



## Broadcasting Decision CRTC 2025-133

PDF version

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*Public record: 1011-NOC2024-0164*

### Review of the Independent Local News Fund

#### Summary

Since the *Online Streaming Act* came into force in 2023, the Commission has been examining the state of local news in Canada, recognizing its importance in helping Canadians stay informed and involved in their communities. At the same time, news is expensive to produce and a difficult business to sustain by market forces alone, in particular for independent television broadcasters facing declining revenues and increased costs.

As part of its broader regulatory plan to implement the modernized *Broadcasting Act*, the Commission determined in Broadcasting Regulatory Policy 2024-121 that online streaming services should be required to make base contributions to the Independent Local News Fund (ILNF). The Commission also determined that online streaming services should support a local news fund for radio, which is the subject of a separate consultation and forthcoming decision. Together, these decisions will help ensure that Canadians have access to the local news they need.

For television news, as the base contributions from online streaming services will significantly increase the amount of money being distributed by the ILNF, the Commission launched a consultation to review the ILNF in Broadcasting Notice of Consultation 2024-164. The consultation examined questions about the ILNF, including eligibility criteria, allocation method, and how to measure its success. The consultation also examined an application filed by Corus Entertainment Inc. (Corus) to receive funding from the ILNF for its Global television stations and the impact of adding those stations to the list of ILNF recipients.

Based on the public record, the Commission has determined that it will:

- maintain the current ILNF eligibility criteria;
- add Corus's television stations to the list of eligible ILNF recipients;
- maintain the ILNF's current allocation method and, given the addition of Corus, impose additional safeguards, such as an entity cap, for recipients;
- require ILNF recipients to make available online the locally reflective news and information content they produce and broadcast on television;

- implement an incentive for original audiovisual online content expenditures reflecting equity-deserving communities, Indigenous communities, and official language minority communities; and
- impose on ILNF recipients and the Canadian Association of Broadcasters new reporting requirements related to news expenditures.

Dissenting opinions by Commissioners Bram Abramson, Ellen Desmond, and Stephanie Paquette are attached to this decision.

## Background

1. The Independent Local News Fund (ILNF) is currently managed by the Canadian Association of Broadcasters (CAB) and funded by licensed terrestrial and direct-to-home broadcasting distribution undertakings (BDUs), which contribute 0.3% of their previous year's broadcast revenues to the fund. All traditional private television stations offering locally reflective news and information, and not belonging to a vertically integrated group, are eligible to receive ILNF funding. Currently, 19 television stations belonging to nine different independent ownership groups receive ILNF funding.
2. In establishing the ILNF in 2016,<sup>1</sup> the Commission aimed to encourage broadcasters to spend on, and exhibit more, news. However, contributions by BDUs to the ILNF have decreased over time.<sup>2</sup>
3. Currently, ILNF funding is allocated as follows:
  - two-thirds are distributed in proportion to each eligible station's share of total expenditures on locally reflective news and information<sup>3</sup> over the previous three broadcast years;
  - one-third is distributed in proportion to the total number of hours of locally reflective news and information broadcast by each eligible station over the previous three broadcast years; and
  - no station or group of stations operated by the same licensee in a given market can receive more than 12% of the funding in any given broadcast year.
4. As such, the more money invested and the more hours of locally reflective news and information broadcast, the more money the private independent television station could receive from the ILNF.

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<sup>1</sup> See Broadcasting Regulatory Policy 2016-224.

<sup>2</sup> In 2017-2018, ILNF contributions were \$21.7 million, which decreased progressively to \$16 million in 2023-2024 (excluding Rogers-Shaw special payments).

<sup>3</sup> See Broadcasting Regulatory Policy 2016-224, which established the definition of "locally reflective news and information" in the context of the ILNF.

5. In Broadcasting Regulatory Policy 2024-121-1 and Broadcasting Order 2024-194, the Commission decided that audiovisual online undertakings with an annual Canadian gross broadcasting revenue over \$25 million and that are not affiliated with a traditional undertaking will be required to allocate 1.5% of their base contribution to the ILNF. This allocation could amount to an estimated \$40 million of additional funding annually.
6. The Commission estimates that these additional contributions by audiovisual online undertakings could result in the growth of the ILNF from \$18 million to approximately \$58 million.
7. On 10 May 2023, Corus Entertainment Inc. (Corus) filed an application requesting that its Global television stations be eligible to receive funding from the ILNF, given that it is now an independent broadcaster and no longer vertically integrated.<sup>4</sup>
8. Broadcasting Notice of Consultation 2024-164 (the Notice) aimed to address Corus's application in addition to the proposed increase to ILNF funding resulting from the Commission's decision regarding base contributions from online streaming services.

