

Sent via Intervention Form

9 September 2025

Marc Morin
Secretary General
Canadian Radio-television and
Telecommunications Commission
Gatineau, Quebec
K1A 0N2

Re: Comments of the Canadian Association of Broadcasters with respect to Broadcasting Notice of Consultation CRTC 2025-94

Call for comments – A new approach to funding public interest participation in Commission proceedings

- 1. As the national voice of small, medium and large Canadian privately-owned and controlled radio, TV and discretionary broadcasters, the Canadian Association of Broadcasters (CAB) is pleased to provide its initial comments on the above noted notice of consultation (the Notice).
- 2. As the Commission considers how it can better support people, including public interest groups, to participate in its proceedings, the CAB urges the Commission to consider and act on the following three fundamental points:
 - First, as we have highlighted on numerous occasions, commercial radio and television broadcasters are struggling with near existential financial challenges as advertising and subscriber revenues decline, and costs rise. The industry cannot support additional regulatory and financial burdens over-and-above existing obligations.
 - Second, we have concerns about the way in which the Broadcasting Participation Fund (BPF) currently operates, including questions about some of the parties who have received funding in the past. It is not appropriate for parties that have a direct economic interest in the outcome of a proceeding to be funded by the very broadcasters they are seeking to regulate.

- Third, while we recognize that the Broadcasting Act (the Act) and the government's policy direction to the CRTC¹ (the Direction) give the Commission explicit tools to support the participation of persons or organizations representing the public interest, and directs the Commission to "consider"² whether to use those tools, the Commission need not, and must not, be too expansive in this area. There are other ways to support broader public participation in CRTC proceedings besides increasing financial burdens on struggling Canadian broadcasters, and which better serve the government's directive to the Commission to "where appropriate, minimize the regulatory burden on the Canadian broadcasting system."³
- 3. More broadly, we believe there are questions as to whether organizations who typically seek public interest funding actually represent, or are needed to represent, the public interest. Notably, members of the public are free to participate in Commission proceedings on their own, and the Commission has reduced technical barriers to participation and increased awareness of its consultations in recent years. As a result, today, robust participation from individual intervenors is a staple of large broadcasting policy proceedings.⁴ And we note that the Commission has often engaged independent firms to conduct public opinion research and included the results of those studies in its evidentiary records. There is reason to believe, then, that the public interest is already adequately represented in broadcasting regulatory proceedings.
- 4. Relatedly, it is unclear the extent to which public interest funding recipients actually consult with members of the public to inform their regulatory positions. To our knowledge, the current system does not require recipients of funding or cost awards to demonstrate that they are indeed proxies for the public they purport to represent.
- 5. For these reasons, the Commission should be cautious not to simply assume that additional measures are needed in this area. Instead, a greater level of scrutiny over existing measures (including the parameters and governance of the BPF) would be appropriate.
- 6. Building on the points made above, the following section provides an important overview of the current financial crisis faced by commercial radio and television broadcasters, and then our submission turns to answering the Commission's questions, elaborating on the above-noted key considerations.

¹ Order Issuing Directions to the CRTC (Sustainable and Equitable Broadcasting Regulatory Framework)

² *Ibid*, section 12(h).

³ *Ibid*, at section 8(a).

⁴ For example, individuals represented most of the participants in response Broadcasting Notice of Consultation CRTC 2024-288.

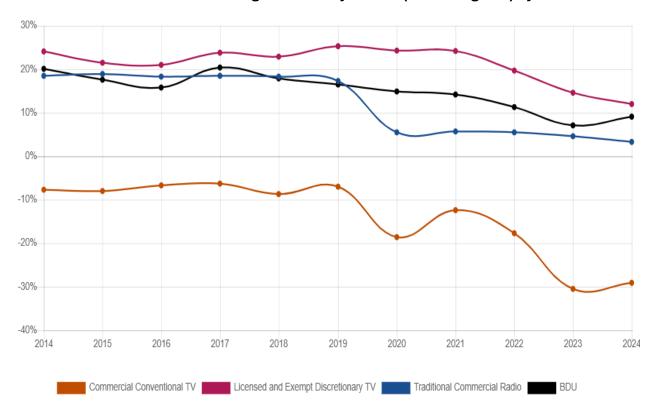
Canadian broadcasters face as existential crisis

