canadians, not simply those in the most populous regions, or closest to wherever its head office happens to be. It may be more appropriate to design an organization that is provincially-based, with therefore approximately 10 Directors. This would have the advantage of allowing the CBL to align itself with provincial sports organizations and funding; it would also potentially allow for provincial championships, which would make it easier to attract potential sponsors for national events.

The Governance question is one that needs considerable further study and discussion if the CBL project continues.

Draft budget

The Finance Committee examined the feasibility of an independent Canadian Bridge League using the current model: i.e. the assumption that the CBL would operate in much the same way as the ACBL currently does, but operating in Canada with Can\$ costs and revenues. Its detailed reports form Appendices 6 & 7. The basic conclusion is that such an organization would be financially viable; alternative organization structures would have to be modelled separately, but such features as mandatory membership would certainly not reduce the revenue stream, so the conclusion is likely to be the same.

There has been some discussion about the fact that the CBL would have a much smaller membership and that it would therefore be impossible to provide similar services at the same cost as ACBL. However, the draft budget did not simply assume downscaling the approach taken by the ACBL. It was a top-down budget built on the cost of performing specific services in Canada in the most cost-efficient manner possible and with a minimum of overhead. For example, the projected cost of maintaining an office is a fraction of the cost currently borne by the ACBL. Many activities (e.g. publishing a magazine) could be performed by independent contractors etc. Finally, the cost of goods and services in Canada is generally much less than 1.6 times the cost of the same items in the U.S.

One issue that these numbers do not address is that of Canadian equity within ACBL. There is a body of opinion that holds that Canadian members 'own' 10% of ACBL, and that under separation conditions, a CBL would be entitled to withdraw these funds (about US\$500,000). This has not been discussed with ACBL except in the most general terms, and the financial projections have not assumed that this money would be forthcoming. Indeed, it seems likely that a CBL would prefer to exchange its entitlement to these funds for a long-term service agreement with ACBL that dealt with some administrative items such as masterpoints.

Summary

It is noteworthy that this project has already achieved one result: the ACBL Board has become much more aware of Canadian issues and concerns. It is possible, therefore, that some of the issues that have been identified herein will be addressed in the near future. Appendix 8 lists some ideas for solving some of the issues within the current ACBL-CBF framework.

This study raises questions and issues and perhaps frames the problem rather than providing conclusive answers. We recognize the complexity of the inherent problems, and certainly, a great deal more work is needed to justify the quantum leap to starting a whole new organization. If Canadians want it, it seems likely that a successful independent Canadian Bridge League could be established; however, it will take a great deal of time and effort to do so, not to mention money. It remains for Canadian bridge players to decide whether they do want to invest the resources necessary to get going, and even more importantly, to decide what kind of organization they would want to build. The ideas outlined in this report should form a good starting point for these critical debates across the country.

Next steps

In order to move this project forward, several steps are necessary.

- 1) Acceptance of the recommendations of this report by the CBF Board.
- 2) It is necessary to obtain a political mandate for the CBL project, and some authority from Canadian bridge players to move it forward to any degree. It is therefore necessary to test public opinion – it is not clear at present how many CBF members are interested in pursuing the idea of a new league. During this study we encountered people who were strongly in favour of it, as well as some who were equally strongly opposed. It will be necessary to ask members to vote, to ask units to vote and even to allow non-members to indicate their interest. The last one (and possibly the first one) could be done on the Internet. The ACBL is never going to take the process seriously without some indication of a mandate for the negotiating team.
- 3) Legal research into the possibility of 'secession' from ACBL, how to obtain a mandate for such a move, and the feasibility of getting out Canadian players' equity out of ACBL.
- 4) Identify a champion for the cause and put up some money to allow that person to manage the continuation of the groundwork. It will need people who have considerable time and energy to dedicate to the project.
- 5) Establish a group to refine the CBL governance model and mission statement, and have them approved by CBF Board and Canadian Units (suggest that 'approval' by units should be given by a majority vote of each unit Board, with Units voting in favour having to represent at least 67% of the membership to constitute national approval).
- 6) Develop the detailed business plan for the CBL.
- 7) Negotiate an agreement with ACBL for independence of Canadian Units and an ongoing relationship.
- 8) Establishment of a Canadian Bridge League as a legal entity.

While this is occurring, two parallel steps should take place:

- 1) CBF should establish a permanent liaison with the ACBL Canadian Affairs Committee
- 2) We need to build CBF into a more visible and effective voice for bridge and bridge players in Canada; some specific ideas in this regard form a separate document that the CBF Board will be considering.