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Submitted electronically

July 11, 2023

Mr. Claude Doucet
Secretary-General
CRTC
Ottawa, ON
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Dear Mr. Doucet:

Re: Broadcasting Notice of Consultation CRTC 2023-138 (the "Notice") – call for comments on Step 1 of a modernized regulatory framework regarding contributions to support Canadian and Indigenous content

1. FRIENDS is pleased to provide this intervention ("Intervention") in respect of the above referenced proceeding.

2. FRIENDS is a non-partisan citizens movement that stands up for Canadian voices in Canadian media – from public broadcasting to news, culture and online civil discourse – FRIENDS works to protect and defend Canada's rich cultural sovereignty and the healthy democracy it sustains. FRIENDS is a not-for-profit organization that is not funded by government money or donations from political parties or CRTC-regulated entities.

3. This proceeding will establish the foundation for a going-forward framework of equitable contributions from online undertakings in the ***Canadian*** broadcasting system. It must, therefore, support ***Canadian*** interests and priorities. FRIENDS accordingly submits that the most important issues to be addressed in this proceeding are:

    (i) the level and nature of contribution required from online undertakings, particularly large foreign ones, necessary to make those contributions truly "equitable" as compared to traditional Canadian broadcasters;

    (ii) the overriding need for online undertakings to support news programming, given its fundamental importance to Canada's democracy;

    (iii) the level and nature of support for Indigenous broadcasting and programming necessary to achieve meaningful participation of Indigenous people in the broadcasting system; and

(iv) how best to ensure the broadcasting system supports diversity and inclusion of other equity-seeking groups, including Black and other racialized persons, Canadians of diverse ethnocultural backgrounds, members of official language minority communities ("OLMCs"), persons with disabilities, and members of 2SLGBTQI+ communities.

4. This Intervention begins with general comments on the Commission's proposed framework and then addresses these four priority issues. Responses to the Commission's questions, grouped by subject area, are at Appendix A. A Summary of Key Recommendations can be found at Appendix B.

5. FRIENDS wishes to appear at the oral hearing.

The Commission's proposed regulatory framework

6. The revised *Broadcasting Act* (the "Act") finally makes explicit the contribution authority the CRTC historically claimed but never previously exercised over online undertakings. In bringing foreign online undertakings into the Canadian broadcasting system, the revised Act will not only generate new revenues to support Canadian content, it will put Canadian broadcasters on a more equal footing with their online competition. One of the key ways the Act does this is through the requirement that contributions be equitable – meaning the overall contribution of an online undertaking must be *comparable* and *equivalent in aggregate* to those presently in place for traditional broadcasters.

7. Such an approach has the potential to effectively double the amount of contributions entering the system today. This would be a much-needed boost to the Canadian audio-visual sector and FRIENDS supports such an outcome. The danger, of course, is that traditional broadcasters will argue for reduced obligations – they have already begun doing so – and suggest that the contributions from online undertakings will replace the funding lost from their lower commitments. This would result in reduced benefits to the system from the passage of Bill C-11. The CRTC should wholly reject such an approach. **The point of Bill C-11 was to level the playing field, not lower it.** The passage of Bill C-11 was an explicit acknowledgement that online undertakings should be contributing as much to the system as traditional broadcasters are today. Its implementation should not be treated as an opportunity to water down the support of Canadian content in the Canadian broadcasting system.

8. Today, over 2,000 traditional broadcasters, serving markets large and small, exist in the Canadian broadcasting system pursuant to dozens of regulatory policies, and, for the most part, individualized sets of conditions.[1] Attempting to largely replicate and import decades of regulatory practice and precedent onto an online world within a two-year timeframe is an enormous task. Issues are complex and interconnected, and there is a myriad of potential new players to embrace.

[1] https://crtc.gc.ca/eng/acrtc/acrtc.htm. Some broadcasters, such as low power radio and TV stations, operate pursuant to standardized exemption orders.

9. FRIENDS, therefore, appreciates the logic and efficiency of the Commission's proposed 3-part contribution framework which includes:

    (i) a "baseline" contribution requirement for online undertakings – i.e. a payment to third-party funds to support Canadian programming;

    (ii) a flexible financial requirement – including direct Canadian programming expenditures; and

    (iii) intangible requirements – including commitments to the promotion, discoverability or prominence of Canadian or Indigenous content.

   We do, however, have qualifications on nomenclature, process, timing, and implementation.

10. First, the Commission should rename the third category of requirements by replacing the term "intangible requirements" with "discoverability requirements" or "non-monetary contributions" (the latter being the term that FRIENDS will use in this Intervention). In addition to being confusing (given the use of the term "tangible" in the CRTC's benefits policy in the context of ownership transactions[2]), there is nothing *intangible* about requirements for access, shelf space, exhibition or promotion of Canadian content. As we shall discuss below, such requirements are in fact at the heart of the Canadian broadcasting system – and while not based on specific monetary commitments, they have huge monetary value, which can and should be assessed. Indeed, the extent to which online undertakings do or do not have *tangible* non-monetary contributions should be a central factor in determining whether contributions are, in fact, equitable.

11. Second, we fear that in replicating the largely "individualized" nature of today's licensing regime by proposing "tailored" contribution requirements on each applicable online undertaking or ownership group, the Commission is opening itself up to a volume of Step 3 applications and processes that it will be unable to handle on a timely or efficient basis.

12. This would, in turn, cause undue delay in implementation and/or influence debate around the threshold for contribution – potentially leading to the Commission agreeing to a higher threshold for exemption simply to reduce the amount of work to be done.

13. We note that the draft Policy Direction has already changed the implementation deadline for contribution requirements from nine months to two years, post the Policy Direction coming into force[3]. This change signifies further delays in already long overdue action to ensure equitable

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[2] In the Commission's benefits policy, "tangible benefits" refer to specific measurable commitments, such as financial contributions or expenditures, and intangible refer only to commitments of a general nature, such as ensuring the survival of a broadcasting service. See, for example, https://crtc.gc.ca/eng/archive/2022/2022-330.htm

[3] See section 14 of the August 2000 *Preliminary Draft Policy Direction to the CRTC* at: https://www.ourcommons.ca/content/Committee/432/CHPC/WebDoc/WD11173039/11173039/DepartmentOfCanadianHeritage-DraftPolicyDirection-e.pdf vs. section 19 of the current draft *Order Issuing Directions to the CRTC (Sustainable and Equitable Broadcasting Regulatory Framework) at* https://canadagazette.gc.ca/rp-pr/p1/2023/2023-06-10/html/reg1-eng.html

contributions from online undertakings. Given that it took almost a decade to table and then pass Bill C-11, the Canadian broadcasting system cannot afford any further holdups, nor results that are not truly equitable.

