Call for comments on the Governor in Council’s request for a report on future programming distribution models

The Governor in Council has issued an Order in Council requesting that the Commission make a report as soon as feasible, but no later than 1 June 2018, on the following matters:

(a) the distribution model or models of programming that are likely to exist in the future;

(b) how and through whom Canadians will access that programming; and

(c) the extent to which these models will ensure a vibrant domestic market that is capable of supporting the continued creation, production and distribution of Canadian programming, in both official languages, including original entertainment and information programming.

The Commission intends to conduct this proceeding in two phases. For the first phase, it will accept interventions on the matters discussed in this notice filed by 24 November 2017. Subsequently, the Commission intends to publish further documents and details on the second phase, based on the comments received in the first phase. The Commission also intends to provide Canadians with different ways to share their views during the second phase, which could include a public opinion survey and focus groups.

Introduction

1. The Governor in Council issued Order in Council P.C. 2017-1195 (the OIC), dated 22 September 2017, a copy of which is appended to this notice. The OIC was issued pursuant to section 15 of the Broadcasting Act (the Act), which provides that the Governor in Council may request that the Commission hold hearings or make reports on any matter within its jurisdiction under this Act.

2. In the OIC, the Governor in Council notes that an increasing amount of programming is made available through online and mobile platforms and that Canadians are increasingly accessing programming through these platforms. The Governor in Council is of the view that distribution undertakings must adapt to a new competitive environment in innovative ways and that a strong domestic market is vital in a global environment. This includes a strong distribution model for Canadian programming as technology evolves.
3. In addition, the OIC makes reference to the following considerations:
   - the Commission’s mandate as expressed under sections 3(1) and 5 of the Act;¹
   - evolving distribution platforms for content and the resulting competitive forces on legacy distribution players;
   - Canada’s ratification of the United Nations’ *Convention on the Protection and Promotion of the Diversity of Cultural Expressions*; and
   - the Government of Canada’s forthcoming review of the Act and the *Telecommunications Act*.

4. In light of all of the above, the Governor in Council has requested that the Commission make a report as soon as feasible, but no later than 1 June 2018, on the following matters:
   (a) the distribution model or models of programming that are likely to exist in the future;
   (b) how and through whom Canadians will access that programming; and
   (c) the extent to which these models will ensure a vibrant domestic market that is capable of supporting the continued creation, production and distribution of Canadian programming, in both official languages, including original entertainment and information programming.

**Context and key issues**

5. To help focus discussion on the issues identified in the OIC and in order to gain a better understanding of the implications of future programming distribution models for Canadians and the Canadian market, including the diversity of Canadian programming available, the Commission considers it appropriate to seek input from the public on the questions set out further in this notice, as well as the broader issues raised in the OIC.

6. To the greatest extent possible, parties should base their responses on empirical evidence, such as domestic and international studies, reports or other research. Parties are also invited to submit any other studies or relevant research that could inform the Commission’s examination of the issues identified in the OIC.

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¹ Section 3(1) of the Act sets out the broadcasting policy for Canada. Section 5 includes a regulatory policy which provides that the Canadian broadcasting system should be regulated and supervised in a manner that, among other things, takes into account Canada’s linguistic duality, regional needs and concerns, while being adaptable to scientific and technological change and sensitive to the administrative burden that regulation may have on persons carrying on broadcasting undertakings. The Commission must regulate and supervise all aspects of the Canadian broadcasting system with a view to implementing the broadcasting policy set out in section 3(1) and, in so doing, must have regard to the regulatory policy set out in section 5.
7. The Commission is seeking comments on both audio and video programming distribution models, as well as the differences between the English- and French-language markets.

Future programming distribution model or models

8. Predicting what the environment will look like in the future is difficult. However, some trends are emerging. While most Canadians still listen to the radio or watch pre-scheduled television shows delivered by traditional over-the-air stations, cable or satellite providers, more and more Canadians are increasingly accessing content over mobile and fixed broadband networks and through new platforms and service providers. Some of these new services are tethered to traditional providers, while others are made available through apps or through direct-to-consumer on-demand services. The Commission is seeking input from parties regarding how content will be provided to Canadians in the future and what will be the most likely delivery mechanisms.

9. Accordingly, the Commission invites responses to the following questions:

Q1. How is the growth in online audio and video consumption changing the business models of program creators and distributors? What are the new models?

Q2. Content is generally monetized through advertising, subscription and/or transaction revenues. How are new business models shaping the evolution of these revenue sources?