7. It cannot be emphasized enough that Canadian radio and television broadcasters are facing a near existential financial crisis. As the Commission's own data shows, Canadian commercial broadcasters are suffering from significant revenue declines and decreasing profitability. As stated by the Commission in its recently updated Communications Market Reports – Annual highlights of the broadcasting sector, 2023-2024 (CMR):

In the 2024 broadcast year Radio, Discretionary TV, and BDUs remained profitable despite declining revenues. Online Undertaking were the only sector to significantly increase revenues and generated more revenues than any single sector of the conventional broadcasting system. Conversely, commercial conventional television continued to operate at a loss. In total, commercial broadcasting revenues increased by 0.2% from the 2023 to the 2024 broadcast year.

- Commercial Radio (-0.9%), Commercial Conventional TV (-8.6%), Discretionary services (-4.6%), and BDU (-7.99%) reported revenues decreases compared to 2023, whereas Audio and Audiovisual Online Undertakings reported a 34% and a 8% increase in revenues, respectively. (emphasis added)
- 8. Despite the Commission's somewhat rosy overview that other than commercial television, 'radio, discretionary TV and BDUs remained profitable,' the reality is that **private conventional television** has faced negative profitability for well over 10 years, with cumulative losses of over \$2 billion since 2015; **commercial radio** profitability reached an all time low of 3% in 2023/24; and, while **discretionary services** remain profitable, their margins are half what they were ten years ago, and no longer sufficiently compensate for the losses born by the conventional television sector.
- 9. The downward trends in the broadcasting sector's profitability are strikingly set out in the Commission's CMR, as duplicated below:

Commercial Broadcasting Profitability Trends (PBIT Margin %) by Sector



Source: CRTC Annual highlights of the broadcasting sector 2023-2024

- 10. In this less than rosy environment, Canadian radio and television broadcasters are already having to make tough decisions, and many have undertaken significant cutbacks over the last couple of years. Of greater concern, five radio stations were shuttered in 2024,⁵ and in the first eight months of 2025, at least three conventional television and five radio stations shut down.⁶
- 11. In this environment, more than ever before, the Commission must be sensitive to the burden it places on the Canadian private radio and television industry. This is not the time to be adding any additional regulatory obligations, especially ones with direct financial consequences.
- 12. Our submission now turns to responding to the Commission's questions.

⁵ CJBK London, CFGM-FM Caledon, CFRN Edmonton, CKST Vancouver, CFTE Vancouver

⁶ CITL-TV Lloydminster, CKSA-TV Lloydminster, CHAT TV Medicine Hat, CHQT Edmonton, CHML Hamilton, CKGO New Westminster, CFPO-FM Ottawa, CFPT-FM Toronto

⁷ Consistent with section 5(2)(g) of the Act which requires the Commission to regulate and supervise the Canadian broadcasting system in a flexible manner that "is sensitive to the administrative burden that, as a consequence of such regulation and supervision, may be imposed on persons carrying on broadcasting undertakings."

Creating one funding system to participate in Commission proceedings

- Q1. Should the application process for funding the participation of public interest groups be the same in both telecommunications and broadcasting proceedings?
- Q2. If so, should the Commission or an independent third party process the applications?
- Q3. What are the barriers, if any, to using the same process in telecommunications and broadcasting proceedings? How can these be addressed?

While the CAB recognizes that there may be benefits to applicants in adopting a single public interest funding system, we see pros and cons to each of the approaches and are uncertain of the impact of adopting one over the other. We also note that each is covered by different legislation and that the difference in size (revenue level) of the potential contributors is significant. Telecom companies generally have much higher revenue and profitability compared to radio and television stations.

In this current financial situation, the CAB is very concerned that the costing approach adopted on the telecom side may result in uncapped and unpredictable liability. That said, we believe there is merit to the more rigorous and detailed telecom approach to awarding costs, and the same level of rigour would be needed if the Commission were to maintain a fund approach in broadcasting. Therefore, even if a fund approach is adopted, the CAB believes that the Commission *should* dictate details like who is eligible for funding or what processes the fund must follow. The Commission should also establish more specific provisions around governance of the fund (as it recently did in *Commercial Radio News Fund*, Broadcasting Regulatory Policy CRTC 2025-193).