14. FRIENDS submits, however, that as these challenges are anticipatable, they are also largely addressable. We therefore urge the Commission to:

(i) reserve "**tailored**" contribution requirements for the largest online players only. An online revenue threshold in the $100 million range may be appropriate;

(ii) for other players that can make a material contribution, develop "**standard**" contribution requirements for appropriate classes of online undertakings at a threshold of $10 million. These might include, for example: predominantly music-based audio services; predominantly news and information-based audio services, on demand (movie and TV) video services, video streaming services and video service aggregators; and

(iii) separate registration requirements (at a threshold of $1 million) from contribution requirements and, potentially, the timing of imposition of contribution requirements on larger and smaller online players.[4] While it would be ideal if contributions from smaller players came into effect at the same time as those of the larger players, a lag would be acceptable if it prevents further delays in contributions overall. A gap in time between registration and the imposition of contribution requirements would also give the CRTC time to build a working relationship with the online undertaking and prepare it for eventual regulatory obligations as it grows.

15. Finally, we note that in conducting this important work, the Commission should be cognizant of the fact that the pre-existing objectives of the Act remain largely unchanged. Bill C-11 has clarified the Commission's powers over online undertakings and added new priorities. It has taken very little away. The Commission's role as an independent quasi-judicial tribunal supervising broadcasting in Canada, regardless of technology, has finally been affirmed. There is no longer any need for the Commission to be diffident in its approach. It should assert its jurisdiction confidently with a view to fulfilling the goals of the Act in the online space.

Ensuring Truly Equitable Contributions

16. The need for contributions from online undertakings to be equitable is a core thrust of the Act, enunciated particularly in section 3(1)(f.1):[5]

> **3 (1)** It is hereby declared as the broadcasting policy for Canada that
>
> [...]

[4] We acknowledge the Commission's statement in the Notice that proceeding with baseline contributions could be "an important early step". At minimum, the Commission should do this.

[5] See also subsections 5(2)(a.2) and 3(q)(i).

> **(f.1)** each foreign online undertaking shall make the greatest practicable use of Canadian creative and other human resources, and shall contribute in an equitable manner to strongly support the creation, production and presentation of Canadian programming, taking into account the linguistic duality of the market they serve;[6]

We submit that there are four key aspects to that need to be examined to determine whether the contributions of online undertakings meet the "equitable contribution test". While keeping in mind that equitable does not mean equal in all specific aspects, it does mean equal overall. This suggests that if an online undertaking makes a lesser contribution in one area or aspect, it should make a higher contribution in another so that the overall contribution is equitable.

17. The "equitable contribution test" should include an analysis of the following:

    (i) the nature of the undertaking – audio or audio-visual; large or small; language; general interest or niche, etc.;

    (ii) the type of contribution – monetary vs. non-monetary; expenditures going to third party funds, expenditures going to self-directed funds, etc.;

    (iii) the contribution recipient – the genre of Canadian programming supported; third party recipient or self-directed, etc.; and

    (iv) the level of contribution – magnitude and threshold.

18. We review these four aspects and how we believe they should be assessed in the context of equitable contributions below.

Nature of the undertaking

19. The Commission has always drawn distinctions between the contribution requirements of different classes of broadcasting undertakings and then, within a class, typically imposed higher obligations on larger undertakings than smaller ones.

20. While each undertaking may well be unique in terms of its programming mix and editorial, there are a limited number of key distinctions from a regulatory perspective.

21. The first is as between audio and video undertakings. In the traditional broadcasting world, this started with over-the-air ("OTA") radio and TV and evolved to include technologically-based distinctions – initially related to transmission medium and, more recently, reception (linear vs. on demand). Thus today, the three largest classes of traditional undertakings are radio, television (OTA

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[6] https://canadagazette.gc.ca/rp-pr/p1/2023/2023-06-10/html/reg1-eng.html The proposed Policy Direction usefully echoes this theme.

and discretionary services) and cable/satellite (BDUs).[7] Within each class, the licence obligations of individual undertakings are very similar, if not identical.[8]

22. Unsurprisingly, online undertakings tend to replicate, while also co-mingling, traditional broadcasting business models. This has always been the case in the evolution of broadcasting. For example, broadcasters do not typically exhibit an entire schedule of original programming. They also provide syndicated, repeat and sub-licenced programming from other sources. In this respect, most traditional broadcasters are no different from online undertakings; they supplement their limited original programming with programming from other sources. For the purposes of comparison, then, the nature of programming between online and traditional undertakings – be it broadcast or streamed –forms a useful factor.

23. By the same token, revenue models between online undertakings and traditional broadcasters are also substantially similar. They both derive revenue from advertising, subscriptions and, to a far lesser extent, sponsorships and other sources. Thus, the nature of the revenue model can also form a useful factor for regulatory comparison.

24. Finally, there are technological similarities. All online undertakings use the open Internet[9], offer on-demand or scheduled programming, and are direct alternatives or substitutes for traditional broadcasting undertakings, which also offer programming in the same ways. The fact that most online undertakings are offered over the open Internet and most traditional broadcasters are linear services offered over closed networks may affect the type of contribution possible but should not alter the requirement for overall equity. This too forms a basis for comparison.

25. The reality is that the vast majority of online undertakings are analogous to, or some combination of, the three largest traditional broadcasting undertakings – radio, TV and BDU.

26. Like radio, online audio undertakings can be primarily music or news/information based or a mix of both. Distinctions, such as whether audio streams are programmed or customized, or the number of channels or streams, need not be relevant when establishing overall contribution levels. But the extent to which online undertakings promote Canadian news and content should be. It is notable that, in Canada, the radio industry has been proactive in transitioning to the online space. Apps such as iHeartRadio and Radioplayer are clear competitors to the offerings of non-Canadian online audio undertakings. This further compounds the comparability of Canadian and non-Canadians services.

27. Similarly, online video undertakings compete with TV stations, specialty services and BDUs, typically having characteristics of one or more. Netflix, Disney+ or Amazon Prime Video, for

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[7] Video on demand (VOD), still a relatively small part of the traditional broadcasting world, was, given its origins, effectively treated as an extension of the BDU class, but there is no particular reason why such a treatment need continue.

[8] Other than differences based on size, differences in license obligations within a class tend to be due to historic commitments made at the time of initial licensing in order to "win" the license. The latter would not be applicable in the open entry online environment; the former can be replicated.

example, are analogous to the entertainment offerings of the Bell Media group. Apple TV, Roku and Amazon Prime Video Channels, which offer third party services, are more analogous to BDUs.

