



30 June 2023

Claude Doucet Secretary General CRTC Ottawa, ON K1A 0N2 Filed online Amended as indicated by underlining below and resubmitted 1 July 2023

Dear Secretary General,

# Re: The emerging crisis in local television – application by FRPC AND PIAC for the CRTC to reconsider its approach to applications by Bell Media, <u>Corus, Québecor and Rogers</u>

The Forum for Research and Policy in Communications (FRPC) is a non-profit and non-partisan organization established in 2013 to undertake research and policy analysis about communications, including broadcasting. The Forum supports a strong Canadian communications system that serves the public interest as defined by Parliament in the *Broadcasting Act* to which Royal Assent was given on 27 April 2023.

PIAC is a national non-profit organization and charity that represents the interests of ordinary and vulnerable consumers in important public services delivered by the private sector. PIAC has pursued this work for over 40 years and has previously intervened in many CRTC broadcasting proceedings where the consumer interest in broadcasting is engaged.

FRPC and PIAC are submitting the attached Part 1 application that asks the Commission to suspend the 7 art 1 applications filed by Bell <u>Media</u>, Corus, Québecor and Rogers.

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# CRTC must address the crisis in local TV news service now:

# Three options, including one that may not be perfect but is good enough for now

Application by the Forum for Research and Policy in Communications (FRPC) and The Public Interest Advocacy Centre (PIAC) Friday, 30 June 2023

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# **Executive Summary**

- ES 1 The Forum for Research and Policy in Communications (FRPC) is a non-profit and non-partisan organization established in 2013. It undertakes research, legal analysis and quantitative research about communications, including broadcasting. PIAC is a national non-profit organization and charity that represents the interests of ordinary and vulnerable consumers in important public services delivered by the private sector. PIAC has pursued this work for over 40 years and has previously intervened in many CRTC broadcasting proceedings where the consumer interest in broadcasting is engaged. FRPC and PIAC believe that the public interest is served when it meets Parliament's objectives for the broadcasting system, as set out in section 3 of the current Broadcasting Act.
- ES 2 This application asks the Commission to modify the process it is currently using to consider 7 applications filed by Bell Media (2022-0986-7 and 2023-0380-9), Corus (2022-0946-0 and 2023-0300-9), Québecor (2022-0986-6 and 2023-0307-2) and Rogers (2023-0373-3). Two of the applicants ask the CRTC to remove requirements for local TV news; two ask for permission to use monies designated for non-news programming, to support their local TV programming.
- ES 3 The 7 applications were triggered by two mingled events: the CRTC's decision in August 2022 to renew the four broadcasters' licences administratively to August 2024 and the serious impact of the 2020-2022 global pandemic on the broadcasters' financial position. The administrative renewal left private TV broadcasters with conditions from now until their next 'full' renewal, even though their operating losses have more than doubled (from an average of \$57.2 million per year from 2017-19, to an average \$136.6 million per year from 2020 to 2022).
- ES 4 If approved in whole or in part, the 7 applications could irreparably harm the public interest by changing the level and quality of Canadian programming, particularly the local TV news that the applicants have been providing to the 24.2 million people who live in the 37 communities that the applicants were licensed to serve – and by reducing employment in this sector. Other broadcasters will likely follow in kind, expanding the scale of this crisis problem at a time when the CRTC is primarily occupied with implementing the *Online Streaming Act*.
- ES 5 Decades ago a plausible approach to the emergent issues raised by the 4 applications is that local radio stations, the CBC and/or newspapers could fill any local TV news gaps. Today some TV stations simulcast their programming on radio stations, CBC's local TV news expenditures have dropped by 31.4% (in real terms) from 2015 to 2022, and it is unclear how many communities affected by the applications are served by local newspapers or online local news.
- ES 6 Holding 7 separate proceedings to address a problem common to the applicants and other broadcasters the availability of local TV news is unlikely to address broadcasters' frustration with a 2022 administrative renewal based on 2017/18 financial data rather than more current evidence.



ES 7 Rather than launching a full licence renewal proceeding for the applicants – which is in fact not included in the CRTC's 2023-24 Departmental Plan in any event – FRPC and PIAC propose that the CRTC consider three options:

1. Order broadcasters to continue to operate under current terms and conditions. This may lead broadcasters to increase the level of repeats they now broadcast and to increase spending on analysis and interpretation programming (defined in 2017 as 'news') that could be repurposed across other services despite its local reflectiveness. It may also lead some broadcasters to close unprofitable TV stations altogether, while retaining any profitable radio or discretionary TV services they operate. The legality of any CRTC order about these behaviours will likely be challenged before Canada's courts.

