



Sent via Intervention Form

4 December 2024

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

**Re: Comments of the Canadian Association of Broadcasters with respect to
Broadcasting Notice of Consultation CRTC [2024-270](#)
*Call for comments regarding the Canadian Association of Broadcasters' proposed plan
for the operation of a temporary fund supporting local news production by commercial
radio stations in smaller markets***

1. As the intended administrator of the newly created Commercial Radio News Fund (CRNF), the Canadian Association of Broadcasters (CAB) is pleased to provide some additional comments on its proposed plan for the operation of the new fund to support local news on commercial radio stations in markets outside of Montreal, Toronto, Vancouver, Calgary, Edmonton and Ottawa-Gatineau.
2. Since we submitted our proposed plan in July 2024, the CRTC has provided additional public direction on when the funds from contributors will be required to flow.¹ This new information permits us to provide more clarity in terms of key timelines for the calculation of disbursements and distribution of funds. Accordingly, we are writing to propose two changes to the operational plan, provide some clarity on the proposed cap, and to urge the Commission to confirm that the fund is not temporary.

¹ Specifically, in *The Path Forward – Supporting Canadian and Indigenous content through base contributions – Finalization of conditions of service*, Broadcasting Regulatory Policy CRTC [2024-121-1](#), the Commission confirmed that payments must be made by 31 August 2024.

Proposed Change #1 – bi-annual payouts rather than monthly

3. In our initial proposal to the Commission, dated 4 July 2024, the CAB proposed to disburse funds on a monthly basis, with the underlying assumption that operators of online undertakings would also make contributions on a monthly basis, as recommended by the CAB in response to the Commission's proposed Orders.
4. Given that the Commission has decided not to require online operators to make monthly payments, the CAB now proposes to disburse the funds on a biannual basis (i.e. once every six months).²

Proposed Change #2 – payments based on previous year's expenditures

5. In our 11 October response to the CRTC's request for information (RFI), we had proposed an alternative allocation plan which would permit the CAB to distribute funds more quickly. Given the urgency of ensuring funds are distributed to radio stations as quickly as possible, and the CRTC's determination that online undertakings must contribute only by August 31st each year, the CAB now proposes to adopt the alternative approach to ensure that allocations can be made sooner.
6. Under our original proposal, contributions would be received by 31 August 2025, however, the allocations would be based on data for the 2024-2025 broadcast year, which is only available three months later (30 November 2024). This approach would delay the first payment until at least January 2026.
7. Instead, the CAB now proposes to use data from the *previous* broadcast year, as provided by recipients as part of their annual returns to the CRTC. Accordingly, the CAB proposes to use data from the 2023-2024 broadcast year to calculate the allocations and make distributions in October 2025, and to continue with this model moving forward.

Comments with respect to the proposed cap

8. As noted in our 11 October RFI response, our initial proposal of a 12% cap by market was only based on the cap adopted by the Government of Canada in the allocation of the Covid relief funding. We assume this cap was based, in turn, on the cap the CRTC applies with respect to the ILNF.
9. Assuming this would be an issue examined as part of the public process, we proposed this as a starting point for discussion in the absence of data that would enable us to assess the impact of different caps.

² Splitting the distribution into two parts permits the fund administrator to address any legitimate adjustments that contributors (or 3rd parties involved in the calculations) may identify or request after initial payments are received, processed based on the allocation formula established by the Commission, and paid out to recipients. As any organization involved in grant distributions knows, once distributions are completed, they are very difficult to retrieve. As previously noted, all Commercial Radio News Fund contributions will be held by the fund administrator in a separate bank account, and any interest earned will be distributed to recipients in accordance with the allocation formula established by the Commission.

10. Upon reflection, we are concerned that this cap may be too high. However, we are unable to calculate the impact of alternative caps until information is provided to us by eligible radio stations.
11. Given that the Commission has data that would permit it to model the impact of different caps, we ask that if the Commission decides to impose a cap, it choose one that ensures a reasonable and fair distribution of funds that reflects individual stations' spending on news.

Why is the fund called “temporary”?

12. On November 15th, the Commission issued a new [*Regulatory plan to modernize Canada's broadcasting framework*](#). Among other changes, we noted, in particular, the removal of the proposed public process on news. In the context of the Commission's intent to conduct a broader consultation process on news, it made sense that the radio fund, as proposed in 2024-121, might be temporary. However, given the change in the Commission's regulatory plan, we question why the Commission continues to refer to the new radio news fund as temporary.
13. There is no question that funding for news on commercial radio stations is of vital importance to the sector and to the communities they serve. The Commission has taken an important step in recognizing the need for this fund and in setting conditions around its operation.
14. To maximize the value of this fund, and to allow radio operators to invest in journalists and news operations, they will need assurance that the funds flowing from the Commercial Radio News Fun are stable and predictable.
15. Given the importance of this fund and the need for a reliable and stable source of support for local news, we urge the Commission to fully commit to the Commercial Radio News Fund, and to no longer refer to it as “temporary.”
16. All of which is respectfully submitted.

Yours sincerely,



Kevin Desjardins
President | Canadian Association of Broadcasters

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