28. Thus, one can envisage as little as four online classes that sufficiently define the activities of the vast majority of online undertakings for regulatory contribution purposes:

    (i) predominantly music-based audio services, advertising or subscription – akin to radio;

    (ii) predominantly news and information-based audio services, advertising or subscription – akin to news/talk radio[10];

    (iii) video services, advertising or subscription – akin to specialty services and OTA TV;[11] and

    (iv) video service aggregators, subscription – akin to BDUs.

Type of Contribution

29. The first contribution requirements imposed on Canadian broadcasters were exhibition requirements: 30% Cancon requirements on radio stations (now 35%); 60% overall (now 0%) and 50% primetime Cancon requirements on TV stations. BDUs started with priority carriage requirements, then access and predominance requirements.

30. Such non-monetary requirements have, over time, been supplemented by monetary contribution requirements, to the extent that in the TV space, they are now the primary means of contribution. That is not, however, the case for Radio or BDUs.

31. Given this context, it is inexplicable to FRIENDS that the Commission should choose to frame the question of contribution requirements for online undertakings with NO reference to current non-monetary contributions:

> Q6. Generally speaking, commercial radio stations with total revenues exceeding $1,250,000 are required to make basic CCD contributions of $1,000 plus 0.5% of revenues in excess of $1,250,000. Large English-language vertically integrated television groups have CPE requirements of approximately 30% of gross revenues from the previous broadcast year, while large French-language vertically integrated television groups have CPE requirements of up to 45% of gross revenues from the previous broadcast year, along with a requirement to produce original French-language programs. Licensed BDUs are generally required to contribute 4.7% of their previous broadcast year’s gross revenues relating to broadcasting activities to Canadian programming, less any allowable contribution to local expression. With this in mind, under the new contribution framework, should the overall contribution commitment of online undertakings be comparable to the existing contribution levels of traditional broadcasting undertakings? If so, which traditional broadcasting undertakings? Please explain.

[10] While not expressly captured in the current radio regulatory framework, the contributions of music and news/information radio services is very different; something more pronounced online and therefore likely deserving of distinction.

[11] A further sub-division as between on demand and streaming services does not seem to be necessary.

32. There is no doubt that Cancon requirements on radio built the Canadian music industry. While there may be debate on the value of these Cancon requirements today, it is noteworthy that the CRTC declined to reduce the current 35% level when presented with the opportunity two years ago.[12] Moreover, while the exposure and promotional value of Cancon requirements may be difficult to assess, the 35% level directly correlates to higher than market copyright fees to Canadian artists. Cancon levels on radio have direct and material monetary value for Canadians behind the microphone and are far more material than required monetary contributions to Canadian Content Development ("CCD") of 0.5% of revenues and less. Finally, while not expressly tracked, radio also produces Canadian programming, including all-important local news and information programming.

33. Similarly, historic requirements for BDUs to carry Canadian services effectively built today's Canadian discretionary service sector and its support of Canadian programming. While today's BDU carriage requirements are more modest, a significant percentage of BDU revenues go to affiliation payments for Canadian discretionary services – discretionary services that still almost entirely rely on BDUs for distribution and, hence, their existence.[13] At the most basic level, carriage provides viewership and viewership allows services to derive advertising and sponsorship revenue. Access to eyeballs is paramount. It is not an understatement to assert that, without mandatory carriage requirements, there would be no Canadian broadcasting system today, other than a handful of services. The required 5% BDU contributions to Canadian programming, while important, are by no means the most significant contribution made by BDUs.

34. Furthermore, required monetary contributions are not all alike. Self-directed expenditure requirements, such as CPE, directly benefit an undertaking, while requirements to contribute to third party fund generally do not. This must also be reflected in the Commission's calculus.

Contribution recipient

35. The genre or type of Canadian content supported is a third key factor in assessing equity. Traditionally, programming of national interest ("PNI") has been more in need of support than other genres of entertainment programming. Local news, while historically not deemed an underrepresented category, is also now recognized as worthy of additional support.[14] Given the most current state of the Canadian news sector, the need to support news has now reached a critical level.

36. The Act and Notice recognize the imperative of supporting Indigenous programming, as well as that of other diverse and equity seeking groups.

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[12] CRTC Radio Review decision. https://crtc.gc.ca/eng/archive/2022/2022-332.htm

[13] There are notable exceptions to this, including Corus's Stack TV and sports services available directly online, but without BDU revenues even these services would not exist.

[14] For example, per the Commission in its 2016 local and community TV Policy https://crtc.gc.ca/eng/archive/2016/2016-224.htm

37. In keeping with the structure of the proposed 3-part contribution framework, the baseline contribution is the logical home for universally placed commitments to policy priorities. All online undertakings should have mandatory monetary commitments to third party funds particularly supporting news and Indigenous content. Other policy priorities could also be supported out of the baseline contribution - either on a mandatory or discretionary basis. To avoid any self-dealing, however, no baseline commitments should go to self-directed or self-benefitting initiatives – be it a fund operated by an online undertaking or programming aired by that undertaking.

The level of contribution

38. Ensuring that the level of contribution overall is equitable requires an assessment of both monetary and non-monetary contributions in each of the three parts of the Commission's proposed contribution framework.

39. While this proceeding is focussed largely on the baseline contribution, FRIENDS submits that it is impossible to firmly establish the baseline without some understanding of what equivalent overall contributions should be, and how they may reasonably be allocated as between the three parts.

40. We return therefore to assessing the true contributions of traditional broadcasters.

<u>TV Contribution Requirements</u>

41. As pointed out in the Notice, large English-language vertically integrated television groups have Canadian Production Expenditure ("CPE") requirements of approximately 30% of gross revenues from the previous broadcast year. Large French-language vertically integrated television groups have CPE requirements of up to 45% of gross revenues. Within those percentages are requirements for PNI and local news. Exhibition of Canadian programming, including prime time exhibition requirements of 50%, are a further contribution, as are a host of other requirements which, among other things, help satisfy the "high standard" the Act requires of the broadcasting system. This suggests a minimum equitable contribution of 30% of gross broadcasting revenues from large online undertakings – akin to that of discretionary and local TV.