For the purposes of its reply comments, CAB looks forward to reviewing the comments of other parties to assist it in determining if one approach is better than the other. Should the Commission maintain two separate approaches, the CAB agrees that the Commission could establish a "one-door" approach to facilitate the application process.

Funding participation through an independent third-party fund

- Q4. If funding is managed by a single independent third-party fund, would the BPF be the right organization to administer funding?
- Q5. If so, what changes would be required to broaden its mandate and funding processes?
- Q6. If a different organization would be more appropriate, how could the Commission ensure that individuals and public interest groups continue to receive funding to participate in proceedings while this new organization is being established?

If the Commission determines that funding should be managed by a fund, and if the BPF continues to administer public participation funding, it must be required to adopt a much more rigorous and transparent approach to considering applications and granting funding, one more aligned with the Commission's approach to telecom cost awards, including a right to review by contributors and a process for managing disputes. It must also adopt better governance, including more regular oversight by contributors.

We also have serious concerns about some of the previous recipients of public participation funding, including those who are often 'adverse in interest' to broadcasters in a variety of public proceedings. This includes CACTUS and DOC, each of whom frequently advocates for increased spending by commercial broadcasters to the benefit of their members.

Making funding available to more types of organizations or parties

- Q7. How can the Commission's eligibility criteria be streamlined or improved?
- Q8. How can the Commission make it easier for parties that have not historically participated in Commission proceedings to participate?
- (a) Are there specific considerations pertaining to equity-deserving groups, Indigenous rights holders, OLMCs, or academics?

As noted above, this is not the time to be adding regulatory burden to Canadian broadcasting companies, especially those with direct financial consequences. The CAB is thus very concerned about any proposals that would increase regulatory costs, including the suggestion of possibly expanding eligibility for public participation funding.

Section 11.1(1)(c) of the Act permits the Commission to make regulations respecting expenditures to be made to support participation "by persons, groups of persons or organization representing the **public interest** in proceedings before the Commission." And section 12(h) of the Direction requires the Commission to "consider the need for sustainable and predictable funding to support participation by persons, groups of persons or organizations representing the **public interest** in proceedings before the Commission [our highlights]." As noted above, this does not mean the Commission must implement such a regime. However, if it does, funding should not be used to support stakeholders who do not represent the public, and especially not other broadcaster or stakeholder associations that participate in Commission proceedings with the goal of triggering additional spending from broadcasters to the benefit of their members. These organizations do not represent the public interest, but rather their members' interests.

Indeed, the Commission must limit funding to individuals and groups who represent the public/consumers, rather than any non-profit industry organizations (of which, for example, the CAB is one).

As for the goal of ensuring participation from a diverse range of parties, the CAB believes that the Commission can build on its current outreach and engagement initiatives – including plain language notices and consultation webpages – and further reassure interested parties that participating in Commission proceedings does not require costly research or representation by legal professionals.

Q9. Should individuals and public interest groups have to demonstrate that they meet the eligibility criteria every time they apply for funding? If not, at what intervals should they have to?

Yes. Applicants for funding should be required to demonstrate how their submission will add value to the record of any proceeding and that, as noted in paragraph 2 of the appendix to the notice, "their participation helped the Commission develop a better understanding of the issues." This can only be done on a proceeding-by-proceeding basis. Further, it seems to us that it would be less administratively burdensome to include information on eligibility in each application for funding, rather than having set intervals at which parties would have to demonstrate eligibility. Presumably the eligibility criteria will not change over time, and once drafted, eligibility language can easily be duplicated from application to application.

Q10. Should funding be available for informal Commission activities that take place before or outside of formal Commission proceedings (for example, the CRTC Interconnection Steering Committee meetings, informal consultations, and roundtable meetings)? If so, which activities should be eligible for funding?

No. Given the financial challenges of the broadcast sector, the Commission must avoid expanding the scope of public participation funding and thus the need for additional funds.

It seems to us that public hearings (which may require an appearance before the Commission) and larger scale policy processes (where additional research may be required) may be the costliest for public interest groups whereas the other activities named in the question (especially if they are held online/virtually) should involve little to no extra cost.

Ensuring that the funding system covers appropriate costs

- Q11. What costs should be eligible for reimbursement? Do the Commission's rates need to change? If so, how?
- Q12. Should the Commission use a different way to determine how much a party should receive? If so, explain how and why.
- Q13. If the current costs model is maintained, how could the process be simplified?