2. Merge the 7 Part 1 applications and either

A Issue a notice of public hearing to discuss concerns about and possibly amend current expenditure requirements

OR

B Issue a notice of consultation for a written proceeding to address the concerns noted above and as provided by section 37 of the Rules hold a preparatory conference of all interested parties – including public interest organizations – one week after the proceeding's announcement to ensure the availability of relevant evidence for all parties.

3 Establish an internal working group or industry-CRTC Consultation Committee to undertake research and make recommendations to the CRTC. While used several times by the CRTC in the past, these groups and Committees lacked public participation and were not transparent, leading to concerns about the quality of their recommendations.

ES 8 FRPC and PIAC support option 2 B.



# I. At risk: the private TV service provided to 24.2 million people in the 37 communities across Canada

- 1 The Forum for Research and Policy in Communications (FRPC) is a non-profit and non-partisan organization established in 2013 to undertake research and policy analysis about communications, including telecommunications. The Forum supports a strong Canadian communications system that serves the public interest. PIAC is a national non-profit organization and charity that represents the interests of ordinary and vulnerable consumers in important public services delivered by the private sector. PIAC has pursued this work for over 40 years and has previously intervened in many CRTC broadcasting proceedings where the consumer interest in broadcasting is engaged.
- 2 Nine weeks ago the CRTC's enabling broadcasting statute changed when Royal Assent was given to the *Online Streaming Act* (Bill C-11) on 27 April.
- While the passage of the *Online Streaming Act* was merely probable when it received first reading in November 2020, the prospects of its enactment strengthened over time, and it was no surprise to learn in May 2022 from then-CRTC Chairperson, Ian Scott, that the Commission had devoted dozens of its staff to studies on how to implement the new legislation.
- 4 The CRTC has moved rapidly to implement Bill C-11, launching three consultations in the past 8 weeks, one of which is a public hearing scheduled for November 2023. The CRTC's *Regulatory Plan* lists another 6 consultations in the next year, along with a unknown number of "engagement sessions" with "industry and creators": see Appendix 2.
- 5 It is somewhat unclear what the next few months will also bring in terms of new work for the CRTC as a result of the enactment of the *Online News Act* (that received Royal Assent on 22 June 2023).
- 6 That said, the fact that Meta Platforms Inc. and Google have in the past several days announced they "will remove links to Canadian news"<sup>1</sup> from their search engines has only exacerbated the sense of crisis in Canadian news.<sup>2</sup>
- 7 What neither Parliament nor the CRTC could have predicted in their discussions is that Canada's broadcasting system is also facing a crisis, triggered unexpectedly by the proposals of this country's four largest private TV broadcasters to diminish the availability of local TV news and other Canadian programming.

<sup>&</sup>lt;sup>1</sup> Christopher Guly, "<u>Google joins Meta in blocking Canadian news links in response to Bill C-18</u>", cartt.ca (Ottawa, 29 June 2023).

<sup>&</sup>lt;sup>2</sup> Moreover, the decision by the CRTC to renew CBC's licences – though subsequently ordered to be reconsidered by Cabinet in September 2022 – has also complicated matters.



# II. The crisis in Canada's television broadcasting system

- 8 The fact is that the applicants and other private TV licensees are now operating in the seventh year of licences first issued in 2017 and reissued in 2018 for the same five years: then, rather than inviting new information from the broadcasters to set new terms and conditions for their next licence periods, the CRTC instead renewed the applicants' licences <u>administratively</u> in July 2022.<sup>3</sup>
- 9 In calmer no-pandemic times administrative renewals enable the CRTC to husband its resources while protecting the *status quo ante*. While administrative renewals may also wind up protecting private broadcasters' financial well-being, they ensure that generally speaking, broadcasters continue to provide the same or very similar programming to the communities they serve.
- 10 Unfortunately, as Figure 1 shows, private broadcasters are <u>not</u> enjoying the same financial conditions they enjoyed in the past. From 2010 to 2016, for instance, private TV stations earned operating profits of \$46.8 million (\$2002) per year. From 2017 to 2019, they incurred operating losses of \$57.2 million per year and from 2020 to 2022 these losses more than doubled to an average of \$136.6 million per year.
- 11 As Figure 1 shows, the operating losses incurred by Canadian private TV broadcasters in the mid 2010s grew sharply from 2020 to 2022, precisely when the CRTC administratively renewed major groups' licences based on their 2017/18 conditions of licence without, apparently, considering whether their circumstances had changed.