<u>BDU Contribution Requirements</u>

42. By contrast, as noted above, the 5% BDU contribution represents a relatively minor part of BDUs true contribution to Canadian programming. Not only do discretionary services almost entirely rely on BDUs for distribution, so do OTA stations - with more than 92% of Canadians relying on BDUs for their reception.[15] Thus, the vast majority of Canadian program expenditures on local TV and discretionary services are directly due to BDU distribution, a non-monetary contribution which in turn is directly attributable to historic and current distribution requirements. Such requirements,

[15] Per https://crtc.gc.ca/eng/archive/2015/2015-24.htm, only 8% of Canadians rely on over the air reception of conventional TV signals.

most of which cannot or will not be applied to online undertakings,[16] are the more significant measure of BDU contributions and, when translated into a percentage of gross revenue, represent on the order of 30% of BDU gross revenues.[17] Thus a true measure of BDU Canadian programming contribution is 35% of gross revenues, not 5% of gross revenues.

43. It is particularly salient to note that BDUs are typically not permitted to solicit advertising revenue in the Canadian broadcasting system. Advertising has been left to broadcasting services as their primary source of revenue. This was done to ensure that the relationship between BDUs and broadcasters was symbiotic and not competitive. This restriction should be re-examined in the online space for continued relevance. If online undertakings who compete with BDUs intend to solicit advertising in a manner that provides a competitive advantage against both Canadian broadcasters and BDUs, their contribution to the system should reflect that particular competitive impact.

Radio Contribution Requirements

44. In just looking at CCD contributions and ignoring the downstream effects of non-monetary contributions to Canadian programming, the Commission's undervaluing of radio's contribution is even more pronounced than that of BDUs. The fact that radio does not report or have monetary requirements in regard to Canadian programming expenses has somehow become a reason not to recognize them. Fortunately, the Commission does track radio programming and production generally. In 2022, programming and production represented $0.42b on revenues of $1.11b. This would include production of local news and information programming, copyright fees, CCD payments and on-air staff salaries. Given that station-produced TV programming is considered by the Commission to be Canadian regardless of the topic, it is reasonable to deem all radio station programming costs to be Canadian. Thus, the only non-Canadian programming costs would be that portion of copyright fees paid to foreign artists, plus any foreign program costs. On this basis, and in the absence of more detailed data, it would be reasonable to consider 90% of radio programming and production to be Canadian programming expenses or approximately 35% of revenues.

45. It is worth emphasizing that this 35% of revenue estimate of radio's monetary equivalent contribution to Canadian programming includes copyright fees and CCD payments to Canadian artists but does not include the value of airplay. That contribution would no doubt push radio's real effective monetary equivalent contribution significantly higher than 35% of revenues.

[16] Section 9.1 (1)(a) of the the Act limits the Commission's powers to impose distribution requirements on online BDU-equivalent undertakings to carriage "without terms or conditions".

[17] In 2022, BDUs earned $7.42b revenue and spent $3.45b in affiliation payments, of which $2.68b went to Canadian services. Those payments along with distribution allowed discretionary services to generate $4.09b in revenue (including advertising) and in turn spend $1.79b in Canadian programming. OTA services, courtesy of BDU distribution, earned $1.50b in revenue and spent $0.75b on Canadian programming. Conservatively assuming that 90% of these Canadian programming expenditures are dependent on BDU distribution gives an incremental value of that distribution of $2.23 or 31% of (same year) gross BDU revenue.

46. Four conclusions can be drawn from this analysis.

47. First, the 30% expenditure-based Canadian programming contribution levels of English-language TV stations are not the high watermark for contributions in the system. Both radio and BDUs make effective contributions at a similar, if not higher level. Thus, in the absence of material non-monetary contributions, a minimum overall target of 30% of revenue monetary contributions from online undertakings is necessary for such contributions to be equitable.

48. Second, given the magnitude of overall effective contribution levels of all traditional broadcasters, and the foreknowledge that online undertakings will never match traditional broadcasters in non-monetary contributions (i.e. exhibition, promotion and access), a contribution to designated third party (policy priority) funds of 5% of gross revenues would constitute a baseline *starting point*. However, FRIENDS' recommends that baseline contributions by large online undertakings be at least doubled for that period of time it takes the Commission to complete its 3-step implementation process and render a final decision on all required contributions.

49. Third, if an online undertaking refrains from making non-monetary contributions, they should face a minimum direct or indirect CPE requirement of 25% of gross revenues (30% minus 5%).

50. Fourth, to avoid case-by-case analysis of online undertaking proposals, the Commission should conduct its own economic analysis of the true equivalent monetary value of traditional broadcaster contributions including, in particular, the value of airplay/promotion through exhibition requirements.[18] This would allow the Commission to save a great deal of time by devising a standard incentive/credit system for the most common non-monetary contributions.

51. The net effect of such an approach would be the creation of a minimum contribution amount of 5% of annual gross revenues across all online undertakings to funds approved by the CRTC. The contribution would increase up to an additional 25% of an undertaking's gross revenues depending on the material non-monetary contributions of that undertaking.

52. FRIENDS recognizes that there may be exceptional cases of online undertakings that do not fit into expected patterns and could require more individualized assessment as to appropriate contribution requirements. While such niche services are unlikely to meet the expected threshold for contribution requirements, it is possible that something like an "all Canadian" online service could. That said, an individual assessment of an exceptional case does not obviate the value or need for a standard contribution requirement for the majority.

53. Finally, we note the Policy Direction's requirement that the Commission examine the definition of Canadian programming as a priority. While we disagree that this should be a priority, as we are not proponents of major change to the existing definition, we do note that a change in the definition of Canadian programming could have a material effect on assessing the equity of contributions. Our

[18] The value of carriage or distribution requirements is, as we have demonstrated, more easy to assess.

positions in this proceeding therefore assume no material change to the definition of Canadian programming.

Supporting Local News

54. The challenges facing news, particularly local news, are now well established. As the CRTC's 2016 local and community TV Policy ("Local TV Policy") succinctly put it:

> *Local news, information and analysis produced and distributed through the broadcasting system are of central importance to meeting these objectives of the Act and remain important today—not only as an expression of journalistic independence and a reflection of Canadians' right to freedom of expression, but also as a key part of the Canadian democratic system and trust that Canadians place in it. Broadcasters have a duty to ensure that news reporting and analysis continue to be properly funded so that Canadians, as citizens, understand events occurring around them every day ….*
>
> *While Canadians continue to value televised local news content, monetizing the production of quality news and analysis has become more difficult. Further, as economic pressures increase, resources may decrease, threatening the integrity of editorial decisions and weakening the ecosystem for local news gathering, production and dissemination across all Canadian media.*[19]

55. The Local TV Policy took a much-needed step in supporting local news through BDU contributions, specifically:

    (i) a mandatory 0.3% of gross BDU revenues to support local news of independent stations; and

    (ii) discretionary BDU funding through the redirection of community channel funding to support local news on BDU-affiliated local stations (amounting to approximately 1% of gross BDU revenues).