Q3. Many new business models are global. How will the growth of a global content rights market affect business models?

Q4. Given Canadians’ ever-increasing demand for data to stream audio and video content on fixed and mobile broadband networks, how will these networks keep pace with future capacity requirements, particularly in rural and remote areas?

How and through whom Canadians will access programming

10. While many of the services and companies operating in today’s audio and video market will continue to play important roles in the future environment, some of them will change radically, and some may cease altogether. New innovative services are appearing (and others are disappearing) on an almost daily basis. The Commission is seeking to gain a better understanding of what Canadians will want in the future, including the technologies and platforms they will use to access programming and the factors that will drive their choices (for example, price, convenience, choice, technology, user interface or other factors).
11. Accordingly, the Commission invites responses to the following questions:

Q5. Canadians currently enjoy audio and video content through a combination of traditional broadcast and Internet-based services. How will consumer behaviour evolve in the next five years? What factors will influence this evolution?

Q6. From whom will Canadians access programming in the future? For instance, will Canadians look to traditional or online providers? Global or domestic providers? Content aggregators or multiple distributors?

**Ensuring a vibrant domestic market capable of supporting the continued creation, production and distribution of Canadian programming**

12. The increase in online activities presents opportunities and risks for new and traditional platforms and services, as well as creators. Parties are asked to describe the extent to which new distribution models will ensure a vibrant domestic (i.e. local, regional and national) market that supports the creation, production and distribution of Canadian programming, including both entertainment and information programming, and the extent to which new platforms will serve the diverse needs and interests of Canadians, including linguistic duality (in both majority and minority markets), multiculturalism, indigenous peoples and gender parity, while ensuring that Canadians with disabilities are able to access programming.

13. In particular, the Commission invites responses to the following questions:

Q7. What are the characteristics of a vibrant domestic content creation and distribution market?

Q8. Will new business models support a vibrant domestic content and distribution market? If so, which ones and why? If not, what content or distribution services would be missing?

Q9. What are the legislative, public policy or regulatory measures currently in place that will facilitate or hinder a vibrant domestic market? What needs to stay in place? What needs to change?

**Call for comments**

14. The Commission intends to conduct this proceeding in two phases. For the first phase, it will accept interventions on the matters discussed in this notice filed by **24 November 2017**. Subsequently, the Commission intends to publish further documents and details on the second phase, based on the comments received in the first phase.
Procedure

15. The Canadian Radio-television and Telecommunications Commission Rules of Practice and Procedure (the Rules of Procedure) apply to the present proceeding. The Rules of Procedure set out, among other things, the rules for content, format, filing and service of interventions, answers, replies and requests for information; the procedure for filing confidential information and requesting its disclosure; and the conduct of public hearings. Accordingly, the procedure set out below must be read in conjunction with the Rules of Procedure and related documents, which can be found on the Commission’s website under “Statutes and Regulations.” The guidelines set out in Broadcasting and Telecom Information Bulletin 2010-959 provide information to help interested persons and parties understand the Rules of Procedure so that they can more effectively participate in Commission proceedings.

16. The Commission encourages interested persons and parties to monitor the record of the proceeding, available on the Commission’s website, for additional information that they may find useful when preparing their submissions.

17. Submissions longer than five pages should include a summary. Each paragraph of all submissions should be numbered, and the line ***End of document*** should follow the last paragraph. This will help the Commission verify that the document has not been damaged during electronic transmission.

18. Pursuant to Broadcasting and Telecom Information Bulletin 2015-242, the Commission expects incorporated entities and associations, and encourages all Canadians, to file submissions for Commission proceedings in accessible formats (for example, text-based file formats that allow text to be enlarged or modified, or read by screen readers). To provide assistance in this regard, the Commission has posted on its website guidelines for preparing documents in accessible formats.

19. Submissions must be filed by sending them to the Secretary General of the Commission using only one of the following means:

by completing the [Intervention/comment/answer form]

or

by mail to
CRTC, Ottawa, Ontario K1A 0N2

or

by fax at
819-994-0218

20. Parties who send documents electronically must ensure that they will be able to prove, upon Commission request, that service/filing of a particular document was
completed. Accordingly, parties must keep proof of the sending and receipt of each document for 180 days after the date on which the document is filed. The Commission advises parties who file and serve documents by electronic means to exercise caution when using email for the service of documents, as it may be difficult to establish that service has occurred.