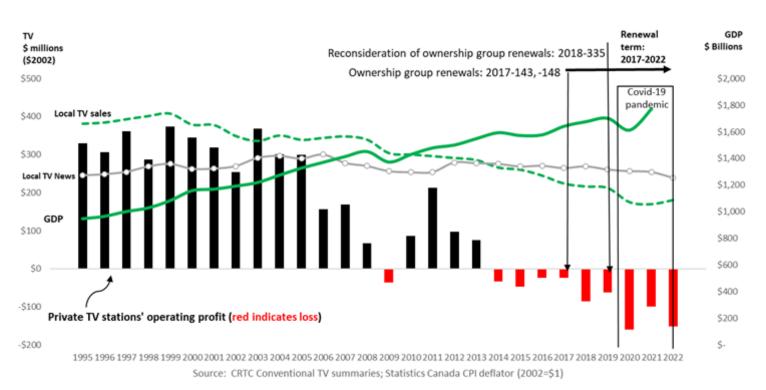


Figure 1 Private broadcasters' financial position vs Gross Domestic Product: 1995-2022

<sup>&</sup>lt;sup>3</sup> Various large English-language and French-language television ownership groups – Administrative renewals, Broadcasting Decision CRTC <u>2022-180</u> (Ottawa, 4 July 2022): renews French-language and English-language ownership groups' television services from 1 September 2022 to 31 August 2024



# A. 7 applications – 7 different proceedings – same financial concern

- 12 In the 39 days from 15 May 2023 to 23 June 2023 the CRTC has published 7 broadcasting applications from Canada's largest private broadcasters. While it received the first application from Corus in mid-November 2022, the CRTC chose not to publish it until 15 May 2023 the same day it published the application it had received from Québecor on 9 May.
- 13 The Commission has now published the applications by Bell Media (2022-0986-7 and 2023-0380-9), Corus (2022-0946-0 and 2023-0300-9), Québecor (2022-0986-6 and 2023-0307-2) and Rogers (2023-0373-3) 'administratively'. It has set five separate intervention deadlines for the 7 applications: June 14 (2022-0986-6), June 23 (2023-0300-9), July 4 (2023-0307-2), July 19 (2023-0373-3) and July 24 (2023-379-1, 2023-0380-9.
- 14 Yet the applications have a common theme: their request for regulatory flexibility either to reduce the amount of local programming they broadcast and what they spend on that programming, or to maintain their local programming service using monies that must now be allocated to other types of programming. (The broadcasters' applications are briefly described in Appendix 3.)
- 15 Approval in whole or in part of the 7 applications could irreparably harm the public interest by changing the level and quality of available Canadian programming and, in particular, the local TV news now available to dozens of communities across Canada. These changes could lead to further job losses in a sector that has lost more than a thousand jobs in the last month alone. As the Commission knows, moreover, approval of any of these applicants' requests will lead to knock-on applications from other private TV broadcasters in similar positions.
- 16 FRPC and PIAC are asking the CRTC to modify its current approach to these 7 applications to limit harm to Canadians and the broadcasting system. We agree with the applicants that have framed their requests as a response to crisis. Bell argues specifically that Canada's "broadcast industry is in crisis"; Corus points to "unprecedented challenges ... none of which were expected" when its licences were last renewed; Québecor describes "la transformation du milieu de la radiodiffusion se poursuit à un rythme effréné" [~ 'broadcasting's frantically paced transformation'], and Rogers says changes are "urgently required".<sup>4</sup>

## B. Impact already being felt

17 In setting the terms and conditions of private television broadcasters' services in 2017, the CRTC described the value of local news this way:

Local programming, particularly local news, is of great importance to Canadians and continues to be a primary source of news and information. Moreover, news and analysis produced and distributed through the broadcasting system are essential components of the Canadian democratic system and contribute to the trust that Canadians place in it. The privileges granted to local television stations to have their signal distributed on the basic service, to solicit local advertising and to request simultaneous substitution come

<sup>&</sup>lt;sup>4</sup> Bell, 2023-038009, at para. 3; Corus, 2022-0946-0, at page 12, ¶47; Québecor, 2023-0307-2, at ¶11 and Rogers, 2023-0373-3 at ¶42.



with the responsibility to offer local programming, much of which consists of news and analysis. $^{5}$ 

