

Toward an equitable, sustainable, flexible and simple broadcasting framework

COMMENTS

of the

Canadian Association of Broadcasters

with respect to

The Path Forward — Defining "Canadian program" and supporting the creation and distribution of Canadian programming in the audio-visual sector

Broadcasting Notice of Consultation CRTC 2024-288

As the national voice of small, medium and large, Canadian privately-owned and controlled radio, television and discretionary broadcasters, both independent and vertically integrated, including services operating under 9.1(1)(h) distribution orders, the Canadian Association of Broadcasters (CAB) is pleased to provide its initial comments on The Path Forward – Defining "Canadian Program" and supporting the creation and distribution of Canadian programming in the audio-visual sector, Broadcasting Notice of Consultation CRTC 2024-288 (the Notice). The CAB wishes to appear at the public hearing, in person, in Gatineau, in order to elaborate on its position and the interests of private Canadian television broadcasters.

- 1. The Commission has called for comments on modernizing the definition of Canadian content with the objective of supporting and incentivizing the creation and distribution of Canadian programming from a range of diverse communities. It also acknowledges that a modernized definition should make room for flexible business models and different types of programming, within the broader context of ensuring the sustainability and growth of Canada's broadcasting system. We broadly agree with the Commission's objectives we believe that in designing a modernized definition of Canadian content and a new framework for supporting Canadian programming, the Commission must be guided by the following four key principles:
 - SUSTAINABILITY the viability and sustainability of Canadian owned and
 controlled broadcasters must be prioritized Canadian broadcasters will only be
 able to continue to make meaningful ongoing contributions to the many cultural
 and public policy goals identified in the *Broadcasting Act* (the Act) if they are able to
 operate viable businesses that are capable of adapting to the profound structural
 challenges facing their operations and being responsive to the interests of their
 audiences;
 - EQUITY the modernized framework must ensure equitability across all players in the broadcasting system; Canadian broadcasters can no longer be the sole source of support for Canadian cultural objectives. The regulatory framework must be adapted to the reality of the massive growth of foreign online undertakings, with a recalibration of the obligations that apply to traditional broadcasters and a levelling of the playing field with their direct competitors who have no obligations, at least until the end of August 2025.
 - FLEXIBILITY broadcasting undertakings must have the ability to make
 contributions to the broadcasting system in ways that make most sense given
 individual business models and programming strategies, while recognizing the
 differences between online undertakings and licensed services. Accordingly, the
 CAB strongly supports the Commission's plan to implement its framework via
 tailored conditions of service and recommends a focus on incentives rather than
 quotas.
 - **SIMPLICITY** the Commission must take every opportunity to reduce burden both regulatory and administrative and to regulate only what really matters, leaving behind legacy requirements.

- 2. In our view, the best way to support Canadian and Indigenous content, as well as the numerous important diversity and other public policy objectives set out in the Act and the Government's Policy Direction¹, is to bring streaming services firmly into the regulatory fold and ensure they make meaningful contributions to the Canadian broadcasting system, comparable to the contributions of Canadian broadcasters.
- 3. The CRTC must also create the conditions for the continued sustainability of Canadian owned and operated broadcasters the *cornerstone* of the Canadian broadcasting system through urgent recalibration of their obligations. Maintaining the viability of Canadian broadcasters is, in-and-of-itself, an important public policy objective.

Context is everything as the industry faces structural declines...

- 4. Private television broadcasters have suffered significant declines over the last decade, due to the disruption caused by foreign streamers. As discussed in a research note prepared by Communications Management Inc., Structural change in the Canadian television market: Implications for public policy, attached as Appendix 1 to this submission:
 - Whereas private television was once the most important component of the Canadian television/video market, representing 63% in 2005, by 2023, its share had fallen to 41% of the market, with Internet-based video representing 39%. (Figures 1A and 1B)
 - The advertising market has shifted away from local media companies, largely to the benefit of Internet behemoths. In 2013, the Internet represented about one-fifth of the Canadian advertising market. Ten years later, Internet share had grown to more than two-thirds, with some 52% of advertising revenue going to non-Canadian companies. (Figure 2)
 - This shift in ad revenue has had a direct and significant impact on the revenues and profitability of Canadian private television stations: (Figures 3 and 4)
 - Total revenue decreased from \$1.8 billion in 2014 to \$1.5 billion in 2023.
 - PBIT dropped from negative 8.2% to negative 31.3%, with over 80 per cent of private conventional television stations reporting negative PBIT in 2023.
 - ° From 2014 to 2023, private conventional television had a **10-year cumulative** loss of **\$2.1** billion.
 - Although internal cross-subsides have played an important historical role in sustaining the private television sector, with discretionary revenues helping to offset losses on the conventional side, the combined PBIT of conventional and discretionary television has decreased significantly from 17.4 % in 2013 to only 2.6% in 2023, demonstrating that this cross-subsidy is losing value. (Figure 6)

