

Commercial Radio News Fund (CRNF)

CAB's Proposed Operational Plan

As requested by the CRTC in *The Path Forward, Supporting Canadian and Indigenous content through base contributions*, Broadcasting Regulatory Policy CRTC [2024-121](#), 4 June 2024 (BRP 2024-121), this document sets out the Canadian Association of Broadcasters' (CAB) proposed operational plan for a new fund to support news production by commercial radio stations that operate outside the designated markets of Montreal, Toronto, Vancouver, Calgary, Edmonton and Ottawa-Gatineau.

Introduction

In BRP 2024-121, the Commission called upon the CAB to submit an operational plan to administer a new fund that would support the commercial radio sector. In particular, it stated (at paragraphs 172 and 173):

The Commission considers that the CAB is well placed to administer a fund that would support the commercial radio sector. Accordingly, the Commission invites the CAB to submit, by no later than 4 July 2024, an operational plan to administer a temporary fund that will support news production by commercial radio stations outside of the above-noted designated markets. In this plan, the CAB must demonstrate that it has the capacity to administer this fund, indicate the date it expects the fund to be operational, and provide details of the fund, including governance, eligibility criteria, accountability measures, reporting requirements, and the funding allocation method. The plan should also provide details on the proposed outreach initiatives that the CAB intends to implement to promote the fund's accessibility to all commercial radio stations outside of the designated markets, including stations serving ethnocultural and Indigenous communities. The Commission will launch a public consultation to seek comments on the CAB's submitted plan.

This fund should be operational in the 2024-2025 broadcast year. Accordingly, the Commission will require that a portion of base contributions be allocated to a new temporary fund, to be administered by the CAB, to support the production of news programming by commercial radio stations. Online undertakings will be required to direct at least 1.5% of their annual contributions revenues derived from audio activities to the new temporary news fund. In the Commission's view, the 1.5% allocation is appropriate for providing critical support to radio broadcasters that provide timely and fact-based information to the communities they serve. It also reflects the importance of the provision of news coverage as set out in subparagraph 3(1)(i)(ii.1) of the Broadcasting Act.

Launch of the Commercial Radio News Fund

In accordance with the Commission's directions in BRP 2024-121, the CAB proposes to launch the **Commercial Radio News Fund (CRNF) | Fonds pour les nouvelles des radios commerciales (FNRC)** on 1 September 2024.

CAB's capacity to administer the fund

The CAB has a long history of fairly and transparently administering CRTC-created funds, including the Local Programming Improvement Fund, the Small Market Local Production Fund, and the Independent Local News Fund (ILNF). The CAB has successfully administered the ILNF since 2017, receiving \$135 million from BDUs and distributing those contributions to eligible broadcasters on a monthly basis, as reported to the Commission annually, to the satisfaction of all parties.

Additionally, the CAB was chosen to administer the broadcasting component of the Federal Government's COVID-19 Emergency Relief Fund and COVID-19 Recovery News Support Fund, demonstrating the reliance that can be placed on the association. The CAB undertakes the administration of such funds as a service to the industry and, as such, does so at very little administrative cost.

Eligibility criteria

All radio stations licensed by the Commission as commercial radio stations, that provide news and information programming, and that operate outside of the designated markets¹ of Montreal, Toronto, Vancouver, Calgary, Edmonton and Ottawa-Gatineau will be eligible recipients of the CRNF. This includes licensed commercial radio stations that serve ethnocultural and Indigenous communities, whether or not they are members of the association, provided they produce news and information programming.

Funding allocation method

The CAB proposes to distribute funding in proportion to each eligible station's share of total remuneration (salaries and wages) paid with respect to news in the previous broadcast year, as reported in line 1 of form 1130 to the CRTC on 30 November each year.² No station or group of stations operated by the same licensee in a given market will receive more than 12% of the funding in any given broadcast year.³

Contributions will be distributed on a monthly basis and will include an allocation of any interest earned on those contributions. Adjustments to the allocation will be made each December, based on the information filed at the end of November, with the new allocation applying as of each January.

¹ As defined in the [Radio Regulations, 1986](#).

² Given that only radio groups earning greater than \$5 million currently complete this form, smaller radio groups would file their number directly with the CAB.

³ This limit mirrors that imposed by the CRTC with respect to the ILNF and the limit imposed by the Government in the COVID-19 Emergency Relief Fund and the COVID-19 Recovery News Support Fund.

Operational date

The CAB is prepared to launch the fund immediately and proposes an operational date of 1 September 2024. As of this date, the CAB will be ready to receive the contributions from online undertakings, as mandated by the Commission. These would be held in trust in a new bank account until such time as the CAB has been able to calculate the appropriate allocations.

Given the CAB's proposal to allocate funding based on information filed with the Commission on the 30th of November of each year, disbursement of funds (including any interest earned) would begin in January 2025, and continue on a monthly basis (assuming online undertakings have made monthly payments, as recommended by the CAB in response to the Commission's proposed Orders). The first payment in January 2025 would include contributions (and interest) received in the preceding months and held in trust by the CAB.

Governance and Accountability measures

Given that allocations will be based on a clear mathematical formula, the CAB believes that no formal governance structure need be established, other than the oversight of the CAB's Director of Finance and Administration (who is a CPA, CA). Normal professional financial controls will apply, including redundant signoffs by the CAB's President and Treasurer. Further, using information that is also provided to the CRTC will provide an important degree of assurance as to the accuracy of the information provided to the CAB and used to calculate the allocations.

All fund recipients will receive reports documenting the percentage of the fund they will receive by station as well as contact information should they have any questions or concerns. Should discrepancies appear or disputes arise, the CAB would rely on the CAB CEO Radio Council, which broadly represents the CAB's radio members.

The CAB will administer the fund using existing resources at minimal cost, with an administrative fee that will never represent more than 1% of the value of the fund in each year and in any event, never more than \$125,000 per year.

Reporting requirements

The CAB will report to the CRTC on an annual basis on the 30th of November of each year. The report will include details on the monies received and allocated as a result of the CRNF. They will be modelled on the reports currently filed by the CAB with respect to the ILNF. Recognizing that the Commission does not publicly release the revenue information of all regulated entities, a redacted version would be provided for disclosure to the public, providing a degree of transparency to the industry.

Outreach initiatives

To ensure that commercial radio stations outside of the designated markets, including stations serving ethnocultural and Indigenous communities and non-members of the CAB, are aware of the new fund, the CAB will promote the fund's availability through a variety of means, including through media announcements and posting on social media, including X and Linked In, as well as on our website and through our industry newsletter.

Operational details

Payments by online undertakings should be made payable to the Canadian Association of Broadcasters (CAB). Direct deposits can also be arranged.

Information provided to the CAB will be handled with strict professional responsibility and accountability, including the same degree of confidentiality as granted by the CRTC. Confidential information provided by recipients to be used for the purpose of calculating allocations will not be shared with members of the association or with personnel involved in advocacy activities.