- 18 Moreover, the programming that these groups provide is already changing from that envisaged by the CRTC in 2017. On 2 June, for example, Québecor announced that it was cancelling weekend newscasts in Quebec City<sup>6</sup> (a proposal since withdrawn) and on 14 June BCE announced it is closing CTV's foreign bureaux in London (UK) and Los Angeles (US) and 'scaling back' its Washington (US) presence.<sup>7</sup> TVA announced 240 job cuts this past February, <sup>8</sup> and BCE also "announced it was cutting 1,300 jobs, [and] closing or selling nine radio stations....".<sup>9</sup> (Presumably BCE has returned or will soon be returning the licences of these radio undertakings.)
- 19 Unless the CRTC takes a more coherent approach to the 7 applications, the local news that the applicants broadcast to 24.2 million people living in the 37 communities that they are licensed to serve may change significantly or disappear (see Appendix 4), along with the jobs local news creates. This is clearly not what the CRTC intended in 2016, when it set out a new framework for local programming "to ensure that Canadians continues to have access to local programming that reflects their needs and interests." <sup>10</sup>
- 20 In setting the terms and conditions for the applicants' TV licences in 2017, the Commission said it wanted to ensure stable funding to produce Canadian programming<sup>11</sup> and to ensure that local TV stations maintained their traditional levels of local programming and news.<sup>12</sup> News in particular is fundamental to Canadian democracy: the raison d'être, after all, of C-18 was the hope that, because of its importance, it would to stem the loss of original news in Canada.
- As for jobs, as Appendix 4 shows, 12 of the communities where local TV news might be reduced have populations below 80,000: in those communities the multiplier effect of job losses may have highly noticeable consequences. Even if TV employees later find work with similar or equivalent remuneration, it is unclear whether this would be in Canada's broadcasting industry, thus depriving the broadcasting system of valuable experience and skills.
- 22 The knock-on effects as other broadcasters follow the examples of Bell and Québecor by applying to reduce local news or deciding to recycle old news to reduce staff could be catastrophic for Canada's broadcasting system, for those who work in the system and for

<sup>7</sup> Sammy Hudes, "<u>Bell cutting 1,300 positions, shuttering six radio stations</u>", ctvnews.ca (14 June 2023).

<sup>&</sup>lt;sup>5</sup> Renewal of licences for the television services of large English-language ownership groups – Introductory decision, <u>Broadcasting Decision CRTC 2017-148</u> (Ottawa, 15 May 2017), at ¶46.

<sup>&</sup>lt;sup>6</sup> Groupe TVA, *Changements au TVA Nouvelles Québec de fine de semaine*, media release (2 June 2023), Application 2022-382-4

 <sup>&</sup>lt;sup>8</sup> Canadian Press, "<u>Groupe TVA announces 240 job cuts as part of restructuring plan</u>" montrealctv.ca (16 Febraury 2023).

<sup>&</sup>lt;sup>9</sup> Alex Boyd, "<u>Bell cuts 1,300 jobs, including prominent CTV journalists</u>" thestar.com (14 June 2023).

<sup>&</sup>lt;sup>10</sup> Renewal of licences for the television services of large French-language ownership groups – Introductory decision, Broadcasting Decision CRTC 2017-143 (Ottawa, 15 May 2017), at ¶12.

<sup>&</sup>lt;sup>11</sup> Renewal of licences for the television services of large French-language ownership groups – Introductory decision, <u>BDC 2017-143</u> (Ottawa, 15 May 2017), Untitled, italicized preface, unnumbered paragraph 2.

<sup>&</sup>lt;sup>12</sup> *Ibid.*, at ¶83: "In the Local TV Policy, the Commission established … measures to ensure that local television stations maintain historical exhibition levels for local programming and locally reflective news and information …."



Canadians, if a federal writ drops this year to trigger an election while local TV news is effectively off-air, so to speak.

## C. No more substitutes for local TV news

- 23 Over the past several decades concerns about the loss of local TV news have been met with three basic arguments: private radio stations' news will fill any void, the CBC will fill any void or print media (and, more recently) or online news will fill the void.
- 24 As the CRTC does not make radio stations' individual program logs available and does not publish annual data describing either the hours of local news broadcast by radio stations or their expenditures on local news, there is no publicly available evidence showing that radio news has or will effectively replace TV news.
- As for the CBC, years of reductions in its Parliamentary appropriations have led it to reduce its spending on local TV news. From 2015 to 2022 private broadcasters' expenditures on local news (Category 1) decreased by 11% in real terms while those of CBC (Canada's National Public Broadcaster) fell by almost three times as much (31.4%): Table 1.

\$ millions	Local TV news expenditures				
(2002)	National public broadcaster	Private commercial broadcaster			
2015	\$ 71.33	\$ 268.66			
2016	\$ 101.99	\$ 270.60			
2017	\$ 61.13	\$ 264.52			
2018	\$ 67.69	\$ 269.09			
2019	\$ 66.77	\$ 260.71			
2020	\$ 55.24	\$ 256.35			
2021	\$ 52.95	\$ 254.23			
2022	\$ 48.94	\$ 238.72			
2015-22	-31.4%	-11.1%			
Source: CRTC, Conve	entional Television Statistical and Financial Summ	maries (various years);			
Statistics Canada CP	l deflator				

 Table 1
 Local TV news expenditures of National Public Broadcaster and Private commercial broadcasters in real

 terms, 2015-2022
 Example 1

- As for newspapers C18 exists specifically in part because of the numbers of news media outlets have closed in recent years.
- 27 Online programming services, of course, provide some news. It is unknown, however, how much of this news is original (first run) and local, and of this, how much is actually provided by local radio or television services.
- 28 The only substitute for high-quality, original local TV news is the first-run news broadcast by local TV stations (or local online services that choose to offer local news).