### **Interventions**

9. A total of 36 interveners participated in the proceeding, and 19 interveners filed replies. The interventions are addressed below.

### **Issues**

10. After examining the public record for this proceeding, the Commission considers that it must address the following issues:
  - whether ILNF eligibility criteria should be reviewed;
  - what the impact would be of adding Corus's Global television stations to the list of ILNF recipients;
  - whether the ILNF allocation method should be reviewed;
  - whether additional incentives to produce and distribute locally reflective news and information content are needed;
  - how to measure the success of the ILNF; and
  - other issues.

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<sup>4</sup> See application 2023-0300-9.

## **ILNF eligibility**

11. Currently, eligibility for the ILNF is limited to private independent<sup>5</sup> television stations that provide locally reflective news and information. In the Notice, the Commission asked whether it should revise the current criteria to permit access to the ILNF by a broader range of audiovisual news providers.

## **Positions of parties**

12. Several interveners argued that the ILNF's current eligibility criteria should not be modified. This view was expressed by the following: Corus; the CAB; the Motion Picture Association–Canada (MPA-Canada); the Local Independent Television Stations (LITS); and the Conseil provincial du secteur des communications du Syndicat canadien de la fonction publique (CPSC-SCFP).
13. The following interveners argued that the ILNF eligibility criteria should be broadened to include their services or services that they represent since those services produce or broadcast news in Canada:
  - the Canadian Association of Community Television Users and Stations (CACTUS) and St Andrews Community Channel (CHCO-TV), representing community television stations;
  - Aboriginal Peoples Television Network Incorporated (APTN) and the Cable Public Affairs Channel (CPAC), two services benefitting from mandatory distribution pursuant to paragraph 9.1(1)(h) of the *Broadcasting Act* (the Act);
  - the Office des télécommunications éducatives de langue française de l'Ontario (TFO), Ontario's French-language educational service;
  - Ethnic Channels Group Limited (ECGL), the operator of Canadian third-language discretionary television services;
  - DeafDots (supported by the Canada Deaf Grassroots Movement [CDGM]), an information service reporting on developments and activities of relevance to Deaf Canadians and presenting reports in American Sign Language (ASL) on online streaming and social media platforms; and
  - Cogeco Communications Inc. (Cogeco), requesting that commercial radio stations in metropolitan markets become eligible for ILNF funding.
14. Other interveners, such as Unifor and Friends of Canadian Media (FoCM), stated that they would not oppose new recipients being made eligible for the funding, provided that the ILNF continue to focus on locally reflective news and information.

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<sup>5</sup> "Independent" excludes vertically integrated television stations, i.e., stations that are affiliated with broadcasting distribution undertakings.

## Commission's analysis

15. In order to assess the appropriateness of expanding the ILNF eligibility criteria, the Commission considers that it must address the following:
- the availability of alternative support for news production for interveners requesting access to the ILNF; and
  - the impact that broadening eligibility to the ILNF could have on current recipients.

### ***Availability of alternative support for news production for parties requesting access to the ILNF***

16. The ILNF supports the production of locally reflective news and information by private independent television stations. While private independent television stations have access to limited sources of funding, most of the interveners seeking eligibility for ILNF funding have access to alternative funding sources. Examples include the following: some services benefit from mandatory carriage on the basic service of BDUs and receive an associated wholesale rate<sup>6</sup>; educational services, such as TFO, benefit from government funding supports; and certain initiatives on accessibility benefit from the Broadcasting Accessibility Fund.
17. Unlike private independent television stations, APTN and CPAC both benefit from mandatory carriage on the basic service of BDUs throughout Canada, pursuant to paragraph 9.1(1)(h) of the Act. They also benefit from a mandated monthly per subscriber wholesale rate. Recently, APTN's rate increased,<sup>7</sup> and CPAC's ultimate ownership includes a majority stake from vertically integrated entities.<sup>8</sup> Discretionary services also benefit from wholesale rates paid by BDUs for the distribution of their services and from the ability to solicit advertising.
18. Vertically integrated broadcasting entities benefit from various synergies (e.g., resource sharing) and more capital than do independent news providers. Since 2016, BDUs have been permitted to reallocate a portion of their mandatory contribution to Canadian programming to the production of local news and information on local television stations.<sup>9</sup> This reallocation means that BDUs can redirect contributions that they have historically allocated to community television to support local news on their affiliated television stations.
19. Community stations are eligible to receive funding from the Department of Canadian Heritage through programs such as the Local Journalism Initiative, which supports journalism that addresses the diverse needs of underserved communities across Canada.
20. In the light of the above, the Commission notes that other sources of support are available to interveners requesting access to the ILNF.