¹ Order Issuing Directions to the CRTC (Sustainable and Equitable Broadcasting Regulatory Framework): SOR/2023-239, 9 November 2023.

5. According to the Commission's own data, online audiovisual undertakings earned almost \$5 billion dollars in Canada last year, representing a quarter of total television sector revenues (conventional, discretionary, BDU and AV-DMBU) – Netflix, Amazon Prime Video, and YouTube alone earned \$2.9 billion, with no specific obligations to contribute back to the Canadian broadcasting system before the end of August 2025.² And yet, Canadian broadcasters continue to be held to obligations imposed years ago under vastly different market conditions.

... and disruption impacts contributions to public policy goals

- 6. The disruption caused by foreign online undertakings has made the challenges Canadian television broadcasters have always faced even harder to overcome. The direct entry of foreign players has upended the ability of private television services to continue supporting Canadian programming and other public policy objectives in the ways and to the extent they used to. News, in particular, is at risk.
- 7. Notwithstanding these challenges, however, Canadian broadcasters continue to make significant contributions to Canadian programming and are a vital partner in the success of the Canadian production sector. The CRTC reports that the combined Canadian programming expenditures (CPE) of the conventional and discretionary television sectors has increased steadily over the past 10 years by a CAGR of 1.8%, and have increased 19.2% compared to 2013, representing over \$3 billion in spending on Canadian programming in 2023, despite declining revenue. This is significantly more important than the estimated \$200 million that will be contributed by unaffiliated online undertakings as a result of the Commission's initial contribution decision.³

Which is why broadcasters' sustainability must be a key objective

- 8. These significant contributions are precisely why the sustainability of the Canadian owned and controlled broadcasting system must be identified as a priority and named as one of the Commission's key objectives of the modernized framework. Canadian broadcasters can only continue to make meaningful ongoing contributions to the many cultural and public policy goals set out in in the Act, listed in the Policy Direction, and identified by the Commission in its notice of consultation, under the following conditions:
 - They must be able to operate **viable** businesses that are capable of responding to the profound structural challenges facing their operations;
 - They need flexibility to be able to adjust quickly as audience preferences and the market shifts or with the introduction of new technologies, techniques or platforms; and

² Tables 4 and 43 of the Commission's open data set Data – Broadcasting Sector.

³ Broadcasting Regulatory Policy <u>2024-121-1</u> and Broadcaster Order 2024-194.

• They must be subject to a **lighter regulatory touch** than has existed up until now, to permit them to contribute to the outcomes sought by the Commission in a way that is most appropriate given their particular circumstances.

And the broadcasting framework must be recalibrated

- 9. Therefore, the Commission must urgently take this opportunity to recalibrate the contribution framework to ensure that foreign online streamers also make meaningful and equitable contributions to the Canadian broadcasting system, and to reduce the regulatory and administrative burden of Canadian television broadcasters to enable them to compete on a level playing field.
- 10. For greater certainty, however, equitable does not mean the same. Therefore, in designing a modernized framework, the Commission must be cognizant of the very real differences between licensed or exempt broadcasters and online undertakings that operate without a licence or exemption, including foreign broadcasting undertakings that require no approval to launch. This means that the Commission must be vigilant in not perpetuating legacy approaches, where licensing "beauty-contest" processes have provided an opportunity to seek significant commitments and impose highly detailed and often onerous obligations on licensees and where exemptions are subject to conditions almost as significant.