# D. Questions the 7 proceedings are unlikely to answer

- 29 A final concern with the CRTC's current disaggregated approach to the challenges now facing private TV stations in Canada is that none of the 7 proceedings is likely to adduce either the evidence needed or answers to questions that are relevant to the CRTC's determinations.
- 30 For example, on 31 May the president of the Canadian Association of Broadcasters 2022 told a meeting of the House of Commons Standing Committee on Canadian Heritage that private broadcasters intended to reinvest the payments they had previously made for their 'Part II' licence fees into their own broadcast journalism:

The main thing you would see is that you would have an amount of money that could be reinvested within those organizations themselves. In some ways, a taxation dollar—I'm not sure if it's the first or last dollar out—could be retained within the broadcasting companies and could allow them to retain staff. It would allow them to retain journalists in house. Journalism can be very expensive to produce, and I think that within the broadcasting companies, that would be a key place where they would be able to continue to retain staff.<sup>13</sup>

- 31 This question is relevant to the applications at hand because in 2021-22, the Part II licence fees amounted to just over \$119 million (\$119,641,709)<sup>14</sup> and, presumably, the 4 applicants likely remitted a significant portion of these fees.
- 32 In considering of the 7 applications, it remains unclear how the 4 applicants' businesses are interconnected. For instance, how has centralcasting affected broadcasters' financial position? Also, given that some radio stations simulcast television stations' programming, how are the revenues and expenses of this programming allocated?
- 33 Similarly, if a broadcast group's television stations and discretionary services 'share' programming, how are these revenue and expenses allocated?
- 34 As the CRTC's 2-year of DMBU data are either unreliable or invalid or both, should the CRTC at this time consider the degree to which the 4 applicants' online services either rely on their legacy services' programming and other infrastructure?
- 35 This is clearly not the time to develop a new policy approach but the questions require answers to ensure fairness to other broadcasters, especially those that are not vertically integrated.

# III. Three options

36 The applicants' frustration with the CRTC's decision to renew their licences administratively is clear – and understandable. As the applicants have noted, even if – following the CRTC's implementation of the *Online Streaming Act* for the next year – the CRTC begins to actually implement its new policies, regulations and requirements in 2025 – these will generally involve

<sup>&</sup>lt;sup>13</sup> House of Commons Standing Committee on Canadian Heritage, <u>31 May 2022, Meeting 27, Minutes</u> (44<sup>th</sup> Parl., 1<sup>st</sup> Sess.).

<sup>&</sup>lt;sup>14</sup> CRTC, 2021 to 2022 Fees Report, <u>Catalogue No. BC9-31E-PDF</u>, at 12.



online services. Neither the CRTC's *Regulatory Plan* (Appendix 2) nor its *Departmental Plan 2023-24* addresses any licence renewal proceedings, or preparations to renew the licences of private broadcast ownership groups.

- 37 The Departmental Plan 2023-24 sets out three main plans that address the implementation of the Online Streaming Act, affordable Internet access for all Canadians, and compensation for Canadian news outlets under the Online News Act.<sup>15</sup> It therefore seems more likely than not that, as Corus recently noted, the CRTC will not be considering traditional broadcasters' contributions until late in 2024 and may not complete its considerations until mid-2025.<sup>16</sup> At this point – and assuming they still exist in their present structure – Canada's largest ownership groups will have been operating for 8 years under terms and conditions that were set in 2017.
- 38 There are at least three ways other than 7 disparate and apparently disconnected administrative proceedings for the CRTC to address the challenge it now faces.

# A. Order broadcasters to continue under current terms and conditions

- 39 In April of this year Parliament significantly expanded the CRTC's powers, by enabling it to issue orders to individual broadcasters and empowering it to levy administrative monetary penalties if such orders or conditions of service (previously, conditions of licence) are breached.
- Suppose with or without a decision about their specific applications the four applicants decided to recycle their existing news programming. While the CRTC has imposed requirements on the applicants' TV stations to broadcast specified "hours of local programming"<sup>17</sup> and specified hours of locally reflective news,<sup>18</sup> the Commission chose not impose *any* specific requirements that such news be 'first-run' or original. In other words, under their existing licences the applicants could if they had to, broadcast a single original hour of news each week and recycle that program until they had broadcast the hours required by the CRTC. Apart from aggravating audiences, broadcasters could in theory allocate more of their resources to 'analysis and interpretation programming' which the CRTC defined to be part of its conception of news in 2017.<sup>19</sup> Carefully done, such programming could be repurposed across more of broadcasters' services even if they provided some local reflection.

