

Sent via e-mail to CUSMA-Consultations-ACEUM@international.gc.ca

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CUSMA Consultations
Global Affairs Canada
Trade Negotiations - North America
John G. Diefenbaker Building
111 Sussex Drive
Ottawa Ontario
K1N 1J1

Re: Comments of the Canadian Association of Broadcasters regarding the Government of Canada's consultation on the Canada-United States-Mexico Trade Agreement (CUSMA)

On behalf of the Canadian Association of Broadcasters (CAB), I am pleased to submit the following comments in response to the Government of Canada's 2025 consultation on Canada's preparations for the first joint review of the Canada-United States-Mexico Agreement (CUSMA) in 2026. CAB members urge the government to continue to work to ensure CUSMA continues to provide stability for Canadian cultural industries, including Canadian broadcasters, and promotes a trade environment that supports the competitiveness of Canadian broadcasters and their ability to continue to contribute to Canadian cultural policy objectives and Canadian sovereignty.

About the Canadian Association of Broadcasters

The Canadian Association of Broadcasters (CAB) is the national voice of Canada's private broadcasters. Representing radio and television companies across the country, the CAB advocates for a vibrant, diverse, and competitive broadcasting system that serves all Canadians.

Since its founding in 1926, the CAB has been a trusted leader in policy development, regulatory affairs, and public dialogue, working closely with government, regulators, and industry stakeholders. Our members are committed to delivering high-quality Canadian content, supporting local news and journalism, and reflecting the voices and stories of communities from coast to coast to coast.

As the broadcasting landscape evolves, the CAB champions fair and forward-looking policies that ensure Canadian broadcasters can thrive in a digital age, protecting the sustainability of local media, promoting innovation, and strengthening Canadian identity and culture.

The role and importance of Canadian broadcasters

While Canada's private broadcasters fully support a modern cross-border trade partnership that reflects today's digital realities, that relationship must be developed in a way that does not impede Canada's ability to make sound cultural policy and support the Canadian cultural sectors, including Canadian broadcasting and professional journalism. To achieve its cultural objectives, Canada must maintain clear and explicit cultural carveouts in line with the existing CUSMA and former NAFTA agreements. These carve outs are essential to ensure trade rules do not erode the supports that sustain Canadian storytelling, journalism, and jobs.

Cultural industries make a significant contribution to Canada's GDP, and any tariffs or trade measures targeting "intangible" cultural goods or Canadian cultural policy instruments risk disrupting the ecosystem that supports Canadian programming and journalism.

Broadcasters, in particular, are critical players in serving Canada's cultural goals and in supporting Canadian sovereignty and identity – they provide both a window and a reflection on what it means to be Canadian. Most importantly they are the most trusted and most used sources of news content in Canada. According to Pollara's 2024 <u>Trust in Media</u> survey, **75 per cent of Canadians get their news from broadcast media** (46% from television and 29% from radio), far ahead of newspapers (37%), social media (33%), or other online sources (26%). A 2024 <u>thinkTV/YouGov survey</u> also confirmed that television is the most trusted and top choice for national news, with 60% of Canadians accessing it weekly. In an era where fact-based news programming is increasingly difficult to discern from misinformation, broadcast media remains a cornerstone of democratic resilience.

As trade negotiations evolve and as we head into the 2026 joint review of CUSMA, the Canadian government must ensure that these conversations are not used to reopen either the *Online News Act* or the *Online Streaming Act*, nor to undermine the Canadian Radiotelevision and Telecommunications Commission's (CRTC) efforts to create a level playing field between Canadian and foreign broadcasters. Contrary to the arguments raised by foreign streaming companies, the Commission's work to level the playing field between Canadian and foreign broadcaster is entirely appropriate, relevant and proportionate.

The implementation of a modern broadcasting regulatory framework is even more important now than ever before, since Canada's media industry is at a breaking point.