So that licensees are not held to a higher standard

11. Indeed, the CAB is concerned that the Commission may continue to regulate licensed undertakings more arduously than foreign undertakings not subject to licensing. To avoid this risk, any flexibility extended to foreign online undertakings must also apply to Canadian services. This means, for example, that if foreign services are not subjected to exhibition requirements, nor should Canadian broadcasters. We also believe the Commission's approach to online undertakings must reflect the fact that that they do not need to seek a licence or the Commission's approval under the updated Act.

And foreign online services make equitable contributions

12. Given that they do not need a licence, there is no competitive public process through which the Commission can choose to approve a foreign online undertaking or not, and subject them to specific commitments and obligations. Therefore, the onus must be on those services to demonstrate that they will make meaningful contributions to the Canadian broadcasting system in accordance with the objectives of the Act. Therefore, they should be required to propose financial contributions that are directed primarily towards the production of Canadian programming and not to initiatives that will benefit the undertaking rather than the broadcasting system as a whole.

- 13. The CAB continues to believe that the contributions of foreign online undertakings should be directed primarily to Canadian funds. This is the most effective way to ensure that new money in the system is managed in the best interests of the system, and that the contributions of foreign companies are directed to fully qualified content initiatives and public policy objectives and not only to initiatives that will benefit them.
- 14. Most importantly, ensuring that the bulk of the contributions from online groups that do not include a licensee is directed to funds is the best way to ensure that their obligation to support Canadian programming does not unduly impact the Canadian rights market. Requiring or permitting foreign undertakings to devote too high a proportion of their Canadian revenues to direct expenditures on Canadian programming will result in a significant increase in competition for Canadian programs and talent, driving up the costs of Canadian production to unsupportable levels.

Within a model that prioritizes tailored conditions of service...

- 15. Broadcasting groups that include licensees should have a global contribution requirement, and flexibility to propose how their contributions will be directed. Therefore, for them, the Commission should expect promises of performance that reflect their mix of ownership, for example:
 - a broadcast group that is composed only of programming services and which includes a licensed programming undertaking should be permitted to direct their contributions entirely to CPE if that is their preference, including spending on news;
 - a group composed only of distribution undertakings and which includes a licensed BDU should be required to contribute to funds and through other mechanisms designed to support Canadian broadcasting policy objectives (e.g. through priority carriage of services of exceptional importance and conventional television services, or other supports for news programming);
 - vertically integrated groups that include licensed undertakings should be expected
 to contribute through a combination of funds, direct spending, and other
 mechanisms, tailored to their particular business models and needs, and the
 interests of their audiences.
- 16. We believe this model, coupled with tailored contribution agreements, is simple, flexible and equitable, and will help to ensure the sustainability of Canadian broadcasters.

... Simplified administrative processes...

17. The CAB believes that the Commission must conduct a thorough internal review of its administrative processes, and particularly its reporting requirements and data collection systems to ensure that any reporting requirements are only those that are strictly necessary for the supervision of the broadcasting system and are not simply 'legacy'. The Commission should also streamline reporting by removing redundancies and repetition and modernize its data collection and reporting systems.

- 18. On this latter point, the CAB notes that several of its members wrote to the Commission two and a half years ago with an invitation to work together to improve the Commission's Data Collection System (DCS). Their concerns still stand. We are attaching the original letter and attachment detailing aspects of DCS which are functioning poorly or are otherwise inefficient, along with suggested improvements as **Appendix 2**.
- 19. The Commission's internal review of processes and systems should be governed by the objectives identified by the CAB above. The Commission's goals should be to:
 (1) support the sustainability of Canadian broadcasters by limiting and streamlining their administrative burden; (2) ensure fairness through equitable reporting requirements such that Canadian broadcasters' reporting obligations are no more onerous than their online competitors; and (3) adopt simplified administrative processes wherever possible, including faster processing of Part 1 applications.

