# CANADIAN ASSOCIATION OF BROADCASTERS

# ASSOCIATION CANADIENNE DES RADIODIFFUSEURS



# **COMMENTS**

of the

**Canadian Association of Broadcasters** 

with respect to

# Innovation, Science and Economic Development Canada's Consultation on AI:

Help define the next chapter of Canada's Al leadership

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.

In that context, the CAB is pleased to share its thoughts on the development of a renewed national AI strategy, one that continues to support the vital role played by the cultural sector, and particularly the broadcasting sector, in sustaining Canadian sovereignty and identity. Indeed, we were disappointed that cultural sovereignty was not identified as a key priority within the government's "national sprint" and that no representatives of the cultural sector were named to the new AI Strategy Task Force. We urge the government to correct this oversight and ensure the voices of cultural experts are also included in its work.

We note the following "Vision statement" for the present consultation:

Canada will be the world's leader in responsible and secure AI. By harnessing our unique advantages, deep-rooted legacy in AI innovation, and world-class talent, we will drive economic growth, productivity and opportunity for all. We envision a future where AI empowers industries, protects human rights, serves the public good and inspires trust—ensuring that every Canadian community shares in its benefits while risks are addressed and managed responsibly.

Broadcasters are critical players in meeting these 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 *Trust in Media* 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 <a href="thinkTV/YouGov survey">thinkTV/YouGov survey</a> 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.

The explosive development of artificial intelligence (AI) presents both opportunities and risks for the cultural sector, including the broadcasting sector. Broadcasters welcome the opportunity to embrace new technology to improve service to viewers and listeners. At the same time, AI also presents new challenges, raising concerns for the Canadian broadcasting sector and for their continued ability to serve Canadians, contribute to Canada's sovereignty, and provide critical news and information programming. In addition, increased use of AI raises critical questions with respect to copyright protection and the proper compensation of cultural creators.

As meaningful players in the Canadian cultural economy, broadcasters are uniquely situated as both creators of original content in their own right and as users of copyright protected works. This dual perspective permits us to appreciate the possibilities of using AI to increase efficiency and promote economic growth, while also respecting the critical importance of ensuring that creators receive necessary protections for their underlying works.

In large part, the CAB's members are in exploratory and experimental phases of engagement with AI. The promise of AI in the context of broadcasting is nascent but is expected to yield benefits for Canadian private broadcasters and their audiences. AI can provide important support to broadcasting businesses, particularly in terms of operational efficiencies. CAB members are currently exploring the potential of AI throughout their businesses, from routine tasks to complex analysis. For example, AI can automate certain tasks, freeing up time and resources for other activities. In the financial context currently faced by Canadian radio and television stations (significant declines in revenue and profitability), broadcasters need to fully explore the opportunities made possible by AI. AI can also be used to measure and monitor audience engagement with content, permitting continuous improvements in service to audiences.

That said, there are three key areas where AI raises particular concern that we wish to bring to the Department's attention, namely copyright, journalism, and the particular and developing issue of AI summaries.

#### ISSUES SURROUNDING COPYRIGHT

A critical consideration for Canada's cultural sector is the retention of copyright protections in the AI space.

CAB supports the retention of copyright protection in works that would otherwise be subject to such protection and does not support the introduction of any kind of exception for training generative AI systems ("text and data mining" or "TDM").

The mere existence of generative AI systems does not support the removal of the copyright protection that automatically arises in Canada when original works are created and fixed in a material form. Copyright is a creature of statute, and the *Copyright Act* states at section 27(1) that "[i]t is an infringement of copyright for any person to do, without the consent of the owner of the copyright, anything that by this Act only the owner of the copyright has the right to do." Accordingly, the question is whether these generative AI systems are doing anything that only the copyright owner has the right to do.

To the extent that creative works are being engaged in a manner that triggers copyright protection, the owners of the copyright in those works should be entitled to compensation for that use. The existing neighbouring rights regime in the *Copyright Act* provides an operational example of how copyright owners can be paid for the use of their works even in situations where it may not be possible for them to deny access to their works.

Performers and sound recording makers are entitled to be paid equitable remuneration when published sound recordings containing performances are performed in public or communicated to the public via telecommunication. This payment is made to the designated copyright collecting society in the case of sound recordings of performances. The amount of the payment is determined either by way of direct negotiation between the user and the rights holder and/or the collecting society or, in many cases, through the administrative processes carried out by the Copyright Board of Canada.

In our view, it is clear that many if not most current generative AI systems are engaging the copyrights of the underlying works being used to train those systems. Compensation is therefore warranted. To appropriately balance the interests of creators and users and provide AI systems with greater certainty on access to works and the magnitude of required payments to underlying rights holders, a system of equitable remuneration similar to that already in place for published sound recordings could be an effective mechanism.

At the same time, the CAB members want certainty that as users of AI, they are not liable for violation of copyright where an AI system has been trained with material that was not properly cleared.