<sup>&</sup>lt;sup>15</sup> CRTC, <u>2023-24 Departmental Plan</u>, "Plans at a glance", at 5.

Corus, Part 1 Application 2022-0946-0, Reply (26 June 2023), at ¶6: According to the Commission, the contribution framework applicable to "traditional broadcasters" will not be considered until Step 2 of the "Path Forward" (BNC 2023-138) consultation, which is not slated to begin until Fall 2023. The Step 3 process of establishing new, individual contribution requirements will not begin until late calendar 2024, and presumably not conclude (with new requirements effective) until mid-late calendar 2025 at the earliest. The likely result will be an extension of Corus' current regulatory obligations for three years beyond their original term.

<sup>[</sup>footnotes omitted]

<sup>&</sup>lt;sup>17</sup> Standard requirements for television stations, discretionary services, and on-demand services, <u>Broadcasting</u> <u>Regulatory Policy CRTC 2016-436</u>, (Ottawa, 2 November 2016), at ¶¶5 and 6.

<sup>&</sup>lt;sup>18</sup> Broadcasting Decision CRTC 2017-148, ¶52:

Consistent with the Local TV Policy, the Commission is generally maintaining the current standard local programming requirement for local television stations of at least 7 hours per week in non-metropolitan markets and at least 14 hours per week in metropolitan markets.

<sup>&</sup>lt;sup>19</sup> Broadcasting Regulatory Policy CRTC <u>2016-224</u>, at para. 57:



- 41 Or, if broadcasters with TV licences also hold licences for generally profitable radio or discretionary TV programming services, they could simply close down their unprofitable TV stations altogether. BCE's Chief Legal and Regulatory Officer recently said that Bell Media cannot afford to continue operating its local TV stations, its local radio stations and its three discretionary television news services (CTV National News, BNN and CP24) "independently of one another".<sup>20</sup>
- 42 It would be difficult for the CRTC to lawfully order broadcasters to continue to operate undertakings whose licences they have returned. Even with its powers augmented by the *Broadcasting Act* enacted in April 2023 could it – for instance – lawfully order a broadcaster to continue to operate a long-unprofitable television station in exchange for the continued licensing of the broadcaster's more-profitable discretionary television services or distribution undertakings? Even if the CRTC or the Department of Justice were willing to risk a court challenge of this scheme, the risk is that original local TV news would remain off-air for some time.

### B. Merge the proceedings

- 43 Section 10(b) of the <u>Canadian Radio-television and Telecommunications Rules of Practice and</u> <u>Procedure</u> (Rules) enables the CRTC to merge the applications if it believes the circumstances permit. To ensure continued local TV service to Canadian audiences and to prevent further job losses while the CRTC's intervention, reply, consideration and decision phases for the 7 applications play out – FRPC and PIAC are asking that the CRTC merge the applications into a single proceeding and then
  - a) Issue a notice of public hearing at which legitimate concerns that inflexible expenditure requirements are threatening local news could be expressed and discussed the benefits and disadvantages of a five-year regime in which broadcasters may shift funding from non-news to news programming,

### OR

- b) Issue a notice of consultation for a written proceeding to address these concerns to be held on an expedited basis in late July or August 2023 and, as provided by section 37 of the *Rules* hold a preparatory conference one week after the proceeding's announcement of all interested parties – including in particular public-interest organizations – to ensure the availability of relevant evidence for all parties.
- 44 FRPC and PIAC prefer option b as it would enable the CRTC to proceed without a public hearing and its attendant costs, and would reduce the time needed to seek parties' positions and recommendations, thereby enabling the CRTC to render a determination more quickly.

<sup>57.</sup> Finally, the Commission considers it appropriate to allow broadcasters to draw from both categories 1 News and 2(a) Analysis and Interpretation to meet their local news exhibition and expenditure obligations provided that the programs also meet the definition of locally reflective programming set out above.



# C. Establish working groups or consultative committees

- 45 The CRTC has previously made use of internal working groups to undertake research and make recommendations to the Commission"<sup>21</sup> in addition to establishing consultative Committees. In 1984, for example, it established a CRTC Consultative Committee to study issues related to ethnic broadcasting and consult with broadcasters, cable operators and representatives of the recording industry, artists, government departments and others.<sup>22</sup> A CRTC Consultative Committee established in 1989 reviewed definitional aspects of its radio policies; it included representatives from broadcasting, the production and recording industries and Commission staff.<sup>23</sup> Another Committee reviewed television program dubbing.<sup>24</sup>
- 46 An obvious concern with this approach is that it would transform public discussion and debate into private negotiations.