56. Seven years and one pandemic later, the challenges facing local news are more pronounced and the Commission's support measures less effective. In particular:

    - BDU support for local news declined by 18% from 2018 to 2022 commensurate with declines in BDU revenues;[20]
    - Shaw BDU funding for 15 Corus local TV stations has ended with approval of the Rogers acquisition of Shaw; those funds are now being redirected by Rogers to six Citytv stations;
    - Corus' local TV stations, now technically "independent", are seeking access to an already stretched Independent Local News Fund;

[19] https://crtc.gc.ca/eng/archive/2016/2016-224.htm, Summary.
[20] CRTC 2022 Financial summaries.

- While private TV stations experienced a post-COVID bump in revenue, aggregate operating margins declined to -15.3% in 2022, leading to local news cuts generally and Bell and Quebecor recent applications to reduce obligations to provide local news;[21]
- Private radio stations, which receive no ongoing support for their local news, have made cuts to news while seeing their revenues erode 27% from 2018 to 2022, and their operating margins decline by more than half;[22] and
- CBC's local news requirements remain in question and are the subject of a pending CRTC review pursuant to a Cabinet direction to reconsider its recent licence renewal.[23]

57. Meanwhile, the government's recognition of the priority of news support has been manifested in two pieces of legislation:

(i) Bill C-18, the *Online News Act*, which would permit news businesses, including broadcasters, to negotiate and receive fair compensation from dominant *non-broadcast* online platforms; and

(ii) The Act, which includes a new policy objective, s. 3(1)(i)(ii.1): "the programming provided by the Canadian broadcasting system should …

> include programs produced by Canadians that cover news and current events — from the local and regional to the national and international — and that reflect the viewpoints of Canadians, including the viewpoints of Indigenous persons and of Canadians from Black or other racialized communities and diverse ethnocultural backgrounds[24]

This policy priority afforded to news, particularly local news should, in and of itself, be a sufficient basis to make news a recipient of baseline online undertaking contributions. The fact that the growth of online undertakings directly undermined the business model for Canadian news makes the case for their support of news even stronger.[25]

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[21] CRTC 2022 Financial Summaries. https://broadcastdialogue.com/corus-confirms-layoffs-as-part-of-enterprise-wide-cost-review/ Bell Part 1 Application 2023-0380-9 & Quebecor Part 1 Application 2022-0986-6.
[22] The CRTC does not track overall radio news expenditures, but does track the declining news expenditures of the largest radio groups. (See CRTC Annual Aggregate Returns) Bell's recently announced cuts include closure of AM news stations as well as general news gathering and delivery. https://financialpost.com/telecom/bell-cutting-1300-positions-closing-selling-9-radio-stations
[23] https://canadagazette.gc.ca/rp-pr/p2/2022/2022-09-28/html/si-tr44-eng.html
[24] This is further reinforced in section 12(i) of the draft Policy Direction, which requires that, in establishing requirements on online undertakings, the Commission "consider the importance of sustainable support by the entire Canadian broadcasting system for news and current events programming, including a broad range of original local and regional news and community programming".
[25] As recognized, for example, by the Broadcasting and Telecommunications Legislative Review Panel Report at section 3.5.1. https://ised-isde.canada.ca/site/broadcasting-telecommunications-legislative-review/en/canadas-communications-future-time-act#Toc26977861

58. While this proceeding is not the appropriate forum to resolve all policy issues associated with support for broadcast news, FRIENDS submits that it is appropriate for the Commission to determine that local news should be a priority recipient of baseline online undertaking contributions. That support should be further prioritized in the order of greatest need:

(i) support for local news provided by smaller independent radio and TV local stations in small and medium markets;

(ii) support for local news provided by small and medium market radio and TV local stations, of larger and vertically integrated groups;

(iii) support for local news provided by large/metropolitan market radio and TV local stations, including CBC; and

(iv) support for national news provided by private broadcasters and CBC regardless of broadcast platform.

Supporting Diversity and Inclusion

59. As stated in the Notice, the new Act "emphasizes that the Canadian broadcasting system should serve the needs and interests of all Canadians, including Canadians from Black or other racialized communities and Canadians of diverse ethnocultural backgrounds, socio-economic statuses, abilities and disabilities, sexual orientations, gender identities and expressions, and ages."[26]

60. The Notice further points out that the Commission's historic approach to ensuring diversity and inclusion in the Canadian broadcasting system has been to take a system wide approach – that is the Commission has not required all services to the meet the same commitments, instead it has deployed a number of different initiatives from licensing and (in some cases) ensuring distribution of ethnic, third-language and Indigenous services, imposing obligations on CBC, and reporting and incentives for mainstream players.

61. FRIENDS believes that this general approach remains appropriate. All online undertakings should be required to make tangible commitments to diversity and inclusion, although the focus of those commitments may appropriately vary from undertaking to undertaking. Baseline contributions from online undertakings also present a potential new source of funding for diverse content, particularly for programming that serve the needs and interests of Black and other equity-seeking groups, members of OLMCs, persons with disabilities and members of 2SLGBTQI+ communities.

[26] At para 72.

62. Accordingly, FRIENDS recommends that:

(i) certified Independent Production Funds (CIPFs) dedicated to equity-seeking groups be eligible for funding from baseline contributions;

(ii) all CIPFs be required to adhere to criteria supporting diversity, inclusion and accessibility;

(iii) online undertakings be required to make additional financial or discoverability commitments in support of equity-seeking groups, appropriate to the nature of the undertaking; and

(iv) online undertakings be incented to support diverse content through standard credits.

Supporting Indigenous Content

63. The Notice appropriately reflects the new Act's emphasis on Indigenous content, calling for specific commitments on funding, promotion, discoverability and prominence of Indigenous programming and broadcasting, in both official languages as well as Indigenous languages.

