



CCSA

**Canadian Communication
Systems Alliance**

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REGULATORY

Broadcasting Consultation CRTC 2024-164 Call for comments on the Independent Local News Fund

September 6, 2024

Mr. Marc Morin, Secretary General
Canadian Radio-television and
Telecommunications Commission
Ottawa, Ontario
K1A 0N2

Dear Mr. Morin,

1 The Canadian Communication Systems Alliance (“CCSA”) speaks for independent communications distributors – smaller broadcasting distribution companies, telephone companies, and ISP’s – across Canada. The CCSA represents more than 100 companies from sea to sea to sea, including the North.

2 The CCSA is mindful of the importance of local and regional news services. Many of our smaller members operate exclusively in rural areas where news coverage can be sparse. While it would be ideal if the Independent Local News Fund (ILNF) was overflowing with resources, with a surplus of journalists eager to address the needs of smaller communities, this is not the current reality. To that end, it is our view that the focus should be on managing expectations and positioning the journalism sector for long-term success, ultimately benefiting Canadians. Additionally, it must be noted that as the Canadian journalism model, which started in the 1930’s, declines, something must rise in its stead. Whether that happens organically, or through regulatory direction, is beyond the scope of funding alone.

The Commission’s Questions 1, 4, and 6

3 Though the CCSA is addressing only three of the ten questions proposed by the Commission at this stage, this should not be seen as reluctance to support positions on issues raised by other intervenors during the process.

4 **“Q.1** Currently only private conventional television stations that provide locally reflective news and information are eligible to receive ILNF funding. Should the Commission revise the current criteria to permit access to the ILNF by a broader range of audiovisual news providers? If so, which eligibility criteria should the Commission use?”

5 **A.1** In BNC 2023-138, many of the Online Undertakings clearly indicated their lack of appetite in contributing to the ILNF and being part of the news services that could access it.¹² Since the Commission has decided in BRP 2024-121:

¹ Netflix’s Final Submission to Broadcast Notice of Consultation CRTC 2023-138, “The Path Forward – Working towards a modernized regulatory framework regarding contributions to support Canadian and Indigenous content.” Filed February 15, 2024: paragraphs 42-53

² Apple Canada Inc.’s Final Submission to Broadcast Notice of Consultation CRTC 2023-138, “The Path Forward – Working towards a modernized regulatory framework regarding contributions to support Canadian and Indigenous content.” Filed February 15, 2024: paragraphs 18-19

- “Specifically, the contributions from audio-visual online streaming services will go to the following funds: ... 1.5% to the Independent Local News Fund;”³

It is only reasonable to expect that Online Undertakings should have access to provide news services funded by the ILNF if they choose to, given they are contributing to the system.

6 In contrast, it would not be reasonable to permit news services that operate exclusively on foreign-owned social media services, which do not contribute to the ILNF, to access the fund. This view should not be regarded as drawing parallels between distinct types of exempted services.⁴

7 “**Q.4** Should the allocation method favour recipients operating in rural, remote, and underserved communities? If so, how?”

8 **A.4** In using the term ‘underserved communities’ the Commission implicitly indicates there are ‘adequately served’ or even ‘well served’ communities. While no one would accuse the cities of Toronto, Ottawa, or Montreal of having a lack of news coverage, the monies that will be entering the system as a result of BRP 2024-121 will not be sufficient to supply every underserved area across the country. The CCSA appreciates the policy desire and the financial realities that our country faces. We would ask that, if additional funds beyond those laid out in the aforementioned BRP 2024-121 are deemed to be required, the burden not fall on the smaller licensed broadcasters.

9 “**Q.6** Should the Commission maintain a cap on the amount of funding that can be obtained from the ILNF? Is the cap still relevant per station or should the Commission apply a cap per ownership group?”

10 **A6** A cap on each station might require more oversight and offer less flexibility compared to a cap based on ownership group. That isn’t to say a cap isn’t still important or that the existing approach is flawed; rather, a cap per ownership group may offer advantages.

11 The CCSA thanks the Commission for its consideration of our input on this matter.

Sincerely,



John P. Roman
Director, Legal & Regulatory
Canadian Communications Systems Alliance (CCSA)

³ Broadcast Regulatory Policy CRTC 2024-121: “The Path Forward – Supporting Canadian and Indigenous content through base contributions” paragraph 117. Found at <https://crtc.gc.ca/eng/archive/2024/2024-121.htm>

⁴ Social media, videogames, and conventional yet exempted broadcasters.