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<sup>6</sup> See the orders made under paragraph 9.1(1)(h) of the Act.

<sup>7</sup> See Broadcasting Decision 2024-106 and Broadcasting Order 2024-107.

<sup>8</sup> The Commission notes that CPAC submitted a Part 1 Licence Renewal Application in 2024, which included a request for an increase to its wholesale rate (Application 2024-0399-7).

<sup>9</sup> See Broadcasting Regulatory Policy 2016-224.

### ***Potential impact of broadening eligibility to the ILNF on current recipients***

21. Given that the majority of the programming produced by private independent television stations is comprised of locally reflective and locally relevant<sup>10</sup> news and information, the support provided to those stations by the ILNF is central to ensuring that they contribute to the broadcasting system.
22. In their interventions, existing ILNF recipients highlighted the risk of diluting the fund's effectiveness if a significant number of new beneficiaries were made eligible. The Commission acknowledges that risk and considers that, as a general principle, efforts should be made to ensure that private independent television stations currently benefiting from the ILNF continue to have access to funding at levels comparable to the funding they currently receive.
23. The Commission is also of the view that broadening eligibility for the ILNF to include radio stations operating in designated markets, as proposed by Cogeco, would mean significant changes to the ILNF's current mandate, transforming the fund from one that supports audiovisual news providers to one that supports both audiovisual and audio news providers. The Commission notes that the intention of the funds allocated to the ILNF in its regulatory policy on base contributions<sup>11</sup> was to support television news services. Further, in that same policy, the Commission allocated a portion of the base contributions made by audio online undertakings to a new temporary fund to be administered by the CAB. Broadcasting Notice of Consultation 2024-270, which aims to support local news production by commercial radio stations, is currently underway.
24. In light of the above, the Commission finds it appropriate that the ILNF remain a fund to support private independent television stations. As a result, the mandate of the ILNF and its eligibility criteria will remain unchanged.

### **Corus's eligibility for ILNF funding**

25. As a result of the Commission's approval of the transfer of effective control of the assets belonging to Shaw Communications Inc. to Rogers Communications Inc.,<sup>12</sup> Corus is now considered a private independent broadcaster rather than a vertically integrated one. Under the ILNF eligibility criteria, Corus's Global television stations will qualify for ILNF funding once the Commission adds them to the list of recipients.

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<sup>10</sup> News programming is considered locally relevant if it is of interest to the community or market served. News programming is considered locally reflective if it meets all of the following criteria: 1) the subject matter relates specifically to the market a station is licensed to serve; 2) it portrays an onscreen image of the market by, for example, including its residents or officials or featuring coverage of its municipal or provincial government; and 3) it is produced by the station's staff or by independent producers specifically for the station. (See Broadcasting Regulatory Policy 2016-224.)

<sup>11</sup> Broadcasting Regulatory Policy 2024-121.

<sup>12</sup> See Broadcasting Decision 2022-76.