... And a harmonized approach to IP ownership

- 20. As noted by the Commission, section 10(1.1)(a) of the Act requires the Commission to consider whether Canadians control and benefit in a significant and equitable manner from the exploitation of their programs and the Policy Direction further requires the Commission to support Canadian ownership of IP. The CAB believes that IP must rest with Canadian creators (broadcasters and producers) to ensure that they are able to benefit from their creative work, fully exploit their rights, and, in turn, reinvest further in Canadian content development.
- 21. Therefore, in terms of models for IP ownership, we believe that the Commission's approach should be harmonized with that of the Canadian Audio-Visual Certification Office (CAVCO), the primary tool for the funding of Canadian content via federal tax credits.
- 22. Accordingly, we recommend that for a program to be considered Canadian, copyright must be held by the Canadian producer for 25 years, and Canadians must control the initial licensing of commercial exploitation rights for the production. Further, a Canadian distributor or a CRTC-licensed broadcaster must provide written confirmation that the production will be shown in Canada within the two-year period beginning when the production is complete and commercially exploitable.
- 23. Our submission now turns to responding to certain of the CRTC's questions.

CAB Responses to CRTC Questions

Key creative positions

Our members have different proposals for the definition of Cancon, therefore, the CAB has no particular response to the Commission's proposed points system.

Q3. Does the Commission's preliminary view regarding key creative positions help ensure that the creative direction and control of a Canadian program remain Canadian? If not, how should this preliminary view be modified?

The CAB believes that a definition of Cancon that relies on key creative positions, coupled with IP ownership, is the most appropriate mechanism to ensure that the creative direction and control of a Canadian program remains Canadian.

Cultural elements

Q6. Should the Commission include cultural elements within the certification framework? If yes, please describe what would constitute a "cultural element." Further, how should the Commission identify such elements in an objective way and incorporate those elements into the definition?

The CAB believes that "cultural elements" are too difficult to define in an objective way. Adding cultural elements to the definition is bound to result in additional administrative challenges for the industry and the Commission in seeking to determine whether they are "Canadian-enough" to merit points. Therefore, we agree with the Commission's preliminary view that cultural elements should not be included within the certification framework.

Financial Control (IP Ownership)

Q13. Please provide an intellectual property rights model (or models) for the Commission to consider based on the different ways that a definition of "Canadian program" would account for intellectual property rights as set out in paragraph 31. Please explain how the proposed model(s) would incentivize collaborations and foreign equity investments, and ensure that Canadian programming is competitive in the global market.

As noted above, the CAB believes that the IP model adopted by the CRTC should be harmonized with CAVCO's. Accordingly, the CAB recommends that the Commission require copyright to be held by the Canadian producer for 25 years, and Canadians must control the initial licensing of commercial exploitation rights for the production. Further, a Canadian distributor or a CRTC-licensed broadcaster must provide written confirmation that the production will be shown in Canada within the two-year period beginning when the production is complete and commercially exploitable.

Q14. In light of an approach based on Canadian intellectual property rights retention, should the Commission maintain the requirement that the key producer roles (producer, coproducer, line producer and production manager) be filled by Canadians to ensure Canadian financial and creative control? If not, please explain why.

The CAB recommends that this requirement remain in place to help ensure financial and creative control rests with Canadians.

CPE/PNI

Q18. How does the Commission's view regarding PNI align (or not align) with business models and the availability of programming in the current broadcasting system?

The CAB agrees with the Commission's preliminary view that it is no longer necessary to require Canadian television broadcasters to make minimum commitments to spending on programs of national interest (PNI). As we have consistently argued, PNI obligations force broadcasters to spend their production budgets on certain types of programming that may not align with their programming strategies or the interests of their audiences. While some broadcasters may wish to focus on documentaries and dramas – indeed, foreign streamers currently devote a significant part of their services to such content – others may prefer to focus their resources on other types of content, including lifestyle programming, popular reality television shows, or vitally important news and information programming.

In this time of abundant on-demand media choices, the ability of Canadian broadcasters to serve their audiences should not be constrained by outdated and overly intrusive content regulations. In today's media environment, airing content that audiences are not interested in, or which does not fit within the general focus of a channel, will cause people to switch to streaming apps, with significant negative impacts on Canadian broadcasters and their ability to continue supporting cultural objectives.