64. The draft Policy Direction gives emphasis to this in two significant ways.

> **Meaningful participation of Indigenous persons**
>
> **3** In furtherance of the objectives of the United Nations Declaration on the Rights of Indigenous Peoples, the Commission is directed to support the meaningful participation of Indigenous persons in the broadcasting system, including by supporting
>
> **(a)** their ability to create a wide range of programs;
> **(b)** access to those programs; and
> **(c)** their ownership and control of broadcasting undertakings
>
> **Engagement - Indigenous peoples**
>
> **14** In its regulation of the broadcasting sector, the Commission is directed to engage with Indigenous peoples and Indigenous partners, governing bodies, broadcasters, creators, producers, industry organizations and community members and, in doing so, collaborate with relevant federal departments where possible to solicit comments on, among other things,
>
> **(a)** how to best support Indigenous broadcasting undertakings to help ensure the viability of the Indigenous broadcasting sector;
> **(b)** the use of regulatory conditions that foster the success of business models that provide and reflect Indigenous perspectives;
> **(c)** how to support the discoverability of programs by Indigenous creators;
> **(d)** the most appropriate tools, including funding mechanisms, for supporting Indigenous storytelling and production as well as Indigenous-led organizations that could manage and be responsible for that support; and

(e) the measures that are necessary to ensure its regulatory approach is in furtherance of the objectives of the United Nations Declaration on the Rights of Indigenous Peoples and supports narrative sovereignty in the Canadian broadcasting system.

65. The Commission has already indicated that Steps 2 and 3 of its process will address more specifics on contributions. This will allow the Commission to undertake the appropriately required engagement proposed in the draft Policy Direction and establish the priorities and means by which meaningful participation of Indigenous peoples in the broadcasting system can be ensured.

66. This proceeding should nevertheless firmly establish the prominence that Indigenous programming and broadcasting should be given in baseline contributions.

67. Given the priority afforded Indigenous programming and broadcasting in the new Act, the Commission should:

(i) require all online undertakings to make contributions in support of Indigenous content and broadcasting as part of their baseline contributions through, for example, APTN and the Indigenous Screen Office;

(ii) incentivize online undertakings to make additional financial or discoverability commitments to Indigenous content and broadcasting;

(iii) engage Indigenous peoples, broadcasters, producers and creators in determining how to define Indigenous content, in a way that best promotes Indigenous viewpoints, storytelling, leadership, ownership and control; and

(iv) ensure that contributions in support of Indigenous content are in cooperation with Canadian Indigenous broadcasters, not in competition with them.

FRIENDS looks forward to reviewing the interventions of other stakeholders and commenting in other phases and steps in this process.

Yours sincerely,

Marla Boltman
Executive Director

Appendix A - Responses to the Commission's questions

FRIENDS has grouped its responses to the Commission's questions into the following seven common themes.

a. The appropriate "threshold" for being regulated as an online undertaking (and required to support Canadian programming). CRTC para 43. Questions 1-5.

FRIENDS has no strong objection to the proposed contribution threshold of $10 million in annual gross revenue from broadcasting activities in Canada, *as long as it is seen as a starting point*. It appears to be a reasonable administrative and practical compromise at this time - a much higher contribution threshold would leave material contribution dollars on the table and a much lower threshold would capture many more entities, presumably without a material increase in net contributions, but with significantly increased administration.

By establishing a lower *registration* threshold (FRIENDS has suggested $1 million[27]), the Commission would be able to better: "(1) keep track of online undertakings operating in Canada; and (2) collect the most basic information",[28] and ultimately determine if and when a lower *contribution* threshold may be warranted.

We note in this regard that there are likely hundreds of licensed or exempt Canadian broadcasting undertakings – including smaller market private radio and TV stations and ethnic discretionary services – with annual revenues of less than $10 million. All but the smallest of such undertakings have material monetary and non-monetary contribution requirements and compete with online undertakings for audiences and revenues. The Commission will be in a better position to reduce pressure to eliminate contribution requirements on such lower revenue Canadian broadcasters (given that contributions must be "equitable") if a lower contribution threshold is ultimately established for online undertakings. This would be achievable, without undue administrative burden, should the Commission successfully define standard contribution requirements for classes of online undertaking as proposed by FRIENDS.[29]

With respect to the proposed exemption of social media, it is important to recognize that social media employs a particular type of online business model that monetizes user generated and uploaded content through advertising, making it free to all users. It is this type of programming that the Act should properly exclude. However, social media services can also provide movies, TV programs and music – content that is also provided by other undertakings. Consistent with s. 4.1 of the Act, the Commission must ensure that this kind of activity is not excluded from the application of the Act.

[27] FRIENDS Intervention in Broadcasting Notice of Consultation CRTC 2023-139.
[28] Per Broadcasting Notice of Consultation CRTC 2023-139, para 7.
[29] Intervention, para 28.

b. The appropriate level and calculation for a "baseline" contribution requirement for online undertakings. CRTC para 56. Questions 6-8.

As is discussed at length in the main part of this Intervention,[30] reasonable analysis of current contributions of traditional broadcasting undertakings suggests an equivalent monetary value of 30%-35% of annual broadcasting revenues.

This, we have also argued, suggests that a 5% of broadcasting revenue baseline fund contribution for all online undertakings – audio and video (including vBDU) – would be the minimum appropriate level. Simply put:

- online video undertakings compete with both TV broadcasters and BDUs. BDUs have a 5% of broadcasting revenue contribution to local expression and various funds, plus obligations regarding carriage and predominance of Canadian services that translate into a significant overall contribution to Canadian programming in the 35% of broadcasting revenue range. The TV broadcaster groups have CPE requirements of approximately 30% of gross revenues, plus other requirements. In this context, a 5% baseline contribution for all online video undertakings would be a reasonable minimum level, provided that total contributions are in the 30% range; and
- audio online undertakings compete with radio whose overall Canadian programming contributions can reasonably be estimated at 30-35% of revenues. The majority of these radio contributions have never been formally recognized by the CRTC. However, when the CRTC licensed satellite radio in 2005, it did establish baseline contributions of 5% of gross revenues, given its lower Cancon requirements.[31]

c. Funds and criteria for baseline contributions. CRTC para 56. Questions 9-15

As is largely the case today, any contribution to funds should:

- be to third party entities;
- support Canadian programming that an online undertaking does not directly benefit from; and
- be exclusively directed to priority policy areas, including Canadian programming that an online undertaking does not air, particularly as if such programming has been negatively affected by the online undertaking (e.g. Netflix and its effect on news).

FRIENDS does not support online entities being be permitted to create their own independent production funds. While this has been permitted of BDUs in the past, it is a practice that limits

[30] See paras 38-40.

[31] https://crtc.gc.ca/eng/archive/2005/pb2005-61.htm Reduced from 5% to 4% in Broadcasting Decision 2012-629 because of overperformance on the level of Canadian programming required on its original Canadian-produced channels and the services' broadcast of music by Canadian emerging artists.

the Commission's ability to direct or redirect funding to priority areas and leads to self-serving decision making if not outright self-dealing (as has occurred in the digital advertising market[32]).