21. In accordance with the Rules of Procedure, a document must be received by the Commission and all relevant parties by 5 p.m. Vancouver time (8 p.m. Ottawa time) on the date it is due. Parties are responsible for ensuring the timely delivery of their submissions and will not be notified if their submissions are received after the deadline. Late submissions, including those due to postal delays, will not be considered by the Commission and will not be made part of the public record.

22. The Commission will not formally acknowledge submissions. It will, however, fully consider all submissions, which will form part of the public record of the proceeding, provided that the procedure for filing set out above has been followed.

**Important notice**

23. All information that parties provide as part of this public process, except information designated confidential, whether sent by postal mail, facsimile, email or through the Commission’s website at www.crtc.gc.ca, becomes part of a publicly accessible file and will be posted on the Commission’s website. This information includes personal information, such as full names, email addresses, postal/street addresses, telephone and facsimile numbers, etc.

24. The personal information that parties provide will be used and may be disclosed for the purpose for which the information was obtained or compiled by the Commission, or for a use consistent with that purpose.

25. Documents received electronically or otherwise will be put on the Commission’s website in their entirety exactly as received, including any personal information contained therein, in the official language and format in which they are received. Documents not received electronically will be available in PDF format.

26. The information that parties provide to the Commission as part of this public process is entered into an unsearchable database dedicated to this specific public process. This database is accessible only from the web page of this particular public process. As a result, a general search of the Commission’s website with the help of either its own search engine or a third-party search engine will not provide access to the information that was provided as part of this public process.

**Availability of documents**

27. Electronic versions of the interventions and of other documents referred to in this notice, are available on the Commission’s website at www.crtc.gc.ca by visiting the “Participate” section, selecting “Submit Ideas and Comments,” and then selecting
“our open processes.” Documents can then be accessed by clicking on the links in the “Subject” and “Related Documents” columns associated with this particular notice.

28. Documents are also available at the following address, upon request, during normal business hours.

Les Terrasses de la Chaudière
Central Building
1 Promenade du Portage, Room 206
Gatineau, Quebec
J8X 4B1
Tel.: 819-997-2429
Fax: 819-994-0218

Toll-free telephone: 1-877-249-2782
Toll-free TDD: 1-877-909-2782

Secretary General

Related documents


Appendix to Broadcasting Notice of Consultation
CRTC 2017-359

Order in Council by the Governor in Council

PC 2017-1195

22 September 2017

Whereas subsection 15(1) of the Broadcasting Act (the Act) provides that the Canadian Radio-television and Telecommunications Commission (the Commission) shall, on the request of the Governor in Council, hold hearings or make reports on any matter within the jurisdiction of the Commission under the Act;

Whereas in accordance with subsection 5(1) of the Act, the Commission shall regulate and supervise all aspects of the Canadian broadcasting system with a view to implementing the broadcasting policy for Canada set out in subsection 3(1), while having regard to the regulatory policy set out in subsection 5(2);

Whereas subsection 3(1) of the Act declares as the broadcasting policy for Canada, among other things, that the Canadian broadcasting system should

(a) serve to safeguard, enrich and strengthen the cultural, political, social and economic fabric of Canada;

(b) encourage the development of Canadian expression by providing a wide range of programming that reflects Canadian attitudes, opinions, ideas, values and artistic creativity, by displaying Canadian talent in entertainment programming and by offering information and analysis concerning Canada and other countries from a Canadian point of view; and

(c) be readily adaptable to scientific and technological change;


Whereas the Government of Canada has announced a review of the Broadcasting Act and of the Telecommunications Act;

Whereas an increasing amount of programming is made available through online and mobile platforms and Canadians are increasingly accessing that programming through these platforms;

Whereas distribution undertakings must adapt to a new competitive environment in innovative ways;

Whereas a strong domestic market is needed in a global environment;
Whereas there should be a strong distribution model for Canadian programming, as technology evolves;

And whereas the Minister of Canadian Heritage has, in accordance with subsection 15(2) of the Act, consulted the Commission with regard to this request;

Therefore, His Excellency the Governor General in Council, on the recommendation of the Minister of Canadian Heritage, pursuant to section 15 of the Broadcasting Act, requests that the Canadian Radio-television and Telecommunications Commission make a report as soon as feasible, but no later than June 1, 2018, on the following matters:

(a) the distribution model or models of programming that are likely to exist in the future;

(b) how and through whom Canadians will access that programming;

(c) the extent to which these models will ensure a vibrant domestic market that is capable of supporting the continued creation, production and distribution of Canadian programming, in both official languages, including original entertainment and information programming.