## **Impact of the inclusion of Corus's stations**

### **Positions of parties**

26. Some interveners proposed mechanisms to ensure that Corus's access to the ILNF, if granted, does not adversely impact current recipients. For example, the LITS, FoCM, CPSC-SCFP, Unifor, and the CAB suggested in their interventions that the Commission defer any ILNF funding of Global stations until anticipated funds from online undertakings start flowing.<sup>13</sup> The Commission addresses this suggestion below at paragraph 62.
27. In their interventions, the LITS and the Forum for Research and Policy in Communications (FRPC) suggested that Global's five metropolitan stations<sup>14</sup> should be excluded from the ILNF, citing Corus's size, the potential synergies within its national network, and the advertising revenues to which those five stations have access.
28. Various parties commenting on the possible addition of Corus's 15 Global stations to the list of eligible ILNF recipients—including the LITS, FoCM, DeafDots, CACTUS, the Canadian Communication Systems Alliance (CCSA), and the Public Interest Advocacy Centre (PIAC)—suggested the introduction of an entity cap. The LITS, for instance, suggested a 45% cap, which would limit the combined Global stations, or the combined stations of any other ownership group, to a maximum of 45% of ILNF disbursements.
29. Additionally, RNC Média and Télé Inter-Rives advocated in their interventions for the ILNF to be split into two equal halves, with one half directed toward current fund recipients, and the other half toward Corus and any new fund recipients. They argued that such a split would protect current ILNF recipients. In its intervention, the LITS also supported a split, suggesting that current ILNF recipients receive a minimum of \$23 million and Corus a minimum of \$17.6 million, in real dollars terms, during the 2024-2025 broadcasting year.
30. PIAC argued in its intervention that Corus should not be eligible for the ILNF. In its view, Corus's size, which is larger than that of other ILNF recipients, would lead to depletion of the fund. This position was shared by CDGM and some individuals.
31. In its intervention, Corus requested that it be granted access to the ILNF and noted that “for 16 months, Global stations have met the Fund's eligibility criteria but [have been] denied entry.” It further expressed that an entity cap is unnecessary.

### **Commission's analysis**

32. The Commission estimates that, under the current ILNF allocation method, Corus would receive the majority of the ILNF's funding.
33. The Commission recognizes that while Corus is an independent broadcaster, its size provides it with opportunities for synergies and economies of scale that are not available to other independent players. However, the Commission notes that Corus plays an important role in

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<sup>13</sup> See Broadcasting Regulatory Policy 2024-121.

<sup>14</sup> Stations operated in Vancouver, Calgary, Edmonton, Toronto, and Montreal.

producing and broadcasting locally reflective and locally relevant news and information for Canadians. The Commission also recognizes the costs Corus faces in operating a national news network. Accordingly, the Commission considers that, while it would be appropriate to impose a mechanism to prevent Corus from absorbing a disproportionate amount of ILNF funding, such a mechanism should also ensure adequate support for the Global stations' news operations.

34. In light of the above, the Commission finds it appropriate to introduce a 45% entity cap limiting the total amount of funding that could be allocated to any one entity.<sup>15</sup>
35. This entity cap would ensure that current ILNF recipients benefit from the expected increase in funding, while also providing Corus with the additional resources it requires.
36. Regarding the proposal to exclude Global's metropolitan stations from the ILNF, the Commission notes that while it is true that stations operated in larger markets have access to more advertising opportunities, it is nonetheless challenging for them to be profitable. Furthermore, stations operating in metropolitan markets have never been excluded from the ILNF. The Commission is of the view that the proposed 45% entity cap, combined with the existing 12% market cap,<sup>16</sup> would be sufficient to prevent Global's metropolitan stations from monopolizing ILNF funding. Accordingly, the Commission finds that metropolitan stations should not be excluded from ILNF eligibility.

#### **Allocation method**

37. Currently, ILNF funding is allocated as outlined in paragraph 3 above. In the Notice, the Commission asked parties whether the ILNF's allocation method should be revised, and if so, what allocation criteria should be considered in order to ensure that the distribution of funding is equitable among all recipients. The Commission also asked whether a revised allocation method should favour certain recipients, based on size of market or language of operations.

#### **Positions of parties**

38. Several interveners stated that the current allocation method is satisfactory. Specifically, various interveners, including the LITS, FoCM, and Cogeco, expressed the view that the 12% market cap achieves its objective to fund and support underserved markets. These interveners therefore recommended maintaining the market cap.
39. In its intervention, Corus noted that the market cap should be increased from 12% to 15%, to ensure the ILNF deploys monies as efficiently as possible.
40. In its intervention, the CPSC-SCFP noted that between 60% and 77% of the expenditures on locally reflective news and information by ILNF recipients is covered by the ILNF funding. However, this same funding is then used to calculate the amount of money distributed the

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<sup>15</sup> This cap would apply to ownership groups controlling more than one ILNF recipient.