Rather, the Commission should retain control over the funds that are eligible to receive funding the kind or genre of Canadian programming that is supported by such funds.

As discussed in our Intervention, all online audio and video undertakings should be required to direct an appropriate minimum portion of their baseline contributions to local news and Indigenous programming. Furthermore, all online video undertakings should be required to contribute to programming of national interest ("PNI") and all music-based audio undertakings to Canadian content development.

Beyond this, the Commission may choose to identify other mandatory baseline contribution recipients and/or approve a limited amount of discretionary spending on other approved funds, such as funds directed to equity-seeking groups. The Broadcasting Participation Fund (BPF) would be another example – the BPF playing an important role in ensuring broader public interest perspectives are brought to bear in the Commission's processes and decision making.[33]

d. The appropriateness of an "outcomes" based regulatory approach. CRTC para 61. Questions 16-22.

In light of the following description provided in the Notice, FRIENDS has significant concerns about the Commission's expressed desire to shift to an "outcomes" based regulatory approach:

> "The Commission's intent is to design a new contribution framework that is flexible and focuses on clearly defined, measurable regulatory objectives without specifying precisely how those objectives must be achieved. This should allow applicable undertakings to determine how best to achieve established outcomes (i.e., an outcomes-based approach)."

FRIENDS simply does not believe, taken to the literal extreme of the Commission's description, that such an approach is advisable or achievable. First, regulating an outcome rather than the behaviour that leads to that outcome would be a radical departure from current regulatory approaches. There are already enough challenges ahead in implementing Bill C-11. Moving away from existing and proven regulatory approaches would not be prudent during this tumultuous time.

Second, nothing in the Act requires such a shift and there is absolutely no evidence to suggest it would be more effective than current regulatory approaches. Even if theoretically achievable, it would suffer from the huge disadvantage of major regulatory lag – by the time the CRTC

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[32] For example, as an intermediary in the online advertising market, Google controls both the buyer and seller aspects, reportedly taking 35 cents of every dollar spent on ads. See https://nationalpost.com/opinion/google-is-stealing-from-canadian-newspapers-and-advertisers. Preventing similar self-dealing in baseline contributions is essential.

[33] Per CRTC Q10.

would be in a position to determine whether regulatory objectives are being met, years will have passed. In the likely scenario that at least some of those objectives would not have been met, it would then take the Commission more years to try and fix it. This is particularly true if regulatory objectives were based on audience metrics. While tracking ratings is important, using viewership or "popularity" as a regulatory condition risks incentivising a shift to more broad-based, low cost "hit" programming, like reality TV, and a movement away from priority genres.[34]

While the draft Policy Direction does include the following reference to "outcomes" in respect of the desired regulatory framework, this is only "where appropriate", and does not include any binding or extreme definition:

> **8** To support flexibility and adaptability in its regulatory framework, the Commission is directed to
>
> …
>
> **(d)** where appropriate, use tools that are based on incentives and outcomes;

Third, current regulatory approaches are, in fact, already "outcomes" based. Public policy makers, including the CRTC, routinely track and/or monitor "outcomes", such as overall spending on independent production, employment in the production and broadcasting sectors and viewing of Canadian programming and Canadian broadcasting services. The Commission's proven current expenditure-based regulatory approach is wholly directed at achieving such "outcomes".

For example, there is a direct link between mandatory financial contributions to local news and the desired policy outcome of ensuring local news flourishes.

Attempting to translate that outcome into "measurable regulatory objectives", rather than specific expenditure requirements, will merely cause delay and unpredictability.

Finally, and importantly, the Commission's proposed "outcomes" based regulatory approach would appear contrary to the forward thinking *Let's Talk TV* policy framework, which emphasized expenditure requirements over other regulatory approaches.[35] In the absence of a cogent rationale for departing from expenditures as a primary regulatory tool, one would expect the Commission would want to be consistent with its *Let's Talk TV* approach – one that

[34] This is indeed what effectively happened with one of the Commission's early experiments in outcome based regulation: The 1999 TV Policy (Public Notice CRTC 1999-97) wherein, in support of a favoured regulatory outcome of greater viewing to priority programming, expenditure requirements were abandoned in favour of hours. That viewing objective was not achieved, and it took a decade for the Commission to reverse the decline in priority programming expenditures that resulted. Broadcasting Regulatory Policy CRTC 2010-167

[35] https://crtc.gc.ca/eng/archive/2015/2015-86.htm

was very recently validated by Government in referring back the CRTC's 2022 decision on CBC's licence renewal.[36]

e. New "incentive" tools and recognizing pre-existing support for Canadian content & services. CRTC para 65. Questions 23-27.

In theory, FRIENDS supports the use of standardized credits that would incent non-monetary means of support for Canadian programming, as long as that support is tangible and measurable.

The challenge will be in balancing the cost-benefit of such credits, with the added complexity they bring to regulatory oversight.

As a general matter, and as is the case with existing credits, FRIENDS believes that:

- credits should not just be specific to any one undertaking but be of more general application;
- credits should be directed to the highest priority Canadian programming areas – such as tangible promotion or exhibition of PNI, local news and Indigenous programming; and
- the Commission should define a maximum level of relief from financial contributions, based on clear and measurable evidence of the incented activity.

We look forward to commenting on any specific credit proposals brought forward in this or subsequent processes.

f. Support for Indigenous creators. CRTC paras 65 & 71. Questions 24-31.

As is discussed in more detail in the main part of this Intervention,[37] the Notice appropriately reflects the new Act's emphasis on Indigenous content, calling for specific commitments on funding, promotion, discoverability and prominence of Indigenous programming and broadcasting, in both official languages as well as Indigenous languages.

Given the priority afforded Indigenous programming and broadcasting in the new Act, the Commission should:

[36] https://canadagazette.gc.ca/rp-pr/p2/2022/2022-09-28/html/si-tr44-eng.html The OIC Explanatory Notes point out that "In its decision, the CRTC adopted an approach based on outcomes and risks, with requirements focused only on areas where the CRTC identified that the Corporation needed improvement." They go on to state "Local news, children's programming, original French-language programming, and independent productions are too vital to the fabric of Canadian society and to the broadcasting system in general for adequate safeguards not to be put in place to ensure their continued production and availability. Specific and targeted license conditions not only establish mandatory minimums, but also serve as a performance measurement framework."
[37] At paras 63-67.