Given that the underlying works used to train AI systems are subject to copyright protection, it follows that, under existing copyright law, those works could be infringed by the AI systems themselves as well as by the end users of the AI-generated works. It will be near impossible for end-users to know which works were used by the AI systems and who the copyright owners of those works could be. Therefore, it would be unreasonable to put the onus on the end-user of the AI-generated works to avoid involuntary infringement. Only the providers of the AI systems that are inputting the underlying works into those systems have the potential to know what works are being used. In this way, only the creators of the AI systems should be liable for infringement that occurs as a result of the inputs they chose to rely upon and the way they manipulate those inputs.

## ISSUES SURROUNDING JOURNALISM

As AI becomes increasingly integrated into our daily lives, the availability of trustworthy, professional, fact-checked news – as provided by radio and television stations – will become progressively more important. In such an environment, compensation, attribution and sourcing are critical concerns in the industry.

If there is no proper attribution, it will be difficult to identify and distinguish between legitimate, copyrighted broadcast content and potentially inaccurate AI-generated content. We also have concerns about AI "ingesting" legitimate, broadcast content and marrying it with unverified and potentially inaccurate information. This marrying of content also raises copyright considerations as well, if AI systems are permitted to ingest broadcasters' copyrighted content without authorization and possibly distort that content. Further, there are concerns about AI inappropriately or even fraudulently using the likenesses of trusted radio or television personalities.

On the other hand, AI can be useful throughout news media operations, including taking on routine tasks, in data collection and analysis, and in content creation, news distribution, and audience metrics. That said, the use of AI in journalism also raises particular concerns. It can have a role but should not be used to replace human judgement and critical thinking and must be governed by norms around accuracy, transparency, respect for copyright, and ethical use.

#### **ISSUES SURROUNDING AI SUMMARIES**

The growing risk that large technology platforms and AI developers may "ingest" or scrape broadcast content at scale without authorization, attribution, or compensation for the purposes of AI summaries is of increasing concern to Canadian broadcasters, who invest substantial financial, creative, technical, and operational resources to produce content that is valued by Canadians. This AI intervention will harm broadcasters' business models, undermine local content investment, and distort incentives in Canada's media ecosystem with a significant potential impact on the continued availability of fact-checked professional news content.

In particular, broadcasters and news publishers are concerned that newer AI-supported search is responding to users directly, summarizing content from original sources, reducing the need for the user to "click through" to the original broadcaster or publisher site. For example:

Al Overviews / Al summaries: Google (and other search providers) are increasingly
placing Al-generated summaries at the top of search results (sometimes called
"Search Generative Experience" or "Al Overviews").

- "Zero-click" behavior: Because users often find the information they need in that summary, they may not click into the publisher's site at all. In effect, the answer is "served" right in the search interface.
- Lower visibility of organic links: The placement of the AI-generated summary pushes down the traditional "blue link" organic results, reducing their prominence (and thus the likelihood users will scroll/click).
- **Citation-based sourcing**: Some Al Overviews include short citations or "source links" to the original content, but the quality of attribution, prominence, and clickability varies.
- Integration with conversational/assistant modes: Beyond the search results page, some Al modes (e.g. chat-style interfaces) also surface answers synthesized from web content again reducing the user's need to go to the source site.

These shifts in user behavior means that instead of following links to the original news site, many users are satisfied with the AI generated summary, resulting in a decline in traffic to broadcasters' websites. Reduced pageviews and referrals mean fewer ad impressions and lower engagement metrics on which news outlets typically rely to justify advertising buys. As users increasingly consume content (or summaries) "within" Google (or via AI services), the leverage of the content owner over monetization diminishes. There is also a concern that as users increasingly get their answers from the summaries (rather than visiting the source), brand awareness and audience loyalty will also decline, further impacting downstream revenue. There is the further concern that Canadians' trust in news content could also be undermined if AI summaries are not accurate or sourced from different places resulting in contradictory information.

We believe the government must put rules in place that, among other things, ensure fair compensation via copyright or a licensing regime that covers the use of news publishers' content in AI summaries or other AI products. We cannot wait for litigation to resolve these concerns.

In this context, we believe developments in other jurisdictions could be informative. For example, the European Union introduced with the <u>Directive on Copyright in the Digital Single Market</u> (DSM Directive) a "press publishers' right" (ancillary/neighboring right) giving publishers certain rights to license uses by online content sharing service providers. Under Article 15, publishers can negotiate for payment when their content is used or re-used by certain digital platforms. And the Australian government recently <u>announced</u> that there will be no broad TDM exceptions, relying on licensing as the way forward for ethical Al development.

Similar models could be explored in Canada to address the following key concerns:

# 1. Unauthorized scraping / ingestion of broadcast content

Al systems often rely on text, audio, and video scraped from the web. While much of that content comes from open web pages, broadcasters' online streaming, archives, transcripts, or snippets may be inadvertently or intentionally captured without consent. Over time, this can mean that Al models reproduce, summarize, or generate near-duplicates of broadcasters' work without any compensation or licensing arrangements.