In general, the CAB seeks assurance that costs will continue to be "necessarily and reasonably incurred" for the purposes of a specific public proceeding before the Commission and that any funding is used to support meaningful participation. We support the Commission's current rules on the telecom side (as described in the Appendix to the notice of consultation) including the requirement that parties seeking funding must demonstrate that "(i) they represent Canadians with an interest in Commission proceedings, or have an interest in the proceeding, (ii) their participation helped the Commission develop a better understanding of the issues, and (iii) they participated in the proceeding in a responsible way."

At this time, we have no specific comments on possible amendments to the guidelines and rates. That said, we urge the Commission to be mindful of keeping costs as low as possible. To that end, the Commission may wish to consider capping the amounts that parties may receive in any given process or based on type of process (i.e. a public hearing versus a paper process versus a Part 1 application process).

Determining who should be funding participation and how much funding they should provide

- Q14. If funding is collected through a third-party fund like the BPF:
- (a) who should be required to contribute to the fund?
- (b) how should the Commission calculate who pays and how much they should pay?
- Q15. If respondents are identified on a proceeding-by-proceeding basis:
 - (a) who should be responsible for paying the costs in each proceeding?
 - (b) could the Commission's current process be simplified, for example, by:
 - (i) increasing the minimum contribution any one company must pay? (The current minimum is \$1,000.)
 - (ii) establishing at the outset (for example, every year or at the beginning of each proceeding), which companies should pay, and the amounts they could be expected to pay? If so, on what basis should those amounts be calculated?

If funding is collected through a third-party fund like the BPF, we believe that online undertakings (with Canadian revenues greater than \$25 million) should be required to contribute to the fund, over and above their base contribution requirement. Given the disproportionately higher contributions of broadcasters to other public policy objectives, no additional obligations should be applied to them.

Building a system that provides funding in a timely manner

Q16. In general, what can the Commission do to issue funding decisions more quickly?

Q17. How can the Commission simplify applications for interim costs so that applicants can obtain funding earlier in a proceeding?

The Commission could consider a base interim cost amount that could be provided earlier in a proceeding. For example, looking at the value of cost awards by the BPF in 2023, awards varied from\$2,400 to \$44,800.8 A standard maximum interim award of, say \$3,000, could provide meaningful support early in the process, with adjustments made afterwards, as necessary.

⁸ Payments in 2024 were much more varied, with many much lower than the lowest amounts paid out in 2023, which is why the CAB suggests the Commission consider a "maximum" standard interim award.

The Commission has better access to data to assess the appropriate value of a standard interim award on the telecom side.

Ensuring that funding is used in the public interest

Q18. Should the Commission require that individuals and public interest groups provide an attestation that they and anyone who worked with them during the proceeding have not engaged in hate speech?

Q19. What other mechanisms can the Commission put in place to ensure that public interest funding does not support hate speech?

An attestation appears to be a valid approach. The Commission should also prohibit any organization that engages in any form of hate speech from qualifying for public participation funding.

Supporting consultations for Indigenous groups and official language minority communities

Q20. Should the Commission establish different processes to fund the participation of Indigenous groups, such as Indigenous organizations and governments, in Commission proceedings? If so, what should those processes be?

Q21. Should the Commission establish different processes for funding for OLMCs? If so, what should those processes be?

While we understand that the Commission must undertake specific efforts to support the participation and engagement of Indigenous groups and OLMCs, we do not believe that any special measures are necessary in terms of funding their participation. Their costs should be similar to the costs of other public interest groups.

Supporting participation in proceedings under the Online News Act

Q22. Are there any additional matters that the Commission should consider to support participation in proceedings that take place under the Online News Act?

Given that the *Online News Act* does not include provisions for supporting public interest participation funding, the Commission should support participation in proceedings under that act, and in broadcasting and telecommunications proceedings more generally, by expanding upon its enhanced engagement and outreach efforts, including email lists, virtual presentations, online 'explainers', and so on, to help increase the accessibility of the organization and reduce any perception that it is 'difficult' or expensive to engage with the Commission.

13. We thank you for this opportunity to comment on the above noted notice of consultation.

Yours sincerely,

[Original signed by]

Kevin Desjardins President | Canadian Association of Broadcasters

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