(i) require all online undertakings to make contributions in support of Indigenous content and broadcasting as part of their baseline contributions, through, for example, APTN and the Indigenous Screen Office;

(ii) incentivize online undertakings to make additional financial or discoverability commitments to Indigenous content and broadcasting;.

(iii) engage Indigenous peoples, broadcasters, producers and creators in determining how to define Indigenous content, in a way that best promotes Indigenous viewpoints, storytelling, leadership, ownership and control; and

(iv) ensure that contributions in support of Indigenous content are in cooperation with Canadian Indigenous broadcasters, not in competition with them.

g. Availability and how to support diversity and inclusion on online undertakings. CRTC para 76. Questions 32-35.

As discussed in the main part of this Intervention,[38] the Commission's historic approach to ensuring diversity and inclusion in the Canadian broadcasting system has been to take a system wide approach – that is the Commission has not required all services to the meet the same commitments, instead it has deployed a number of different initiatives from licensing and (in some cases) ensuring distribution of ethnic, third-language and Indigenous services, imposing obligations on CBC, and reporting and incentives for mainstream players.

FRIENDS believes that this general approach remains appropriate. All online undertakings should be required to make tangible commitments to diversity and inclusion, although the focus of those commitments may appropriately vary from undertaking to undertaking.

Accordingly, FRIENDS recommends that:

(i) certified Independent Production Funds (CIPFs) dedicated to equity-seeking groups be eligible for funding from baseline contributions;

(ii) all CIPFs be required to adhere to criteria supporting diversity, inclusion and accessibility;

(iii) online undertakings be required to make additional financial or discoverability commitments in support of equity-seeking groups, appropriate to the nature of the undertaking; and

(iv) online undertakings be incented to support diverse content through standard credits.

[38] At paras 59-62.

Appendix B – Summary of Key Recommendations

Regulatory Framework and Approach

1. To further the adoption of an urgently needed efficient contribution regime for on online undertakings, the Commission should proceed with its proposed 3-part contribution framework, with the following qualifications on nomenclature, process, timing, and implementation:

i. primarily base the new contribution framework on the proven, current evidence- based expenditure obligations approach (baseline fund and Canadian Production Expenditures ("CPE") rather than attempt to shift to an ill-defined and experimental "outcomes-based" approach;

ii. in recognition of their significant historic and potential future monetary value, rename the third category in the contribution framework by replacing the term "intangible requirements" with "discoverability requirements" or "non-monetary contributions";

iii. separate registration requirements from contribution requirements and adopt a registration threshold of $1 million to keep track of online undertakings operating in Canada.

iv. reserve "tailored" contribution requirements for the largest online players only. An online revenue threshold in the $100 million range may be appropriate;

v. develop "standard" contribution requirements for online undertakings with annual gross revenues in excess of $10 million. These might include, for example: online audio undertakings (potentially subdivided between predominantly music-based audio services and predominantly news and information-based audio services), video services (on demand and streaming services) and video service aggregators (e.g. vBDUs);

vi. at minimum, impose baseline contributions on the largest online undertakings as "an important early step", by August 2024, and double these contributions for that period of time it takes the Commission to complete its 3-step implementation process and render a final decision on all required contributions.

vii. phase in contribution requirements on smaller online undertakings, as necessary. Ultimately, move to a lower contribution threshold than $10 million to ensure equity with lower revenue Canadian broadcasters.

Equitable Contribution

2. To ensure contributions from online undertakings are truly equitable overall, as required in the Broadcasting Act, the Commission should:

> i. recognize the significant monetary value of traditional broadcaster non-monetary contributions, such as radio Cancon exhibition requirements and BDU priority carriage, access and predominance requirements;
>
> ii. in the absence of material non-monetary contributions, establish a minimum overall target of 30% of revenue for monetary contributions of online undertakings, a level equivalent to the monetary value of current traditional broadcaster contributions;
>
> iii. require online undertakings to make minimum baseline contributions to designated third party (policy priority) funds of 5% of gross revenues *as a starting point*;
>
> iv. to the extent that online undertakings make no material non-monetary contributions, impose a minimum CPE requirement of 25% of gross revenues (30% minus 5%); and
>
> v. develop standardized credits against CPE requirements to incent non-monetary means of support for Canadian programming, as long as that support is tangible, measurable and commensurate with credit value.
>
> *The net effect of such an approach would be the creation of a minimum contribution amount of 5% of annual gross revenues across all online undertakings to funds approved by the CRTC. The contribution would increase up to an additional 25% of an undertaking's gross revenues depending on the material non-monetary contributions of that undertaking.*

Recipients of Baseline Contributions

3. All online audio and video undertakings should be required to direct an appropriate minimum portion of their baseline contributions to third party funds supporting local news and indigenous programming:

> i. all entertainment-based online video undertakings should be required to contribute to programming of national interest (PNI) and all music-based audio undertakings to Canadian content development (CCD); and
>
> ii. beyond this, the Commission may choose to identify other mandatory baseline contribution recipients and/or approve a limited amount of discretionary spending on other approved funds, such as funds directed to equity-seeking groups and the Broadcasting Participation Fund (BPF).

4. Local news should be a major priority for baseline online undertaking contributions. That support should be further prioritized in the order of greatest need:

i. support for local news provided by smaller independent radio and TV local stations in small and medium markets;

ii. support for local news provided by small and medium market radio and TV local stations, of larger and vertically integrated groups;

iii. support for local news provided by large/metropolitan market radio and TV local stations, including CBC; and

iv. support for national news provided by private broadcasters and CBC regardless of broadcast platform.

5. In support of diversity and inclusion, FRIENDS recommends that:

i. certified Independent Production Funds (CIPFs) dedicated to equity-seeking groups be eligible for funding from baseline contributions;

ii. all CIPFs be required to adhere to criteria supporting diversity, inclusion and accessibility;

iii. online undertakings be required to make additional financial or discoverability commitments in support of equity-seeking groups, appropriate to the nature of the undertaking; and

iv. online undertakings be incented to support diversity content through standard credits.

6. Given the priority afforded Indigenous programming and broadcasting in the new Act, the Commission should:

i. require all online undertakings to make contributions in support of Indigenous content and broadcasting as part of their baseline contributions, through, for example, APTN and the Indigenous Screen Office;

ii. incentivize online undertakings to make additional financial or discoverability commitments to Indigenous content and broadcasting;

iii. engage Indigenous peoples, broadcasters, producers and creators in determining how to define Indigenous content, in a way that best promotes Indigenous viewpoints, storytelling, leadership, ownership and control; and

iv. ensure that contributions in support of Indigenous content are in cooperation with Canadian Indigenous broadcasters, not in competition with them.

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