Broadcasters can only make meaningful and sustainable contributions to cultural policy goals if they have the flexibility to adapt and remain viable given profound structural challenges to their businesses. Permitting them to invest in Canadian programming that makes sense in terms of their individual program strategies and audience interests is a better way to ensure they can continue to operate, serve their audiences and contribute to public policy objectives.

Q19. Would the proposed changes to the definition of "Canadian program" ensure continued financial support for Canadian programs previously supported through the Commission's approach to PNI? Would the proposed changes ensure that those Canadian programs are not only made available to Canadians, but also exported internationally?

As noted above, some broadcasters will continue to invest in documentary and drama programming, especially for as long as the Canada Media Fund supports these categories of programming. Further, because drama and documentaries tend to play a significant role in the libraries of online platforms, it may be appropriate for the Commission to seek commitments from them as part of their tailored contribution orders.

Q20. Should the CPE requirements for traditional Canadian broadcasters and foreign online undertakings be similar or different? How can the Commission impose equitable requirements that respect the different business models of the various undertakings and broadcasting groups?

It is long past time for the system to be recalibrated, to bring foreign streaming services squarely into the regulatory fold and ensure they make meaningful and equitable contributions to the Canadian broadcasting system, at spending levels comparable to Canadian broadcasters. However, as noted in our preamble, we believe the contributions of foreign streamers should be dedicated primarily to funds, to limit the negative impact on the cost of program rights, and to ensure their contributions are used in the best interests of the Canadian broadcasting system.

For ownership groups that include licensed Canadian broadcasters, we believe the best way to respect individual business models and the programming strategies of different ownership groups is through tailored contributions.

Subject to the model proposed by the CAB in the preamble to this submission, the Commission should permit each broadcasting group to identify how they can best support the creation and distribution of diverse Canadian and Indigenous content that Canadians want to watch. As noted in response to question 18, some may choose to focus on drama or documentaries, others may wish to invest in news, still others may emphasize lifestyle programming or reality television. This is the best way to respond to the Policy Direction's requirement that the Commission "respect audience choice, and where possible, increase the options available" (Paragraph 8(c) and "consider providing flexibility for all broadcasting undertakings in meeting expenditure requirements" (Paragraph 12(c).

As the Commission used to do, it should seek "promises of performance" from each group, tailored to their particular business model/program strategy, which can be assessed through a public process, including, for larger groups, a public hearing, after which, the Commission can establish individual orders under section 11.1(1) of the Act or, when appropriate, 9.1(1).

- **Q21. Please explain how the Commission should determine:**
- (a) what types of expenditures would fulfill the needs in the broadcasting system relating to Canadian programming, in particular news programming; and
- (b) how these expenditures should be allocated.

We believe that broadcasters are best equipped to determine what their audiences want and need. News is clearly a priority – it is the most watched Canadian content category and local broadcasters will continue to provide local news as a key element of their program offering. In an environment of abundant choice, it is no longer appropriate for the Commission to dictate where spending is directed. As noted under question 20 above, different broadcasters may wish to direct their investments to different genres of programming, in keeping with the interests of their audiences.

The Commission's framework must permit individual broadcasters to propose different models for meeting the needs and interests of their audiences and for supporting the objectives of the Act. Indeed, broadcasters should be able to choose between spending obligations and exhibition requirements, as suits their programming strategies best.

Q22. Should different approaches be undertaken for the English- and French-language markets in a modernized CPE framework? For example, should the Commission impose a minimum expenditure requirement for Canadian original English- and French-language programs? If yes, should the approaches differ in both official language markets?

In general terms, the Commission must recognize that the two markets are very different, and yet the challenges broadcasters face in each market are similar. In this context, the Commission should reconsider the higher obligations currently imposed on Frenchlanguage broadcasters and ensure equity across all broadcasters. At the same time, the Commission must be cognizant that consumer behaviour is different in each market, and thus different approaches may be warranted.

Q23. How can a modernized expenditure framework support Indigenous content and content created by and for equity-deserving groups, OLMCs and Canadians of diverse backgrounds?

