



LOCAL BROADCASTERS FACE MAJOR CUTS AND CLOSURES AS CANADIAN MEDIA CRISIS WORSENS

Canada's local news and journalism is on the brink as media economist warns of possible closure of 40 television stations and up to 200 radio stations within the next three years.

Ottawa, Ontario – Wednesday, August 26, 2020 – Today, the Canadian Association of Broadcasters (CAB) released “The Crisis in Canadian Media and the Future of Local Broadcasting”, an economic study by Communications Management Inc. (CMI). The report projects the possible closure of 50 radio stations within four to six months and a further 150 radio stations in the following 18 months, plus the closure of 40 or more of Canada's 94 private local TV stations in the next 12 to 36 months. The most vulnerable operations are AM stations as well as independent and other private radio and TV stations in smaller markets across Canada.

“Canadian private television and radio is in crisis,” said Lenore Gibson, Chair of the CAB Board of Directors. “Without immediate action, Canada will see a wave of local television and radio closures over the next three years. This will deny many communities a daily local media voice, and significantly reduce the diversity of news choices and voices in almost every community in Canada.”

Canadians have grown accustomed to reliable and well-run local news and reporting. Four of the top five news sources for Canadians are private broadcasters according to the [Reuters Institute's](#) Digital News Report 2020. But the ability to maintain this crucial infrastructure has been chipped away over the last 15 years because of structural changes in the advertising market and the inequitable taxation and regulatory treatment of foreign-owned online media giants. This has directly led to the financial crisis facing private local television and radio stations, which rely almost exclusively on advertising revenue.

The shutdown of our economy, businesses and homes during COVID-19 has further accelerated the economic erosion of the industry. Canada's local television and radio broadcasters now face a projected revenue shortfall totaling over \$1 billion in the three years between 2020 and 2022.

“For generations, local news and journalism have been critical to keeping Canadians informed about the issues that are important to them such as holding governments to account and providing oversight of taxpayer dollars,” said Carmela Laurignano, Vice President and Radio Group Manager, Evanov Communications Inc.. “If we allow local news to die, the health of Canadian society will be seriously undermined.”

In addition to the devastating effect on the Canadian news sector, the continued reduction of resources for local news also means more job losses including, sadly, local journalists and newsgatherers. In private radio, these closures could lead to an estimated 2,000 job losses, or 24% of 2019 employment levels.

“Private broadcasters are doing everything possible to avoid major cuts or reductions in local news coverage,” said Robert Ranger, President and CEO, RNC Media Inc. “This would be a last resort. We don't want to deny communities in Quebec or across the country their choice of daily local media – media that remain critical pillars to our democracy and shared culture.”

Canada's private broadcasters call for new measures to create a more fair and sustainable future for local broadcasting, ensuring a diversity of editorial voices stay on-air across our provinces and territories. On July

13, 2020, the CAB filed an application with the CRTC for emergency regulatory relief for the broadcast year ending August 31, 2020. To help avoid station closures, Canada's private broadcasters call for short term regulatory relief and new government measures to create a more fair and sustainable future for local broadcasting.

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