<sup>16</sup> See the allocation method section below for additional details.

following year. CPSC-SCFP's intervention expressed the concern that this allocation method is self-perpetuating and may not be optimal.

41. The FRPC suggested, in its intervention, that mechanisms be established to ensure that ILNF recipients do not reduce their locally reflective news and information expenditures after receiving ILNF funding. The CPSC-SCFP also recommended tying ILNF funding to conditions for recipients.<sup>17</sup>
42. Finally, interveners' opinions varied on whether a revised allocation method should favour certain recipients based on size of market or language of operations. As previously noted, some parties suggested that stations operating in metropolitan markets be excluded from the ILNF. With respect to language, some interveners, such as Cogeco, suggested that French-language stations receive a minimum of 40% of ILNF funding. Others, such as the APTN and CHCO-TV, also expressed support for the idea that some ILNF funding be allocated for French-language content, though they did not suggest a specific proportion.

### **Commission's analysis**

43. The Commission considers that the ILNF's current allocation method is effective, and that it acts as an incentive to produce and exhibit more locally reflective news and information. Because of the way the allocation is calculated, an ILNF recipient greatly reducing spending on locally reflective news and information would consequently see a significant decrease in the money it receives from the fund.
44. Furthermore, the Commission considers that the current allocation method, which gives more weight to expenditures than exhibition, encourages consistent investment in and production of the independent locally reflective news and information valued by local audiences. High-quality news is expensive to produce; therefore, favouring expenditures over exhibition incentivizes investment in high-quality news coverage rather than the production of a greater volume of less expensive news.
45. The Commission also considers it appropriate to maintain the 12% market cap. Maintaining the cap would ensure that stations operating in metropolitan markets, and that therefore have access to more advertising opportunities, do not monopolize ILNF funding to the detriment of stations operating in smaller markets.
46. The Commission further notes that, based on historical allocations, the current allocation method is effective in providing French-language stations with ILNF funding that is proportionate to their respective level of expenditures on and exhibition of locally reflective news and information. Imposing a requirement to allocate 40% of ILNF funding to support French-language stations would not be consistent with the composition of the independent television sector in Canada. The English-language market is comprised of significantly more independent broadcasters serving significantly more markets than the French-language

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<sup>17</sup> Suggested conditions included the following: maintaining existing operational traditional television stations; maintaining or increasing the number of employees on existing journalistic teams; maintaining or increasing the required number of hours of original, locally reflective news and information broadcast; and broadcasting this same content online and free of cost to the public.

market.<sup>18</sup> Moreover, the French-language market is served by two strong vertically integrated players and the public broadcaster. The current French-language stations that are recipients of the ILNF did not ask for a specific proportion of the ILNF.

### **Additional incentives**

47. Money contributed to the ILNF as a result of incentives (related to, for instance, the production of content specifically serving equity-deserving communities) contributes directly to the total funds available for allocation to recipients.
48. For this reason, the Notice sought comments on whether the ILNF should include additional incentives to ensure that funds are focussed on the production and broad distribution of high-quality locally reflective news and information content that meets the needs of Canadians, including those in rural, remote, and underserved communities.

### **Positions of parties**

49. There was consensus among interveners that no additional incentives are necessary to ensure the broad distribution of locally reflective news and information. The LITS and the CAB, for example, both noted that their members' news programming is already widely available, including online.
50. In its intervention, the CAB also noted that the current allocation method (as outlined in paragraph 3 above) sufficiently incentivizes the production of locally reflective news and information that meets the needs of Canadians, including those in underserved markets.

### **Commission's analysis and determinations**

51. The Commission notes the importance of ensuring underserved communities benefit from funding. However, the Commission considers that it would be appropriate to implement an additional incentive for ILNF recipients to produce content specifically serving and reflective of equity-deserving communities, Indigenous communities, and official language minority communities (OLMCs), and to meet the objectives set out in the Act related to diversity, inclusion, and accessibility.
52. Under this additional incentive, expenditures related to the production of original,<sup>19</sup> locally reflective news and information could be included in a station's total expenditures for that programming and could therefore be included in the allocation calculations, even if the content is broadcast only online and not on linear television. News programming would be considered reflective of underserved communities if it meets the following criteria:

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<sup>18</sup> With the inclusion of Corus's stations, the ILNF will be comprised of eight entities serving two English-language markets and two entities serving five French-language markets.