# IV. Conclusion and recommendation

- 47 FRPC and PIAC support Parliament's objectives for Canada's broadcasting system, and supports decisions of the CRTC that serve the public interest.
- 48 Our concern is that a failure by the Commission to provide rapid, decisive action about this important issue the exhibition and funding of local TV news will lead to further unprecedented actions by broadcasters such as that described by the Syndicat canadien de la function publique (Part 1 Application 2023-038-4). Canada's broadcasting system should not become a lawless wasteland where, so to speak, 'good' and innovative new services 'die young' and only the large survive.
- 49 We urge the Commission to suspend consideration of the 7 separate Part 1 applications to consolidate them into a single proceeding that addresses the concerns of the applicants and other interested parties. We invite the Commission to hold a preparatory conference of parties as provided by section 37 of the *Rules*, one week after the proceeding's announcement to ensure the availability of relevant evidence for all parties.
- 50 The CRTC's decision in such a proceeding need not be perfect, but must be made quickly to forestall even more serious problems in the near future.

<sup>&</sup>lt;sup>21</sup> CRTC established an internal working group to review the CRTC's work as it faced "the challenges of the new decade. In 1989, for instance, it established a Working Group on Broadcasting Process whose report, *Working Group on Broadcasting Process: A Lighter Approach*, was published in 1989. The CRTC had previously established a similar working group in 1984 (*Ibid., p. 1*).

CRTC Consultative Committee on Ethnic Broadcasting, Public Notice CRTC 1985-208 (Ottawa, 9 September 1985).
 See e.g. RECOMMENDATIONS OF THE CONSULTATIVE COMMITTEE ON ACQUIRED AUDIO PROGRAMMING: THE DEFINITION OF A CANADIAN AUDIO PROGRAM AND INCENTIVES TO ENCOURAGE THE USE OF CANADIAN ACQUIRED PROGRAMMING, Public Notice CRTC 1989-139 (Ottawa, 19 December 1989).

<sup>&</sup>lt;sup>24</sup> PRIVATE FRENCH-LANGUAGE TELEVISION, Public Notice CRTC 1992-53 (Ottawa, 13 August 1992), at "III. Dubbing".



# Appendices

- Appendix 1 CRTC's Regulatory Plan to modernize Canada's broadcasting system
- Appendix 2 7 Applications
- Appendix 3 Communities served by the four applicants' TV stations



### Appendix 2: CRTC's Regulatory Plan to modernize Canada's broadcasting system

### Pink highlighting: consultation

#### Regulatory Plan to modernize Canada's broadcasting system

This plan explains how the CRTC will work with Canadians to modernize Canada's broadcasting system. Modernization will take place in three phases.

The CRTC will adapt its approach in light of any future policy direction.

### Phase 1

### Spring 2023(completed)

- April 27: Online Streaming Act (Bill C-11) receives Royal Assent.
- May 8: CRTC publishes its Regulatory Plan.
- May 12: CRTC publishes an <u>Information Bulletin</u>.

### Public consultations(in progress)

- <u>Consultation on contributions to the Canadian broadcasting system</u>: This consultation will consider who should contribute, how much and how.
   Status: Open for comments.
- <u>Consultation on registration of online streaming services</u>: This consultation will consider which online streaming services will need to be registered with the CRTC.
   Status: Closed for comments.
- <u>Consultation on exemption orders and basic conditions of service</u>: This consultation will consider changes to orders under which online services have operated in Canada.
   Status: Closed for comments.
- There may be additional consultations, including on establishing a new fund to provide financial support for participation in CRTC proceedings by persons and groups representing the public interest.

### Phase 2

### Fall 2023(upcoming)

- Public consultations
  - **Consultation on fee regulations:** This consultation will review fees paid by broadcasters and how they should be extended to online undertakings.
- $\circ \quad \text{Other activities} \quad$ 
  - CRTC publishes updated version of its Regulatory Plan.
  - Engagement on definitions of Canadian and Indigenous content: These preliminary engagement sessions with industry and creators will help design the approach for a full public consultation.

### Winter 2023-2024 (upcoming)

- Public consultations may include
  - **Consultation on definitions of Canadian and Indigenous content**: This consultation would review the definition of Canadian content and examine possible changes.
  - **Consultation on tools to support Canadian music and other audio content**: This consultation would assess tools to support Canadian audio content.
  - Consultation on programming and supports for video content: This consultation would assess tools to develop, support, and promote Canadian and Indigenous content on all platforms.
  - **Consultation on local markets access and competition**: This consultation would evaluate market access, news and local programming, and competitive behaviours.
  - Consultation on protecting Canadian consumers: This consultation would review ways to protect consumers and include broadcaster codes of conduct and mechanisms for



### Pink highlighting: consultation

complaints.