We recognize that the Act and Policy Direction require the Commission to support the ability of Indigenous persons to produce and access Indigenous programming, and own and control broadcasting undertakings, and to support the creation and available of programming by equity seeking groups and OLMC producers, in both official languages, however, as noted above, we do not believe the Commission should dictate how money is spent. Individual broadcasting companies should be permitted to identify the ways in which they will contribute to the varied policy objectives set out in the Act, without predefined minimums.

Instead (and as required under the Direction at section 8d), the Commission should prioritise the use of incentives to support these objectives, including the objective of supporting programming that is "risky to produce and difficult to monetize." The Commission could, for example, continue to apply spending incentives with respect to Indigenous and OLMC programming, and consider new credits for documentaries, dramas and news.

Such incentives should also apply as time credits for as long as quotas remain in place. However, we do not believe quotas should be part of the new regulatory framework. As noted above, we recommend that broadcasters be able to make commitments that they believe most fit with their business models and programming strategies.

Q24. In the modernized CPE framework, what programming, such as news, should be viewed as risky and expensive to produce and difficult to monetize but exceptionally important to the achievement of the objectives of the Act? How is such programming not already supported by the various business models in operation in the Canadian broadcasting system?

News is, without question, expensive to produce and difficult to monetize.

As noted above, the direct entry of foreign streamers into the Canadian market has had a marked impact on Canadian television stations, massively disrupting their primary source of revenue and thus their ability to continue to sustain their news operations. With overall profitability at negative 31%, and with over 80 per cent of private conventional television stations reporting negative PBIT in 2023, it is clear that the market alone cannot support television news. At the same time, the Commission has put certain roadblocks up that may further limit the ability of broadcasters to continue to fund news production, for example, by requiring a proportion of CPE to be devoted to PNI and by applying unnecessarily granular definitions around "local" programming.

The Independent Local News Fund (ILNF) has been an important contributor to news production by independent television stations, but as highlighted in other submissions, its value is in decline as subscriber levels drop. Although the Commission took a critical first step to support news production by requiring certain online undertakings to contribute 1.5% of their Canadian revenues to the ILNF, the platforms have appealed the Commission's contribution orders, and the case may not be resolved before the end of the year, meaning that new funding is unlikely to flow before January 2026.⁴

Therefore, the Commission must explore other mechanisms to support the production of news, by all television stations. Among other things, the Commission should seek to reduce regulatory and administrative burden – for example, by removing granular definitions (such as distinctions between "locally reflective" and "locally relevant") and the associated-reporting requirements – and permit broadcasters to direct more of their CPE to the production of news.

The CRTC should also expand funding for news production, and make enlarged funds available to all broadcasters, who all face similar challenges in supporting news. We note that access to funding for news production (assuming that access is based on spending/hours of news) will also act as an incentive for its production. The Commission could also consider a news incentive (applied as a spending credit).

Q25. How should expenditures on news programs be incorporated into a modernized CPE framework?

As part of their tailored contribution agreements, ownership groups that include local broadcasters should be permitted to direct their contributions towards news – under simplified definitions. Where an ownership group commits to a certain level of CPE, news expenditures should count.

Q26. What other incentives, such as CPE credits, could be used to support certain types of programming (for example, original first-run programs and/or independent productions)?

The Commission should consider spending credits for all of the types of programming that it wishes to support.

⁴ Parties are currently trying to find dates for a hearing before the Federal Court of Appeal in June, in which case, it is possible that a decision may be issued before the end of August.

Data, reporting and performance measurement

Q27. Should the Commission set out reporting requirements, as described above (for example, through a requirement to provide production reports), for all broadcasting undertakings operating in Canada, whether they are Canadian or foreign, and whether they operate on traditional platforms or online?

First and foremost, the Commission must be circumspect in establishing any new reporting requirements. We recommend that the Commission conduct a thorough internal review of required reports to determine which are strictly necessary for its supervision of the broadcasting system and actually assessed by the Commission, with a view to removing all reporting requirements that are merely legacy. Further, any reporting requirements must be applied equitably. Canadian broadcasters should NOT be held to a higher standard or subjected to higher administrative burden than their foreign competitors.

Q28. Should the Commission require the public disclosure of the revenues and programming expenditures of all broadcasting undertakings subject to CPE requirements? Should the information be collected and published by the Commission or published by the undertakings themselves?