Local radio and television broadcasters, proven and trusted cornerstones of journalism nationwide, face significantly declining advertising revenue, increased costs, and a regulatory environment that impacts their ability to deliver high-quality local news content each and every day. Increasingly, Canada's media landscape is dominated by unregulated foreign digital platforms, who are starving domestic broadcasters of the ad revenue and subscribers required to produce high-quality local news and Canadian programming.

As the Government of Canada prepares for the review of CUSMA, it is crucial that every effort be made to prevent new or unclear trade barriers with the United States from further exacerbating challenging market conditions. The CAB, therefore, urges the government to prioritize Canada's cultural sovereignty in the face of increasingly aggressive attacks from foreign competitors.

Key recommendations

Preserve the CUSMA cultural exemption and maintain the tariff free treatment of cultural content

Article 32.6 of the Canada-United States-Mexico Agreement reaffirms a cultural exemption, previously contained in the North American Free Trade Agreement (NAFTA). This exemption allows Canada to adopt measures to protect cultural industries (including broadcasting). Keeping that exemption intact — and ensuring it clearly covers online measures and contribution requirements — is fundamental to defending Canadian cultural policy objectives, as set out in the *Broadcasting Act*.

In the context of the CUSMA review, it is critical that the Government of Canada prioritize explicit, unambiguous language that protects Canada's cultural sovereignty. This includes ensuring that measures designed to support the cultural industries (including streaming, news, and broadcasting regulation) remain outside the Agreement's market-access / national-treatment obligations. Securing this essential instrument and allowing Canada to implement policies in support of our cultural industries must be central to any CUSMA review.

Furthermore, it is important that the government seek assurances from the other parties to CUSMA to continue the current practice of not subjecting audiovisual content to tariffs or treating them like ordinary commercial goods for retaliatory purposes. Recent social media posts by leaders in the United States have threatened to target Canadian-produced audiovisual content, which the Government of Canada cannot tolerate.

CAB urges the government to preserve the current treatment of audiovisual works and to secure explicit commitments that these cultural products will not be used as leverage in any future trade disputes.

Protect Canadian copyright and the rights of Canadian artists

Copyright rules included in trade agreements can directly impact licensing terms, revenue streams, and enforcement. CAB members depend on clear and predictable intellectual property (IP) rules, as well as reliable cross-border licensing arrangements, to operate effectively. While modernization of these rules could offer benefits, any changes must not limit Canada's policy tools, such as requirements for discoverability, Canadian spending obligations, or signal management, which are essential to supporting Canadian broadcasting. We encourage the Government of Canada to advocate for IP rules that preserve Canada's policymaking flexibility for the broadcast and audiovisual sectors.

Under previous international commitments, including Canada's implementation of NAFTA and WIPO-related agreements, the federal government had the authority to limit or withhold certain neighbouring rights payments to foreign rights holders if Canada was not receiving equivalent treatment abroad. In practice, this meant that U.S. performers and record companies did not receive broadcast neighbouring-rights payments from Canadian radio stations, as U.S. law does not provide equivalent performance rights.

With the implementation of CUSMA, Canada agreed to remove this ministerial discretion. As a result, Canadian commercial radio stations now face increased royalty obligations to U.S. performers and producers. This new requirement represents an additional outflow of over \$6 million per year from Canadian radio businesses to US rightsholders. At the same time, Canadian artists continue to receive no reciprocal compensation when their work is played on U.S. radio, creating a significant imbalance.

We encourage the government to reevaluate this position and ensure that Canadian radio stations are not bound by this significant and inequitable liability.

In conclusion

As the government continues to review its priorities ahead of the CUSMA review, CAB and our members stand ready to work with the Government of Canada to celebrate and champion the Canadian broadcasting sector and support the continued provision of trusted reliable news programming.

We thank you for providing us with an opportunity to submit to this consultation.

Yours sincerely,

Kevin Desjardins

President | Canadian Association of Broadcasters