Phase 3

### Targeting launch: Late 2024(upcoming)

• This phase will focus on implementing policy decisions listed above. More on Phase 3 will be included in future updates of this plan.

Date modified: 2023-06-12



#### Appendix 3: 7 Applications

Appendix 3: 7 Applicat Québecor 2022-0986-6		nce concerning local news on 5 TV stations:			
Quebecol 2022-0580-0		imouski, CFTM-DT Montréal, CHLT-DT Sherbrooke			
	and CJPM-DT Saguenay				
	Date filed:	9 May 2023			
	Date published by CRTC:	15 May 2023			
	Interventions due:	14 June 2023			
	Reply due:	24 June 2023			
Québecor 2023-0307-2	Amend condition of service concerning local news of CFCM-DT				
	Date filed:	2 June 2023 (amended)			
	Date published by CRTC:	1 June 2023			
	Interventions due:	4 July 2023			
	Reply due:	14 July 2023			
Bell Media 2023-0380-9	Delete expenditure requirements for locally reflective content				
("CFTO-DT")	-	ts for locally reflective news, local programming in metropolitan			
	locations and local programming for CFJP-DT				
	Date filed:	14 June 2023			
	Date published by CRTC:	23 June 2023			
	Interventions due:	24 July 2023			
	Reply due:	3 August 2023			
Bell Media 2023-379-1					
("CJOH-DT")	Date filed:	14 June 2023			
	Date published by CRTC:	23 June 2023			
	Interventions due:	24 July 2023			
	Reply due:	3 August 2023			
Corus 2022-0946-0	Reduce PNI levels to 5% (as in 2017-150)				
"Toronto"	Reduce CPE levels to 25%				
	Discontinue temporary requirements to allocate 0.17% of previous year's English- and French-				
	language services' revenues to FACTOR and Musicaction (respectively)				
	Date filed:	14 November 2022			
	Date published by CRTC:	15 May 2022			
	Interventions due:	14 June 2022			
	Reply due:	26 June 2023			
Corus 2023-0300-9		ts eligibility to receive funding from the Independent Local News			
	Fund (potentially affecting the ILNF's ability to support all those eligible)				
	Date filed:	10 May 2023			
	Date published by CRTC:	24 May 2023			
	Interventions due:	23 June 2023			
	Reply due:	4 July 2023 <sup>25</sup>			
Rogers 2023-0373-3	. ,	e used to acquire or invest in other types of programming			
	•	retation programming (Category 2(a)) provided all expenditures			
	are directed to an independent production company <sup>26</sup>				
	Date filed:	12 June 2023			
	Date published by CRTC:	19 June 2023			
	Interventions due:	19 July 2023			
	Reply due:	29 July 2023			
	nepiy uue.	29 July 2020			

<sup>&</sup>lt;sup>25</sup> The date is uncertain because the CRTC Part 1 applications pages do not include the reply date and because

Canada Day falls this year Saturday, 1 July – indicating that Monday 3 July may be a holiday.

<sup>&</sup>lt;sup>26</sup> Application 2023-0373-3, para. 7.



### Appendix 4 Communities served by the four applicants' TV stations

Locations potentially	Population (2021 census)	TV stations licensed to the four groups				Total
affected by amendments		Bell	Corus	Québecor	Rogers	stations
Toronto (2)	6,202,225	1			3	4
Montreal (3)	4,291,732	1		1	1	
Vancouver (2)	2,642,825	1			2	,
Ottawa	1,488,307	2				14
Calgary (2)	1,481,806	1			2	
Edmonton	1,418,118				2	2
Quebec	839,311			1		í
Winnipeg	834,678	1				
Kitchener	575,847	1				1
London	543,551	1				
Halifax	465,703	1				1
Oshawa	415,311		1			1
Victoria	397,237	1				1
Saskatoon	317,480	1				1
Regina	249,217	1				1
Sherbrooke	227,398			1		1
Barrie	212,856	1				1
Kingston	172,546		1			
Sudbury	170,605	1				1
Saguenay	161,567			1		1
Trois Rivieres	161,489			1		1
Moncton	157,717	1				1
Saint John	130,613	1				1
Peterborough	128,624		1			1
Lethbridge	123,847	1				ĺ
Sault Ste. Marie	76,731	1				1
North Bay	71,736	1				1
Prince Albert	45,718	1				1
Timmins	41,145	1				1
Sydney	30,960	1				1
Pembroke	23,814	1				1
Yorkton	19,895	1				1
Terrace	19,606	1				· · ·
Dawson Creek	17,878	1				1
Portage La Prairie	13,270				1	1
Brighton	5,847		1			1
Wheatley	3,060	1				1
Atlantic	,	1				
Total	24,180,270					49
Single city population	6,655,257					31

\* \* \* End of document \* \* \*