## 2. Loss of control, attribution, and revenue

When broadcaster content is used by AI systems invisibly, broadcasters lose visibility over how their content is used, altered, or reproduced. Audiences might not know the origin of AI-generated summaries or outputs that draw heavily on broadcast material. More critically, broadcasters receive no licensing revenue or recognition. This erodes t heir ability to monetize their investment in original content.

# 3. Competitive asymmetry

Large Al/tech platforms, which already have scale, data access, and distribution advantages, may further entrench their market positions by leveraging broadcast content without reciprocation. Smaller broadcasters, independent producers, and local outlets are disproportionately vulnerable.

# 4. Chilling effect on investment in original content

If broadcasters perceive that their content can be "freely" consumed by AI systems, their incentive to invest in costly journalism, investigative reporting, or high-quality production may be diminished. Over time, these trends risk reducing the diversity, depth, and quality of Canada's news media ecosystem.

## 5. Interference with regulatory and cultural objectives

Canada has policy goals around promoting Canadian content, diversity, regional representation, linguistic duality, and public interest journalism. If AI systems use, repurpose, or amplify broadcast content without regard to these policy goals, it can undermine the public value intended by broadcast regulation and Canadian content rules.

# 6. Transparency, auditability, and rights provenance

Al models that incorporate broadcast content may not expose the "traceability" of their sources. Even when an Al output leaks or misrepresents broadcast content (e.g. misquote, decontextualize, or misattribute), broadcasters lack effective remedies if the internal model training regime is opaque.

#### **RECOMMENDATIONS**

To help address the risks identified in this submission and ensure that Canada charts a balanced, fair path in AI development, the CAB believes the government must take the concerns of Canadian broadcasters seriously, consider mechanisms to protect their rights, and ensure they have the resources to continue to invest in high-quality professional journalism.

We recommend the following:

# 1. Establish enforceable rights protections

Canada should consider expanding rights regimes to explicitly include AI ingestion of broadcast content as a use case requiring remuneration. That aligns with how some jurisdictions treat retransmission, performance, or metadata uses.

# 2. Require licensing frameworks or compensation regimes

Where AI systems use or reproduce broadcaster content beyond fair dealing thresholds, which is in most, if not all instances, providers should negotiate licences or pay a statutory fair compensation. This ensures creators and rights holders are fairly rewarded.

# 3. Mandate transparent usage disclosures and attribution

Al systems that draw on broadcast content should disclose, in human-readable and machine-readable form, the sources (including broadcaster, program name, time) of content used (or closely paraphrased) in outputs. This encourages accountability and recognition of original creators.

# 4. Set limits on "web-scraping" by AI systems for protected content

The government needs to Impose restrictions or gatekeeping measures on indiscriminate scraping of sites identified as belonging to broadcasters or other rights holders, or require express opt-in for inclusion in AI training data.

# 5. Require audits and rights provenance traceability

Al developers should be required to maintain auditable records of what content has been used for training and how that data was used. The government can mandate periodic audits or third-party reviews to prevent misuse or overreach.

# 6. Promote opt-out mechanisms

Broadcasters should have efficient mechanisms to notify AI providers to remove or cease use of their content in training or future model updates, and to enforce such removal within reasonable timeframes.

# 7. Support collective licensing / rights aggregation

To simplify negotiation and enforcement, Canada should encourage or enable collective licensing models where broadcaster consortia or rights agencies can offer standard terms to Al developers.

#### 8. Incentivize Canadian AI models to use licensed domestic content

The Government could prioritize procurement, funding, and support for Canadian Al systems that commit to working with licensed Canadian broadcaster content — thereby encouraging a domestic Al supply chain that respects content rights.

#### 9. Harmonize with international norms and standards

Canada should engage internationally (e.g. in OECD, WIPO, UNESCO, etc.) to help set global norms around AI use of audio / video / text content and ensure Canadian broadcasters are not disadvantaged by cross-border dumping of AI models trained on unlicensed content.

# 10. Sunset / review clauses & adaptive oversight

Given how rapidly AI evolves, any regulatory regime must include review clauses, sunset provisions, and ongoing stakeholder engagement (broadcasters, AI firms, content creators, civil society) to iterate and adapt.

## IN CONCLUSION

While the CAB recognizes that the implementation of any kind of AI regime must be calibrated so as not to stifle innovation, the regime must also be designed to ensure that Canadian creators, including broadcasters, can continue to contribute to Canadian cultural and economic goals, as well as support civic and democratic participation through the provision of professional, fact-checked new programming.

The government must design a fair regime that encourages and supports continued investment in quality journalism, local programming, and Canadian content that serves the needs of all Canadians, including underserved communities, Indigenous peoples, and the full range of Canadian diversity. Expanded content rights and protections in the AI context will help level the playing field between global tech giants and the Canadian creative sector.

Our proposals are designed to support responsible AI development while safeguarding creators' rights. These proposals support Canada's goals in cultural sovereignty, digital sovereignty, democratic accountability, media pluralism, and national identity.

We thank you for the opportunity to contribute to this consultation process.