<sup>19</sup> Original online content means the original exhibition of a program that has not been broadcast or distributed by another licensed broadcasting undertaking or another online undertaking.

- the news programming’s subject matter relates specifically to an underserved community located within the market a station is licensed to serve;
  - the news programming portrays an onscreen representation of the underserved community by, for example, depicting its members or representatives or featuring coverage of an event related to the community; and
  - the news programming is produced by the station’s staff or by independent producers specifically for the station.
53. The Commission is of the view that this incentive should result in an increased production of online content responding to the needs of members of equity-deserving communities, Indigenous communities, and OLMCs. However, it remains vital that all communities continue to have access to locally reflective news and information on television. Therefore, this incentive is not an encouragement to migrate news content related to underserved communities from television to online; rather, it is an encouragement to increase production of content serving those communities. ILNF recipients making use of this incentive must report on it in their annual report.<sup>20</sup>
54. Finally, the Commission acknowledges that the locally reflective news and information currently produced by ILNF recipients and broadcast on television is generally also made available online to increase its accessibility. However, given the importance of such content in helping Canadians stay informed, the Commission considers it to be in the public interest to establish a requirement that the news produced with support from the ILNF be available online.
55. Accordingly, the Commission finds that, in order to receive ILNF funding, recipients must make their locally reflective news and information content available online at the time of broadcast on television and for a minimum of seven days after broadcast. This measure will ensure that Canadians have access to their locally reflective news and information on multiple platforms and will promote the availability of this programming.
56. In light of the above, the Commission has determined that it will:
- maintain a market cap of 12%, as a continued incentive for broadcasters to fund underserved markets;
  - maintain the ILNF’s current distribution method,<sup>21</sup> which is weighted to promote the production of high-quality independent locally reflective news and information;
  - establish a requirement that the news produced with support from the ILNF be made available online to ensure the broad distribution of locally reflective news and information; and

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<sup>20</sup> More details about the reporting requirements in the “Measuring Success” section.

<sup>21</sup> See paragraph 3 above.

- implement an incentive for ILNF recipients to produce original audiovisual online content that serves and is reflective of equity-deserving communities, Indigenous communities, and OLMCs.

### **Measuring success**

57. Currently, in its role as administrator of the ILNF, the CAB must file an annual report with the Commission detailing the funding amounts received and distributed by 30 November of each year. Further, ILNF recipients must file reports with the CAB detailing how the funds received have been used to meet the ILNF's objectives. In the Notice, the Commission asked whether additional measures were needed to monitor the performance of the ILNF.

### **Positions of parties**

58. In their interventions, the LITS and the CAB expressed the view that existing reporting requirements should be maintained, in order to avoid adding administrative burden for recipients. They considered the current reporting requirements transparent and comprehensive. The LITS suggested that some additional aggregate data—such as journalist Full Time Equivalent (FTE) data, information they currently collect and provide to the CAB and the Commission—could also be a part of a public report. In their interventions, Unifor and CPSC-SCFP recommended requiring all ILNF recipients to provide additional information regarding employment statistics.
59. FoCM noted in its intervention that the CAB currently reports locally reflective news and information expenditures and hours every three years, and that it would be more useful if the CAB reported annually on the previous year's expenditures on that programming and its hours broadcast. The FRPC stated that more data should be collected and published, including the number of hours of locally reflective news and information broadcast annually; the number of hours of first-run or original locally reflective news and information broadcast annually; the number (in FTEs) of reporters or news-gathering staff at each station per year since the ILNF's establishment; and the total expenditures of each ILNF recipient on first-run locally reflective news and information in each community.