Where there is a clear public policy interest to be served by making revenue and programming expenditure information public, the CAB supports its disclosure, provided such disclosure is equitable. It is competitively unfair to require Canadian broadcasting companies to make detailed data available (e.g. aggregate returns), while foreign companies are able to keep their information confidential. Whatever level of confidentiality is granted to foreign companies must be extended to Canadian companies.

Q29. Should the published revenue and CPE data be broken down? Should it be published by service, by ownership group, or further, for example, by program category, language, or other elements?

At minimum, revenue and CPE data should be made available in the aggregate, as should spending information by program category and language. See also answer to Question 28 above.

Q30. What type of data should the production report include or not include (for example, language, region, producer information, and Canadian certification number)? Please explain.

To the extent that the Commission intends to continue to require broadcasters to provide a production report, it must ensure (a) that the reporting obligation is applied to all broadcasting undertakings on an equitable basis (i.e. it cannot be required only of Canadian broadcasters) and (b) it does not unduly add to their administrative burden.

Therefore, the Commission should limit the information sought in the form. For example, asking for information such as language, region and whether a production is in-house, affiliated or independent is reasonable. However, requiring undertakings to provide producer information, Canadian certification numbers, and other details is unnecessary and unduly burdensome.

Q31. To make it easier to work with industry data and to compare such data, should the production report include an identifier that is unique for each program? If yes, please explain how this identifier should work (for example, a serial number or alphanumeric text). Should the identifier itself carry any metadata (that is, data providing information about one or more aspects of the data)?

The CAB is concerned that adding a requirement to include an identifier that is unique to each program would be cumbersome and time consuming and add to the overall administrative burden associated with the production report without any real benefit. As a result, the CAB does not support incorporating such a requirement. Indeed, as noted elsewhere in this submission, the Commission must make every effort to reduce rather than increase the administrative burden of Canadian broadcasters.

Q33. How should the Commission collect data regarding key creative positions, producer positions and intellectual property for Canadian programming owned by people from the following groups:

- Indigenous peoples;
- equity-deserving groups; and
- OLMCs?

As noted above, while the CAB recognizes the Commission's objective in collecting such information, we do not support any initiatives that would increase the administrative burden of Canadian broadcasters. This kind of information could more easily be sought from producers, as programs are being made (and C-numbers are being sought). Collecting such data on past productions, in particular, would be very difficult, as current systems are not set up to track this kind of information.

Q35. Should certain types of data (relating to, for example, programming or the operation of undertakings) provided by broadcasting undertakings be presumed to be confidential when filed? If yes, please explain why.

In this new broadcasting environment, the CAB believes that the Commission should no longer publish expenditure and revenue information on an individual service (or program basis) as it is highly commercially sensitive. Aggregate reporting of such information remains appropriate.

ΑI

The CAB believes that it is premature to be looking at questions surrounding the use of AI in broadcasting. Broadcasters are in exploratory and experimental phases of engagement with AI, assessing the potential of using AI in various areas of their businesses.

Other certification issues

Q44. Should the Commission discontinue the use of time credits as an incentive to make Canadian programming available? If no, please explain why.

Only once it discontinues quotas, which the CAB recommends.

Q45. Is there still a need for the Commission to continue incentivizing the dubbing of productions in Canada by Canadians? Please explain.

Because dubbing engages production resources, it is appropriate to maintain time credits for as long as exhibition requirements remain in place, and to consider spending credits to ensure that dubbing is done in Canada.

Q46. If you reply "Yes" to Q45, what types of incentives should be used to ensure that Canada's dubbing industry continues to thrive? What types of regulatory tools could the Commission use to incentivize the dubbing of productions in Canada by Canadians in a modernized expenditure framework?

The CAB recommends that the current time credits continue to apply until quotas are discontinued and that the Commission explore applying them as spending credits.

Q48 Given that the Commission rarely receives applications for Canadian certification of production packages and twinnings, should the Commission discontinue certification of these types of productions? Please explain.

No – the Commission should not remove any flexibility.

Q49. Should the Commission eliminate pilot projects from the definition of a Canadian program? Please explain.

No – the Commission should not remove any flexibility.

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