### **Commission's analysis**

60. The Commission considers that current requirements could be enhanced to facilitate the monitoring of the success of the ILNF by the Commission or other interested parties without imposing undue burden on ILNF recipients. The necessity to provide all parties with additional information to assess whether the ILNF is meeting its objectives is heightened by the injection of significant additional contributions into the fund as a result of Broadcasting Regulatory Policy 2024-121-1 and Broadcasting Order 2024-194. Accordingly, the Commission is of the view that the following additional requirements would help ensure that ILNF funding supports the production of locally reflective news and information that meets audience needs without imposing an unreasonable administrative burden on recipients or on the CAB:

- the CAB’s annual report must now include the previous year’s locally reflective news and information expenditures and hours (in aggregate), in addition to the currently reported average over the previous three years;
- ILNF recipients must now provide to the CAB and the Commission journalist FTE data for aggregate public release;
- the CAB must now publicly release all the additional aggregate data based on the information provided by the recipients (hours, expenditures, etc.); and
- in order to claim the expenditures for online content, ILNF recipients must now provide to the CAB and the Commission the list of segments produced that qualify for the incentive described in paragraph 52 above, the related expenditures, and an explanation of how the production of those segments served underserved communities in their market.

61. All reporting requirements must be provided to the CAB and to the Commission by all recipients by 30 November of each year. Documents to the Commission can be filed electronically using the secured service “[My CRTC Account](#).”

#### **Other issues and considerations**

62. In their interventions, the LITS, FoCM, CPSC-SCFP, Unifor, and the CAB suggested that the Commission defer any ILNF funding of Corus’s Global stations until anticipated funds from online undertakings start flowing. While the Commission acknowledges the risk that ongoing litigation<sup>22</sup> by foreign online undertakings may result in their contribution to the ILNF being either delayed or deferred, the Commission is nonetheless of the view that it is vital that a strong framework for the ILNF is put in place. Corus is eligible for ILNF funding and should therefore have access to the fund.
63. In light of the above, the Commission finds that the new rules for the ILNF should come into force immediately and, consistent with Broadcasting Regulatory Policy 2024-121-1 and Broadcasting Order 2024-194, that payment to the CAB should be made by no later than 31 August 2025.
64. In its intervention, MPA-Canada expressed concern about submitting reports containing sensitive and confidential financial information to the CAB. The Commission acknowledges the concerns related to confidentiality, and notes that the same issue was raised in Broadcasting Regulatory Policy 2024-121-1 and Broadcasting Order 2024-194. Parties were expected to enter into and submit their agreements to the Commission with a third-party administrator that would distribute aggregated amounts to the CAB by the end of November

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<sup>22</sup> The Commission notes that its orders are currently being challenged in the Federal Court of Appeal and that the Federal Court of Appeal issued orders staying the implementation of the Commission’s orders on 23 December 2024. The Commission further notes that the outcome of the litigation may impact the availability and/or timing of this funding.

2024. Therefore, the Commission considers that this issue has already been addressed through another proceeding.

## **Conclusion**

65. In light of all of the above, the Commission finds that the following determinations are in the interests both of existing recipients of the ILNF and of qualifying new ILNF recipients:

- to maintain the current ILNF eligibility criteria;
- to add Corus's 15 Global television stations to the list of eligible ILNF recipients;
- to maintain the current allocation method;
- to impose an entity cap of 45%;
- to maintain the 12% market cap;
- to require all ILNF recipients to make their locally reflective news and information content broadcast on television also available online at the time of broadcast on television and for a minimum of seven days;
- to implement an incentive for original audiovisual online content expenditures reflecting equity-deserving communities, Indigenous communities, and OLMCs; and
- to impose the following new reporting requirements:
  - reporting from the CAB must include the previous year's locally reflective news and information expenditures and hours (in aggregate), in addition to the previous three years' averaged totals;
  - ILNF recipients must provide to the CAB and the Commission journalist FTE data for aggregate public release;
  - the CAB must publicly release the additional aggregate data based on the information provided by the recipients; and
  - when claiming expenditures for online content serving underserved communities, ILNF recipients must provide the CAB and the Commission with the list of segments produced that qualify for the incentive, the related expenditures, and an explanation of how the production of those segments served underserved communities in their market.

Secretary General

## Related documents

- *Call for comments regarding the Canadian Association of Broadcasters' proposed plan for the operation of a temporary fund supporting local news production by commercial radio stations in smaller markets*, Broadcasting Notice of Consultation CRTC 2024-270, 4 November 2024
- *Call for comments on the Independent Local News Fund*, Broadcasting Notice of Consultation CRTC 2024-164, 23 July 2024
- *The Path Forward – Supporting Canadian and Indigenous content through base contributions – Finalization of conditions of service*, Broadcasting Regulatory Policy CRTC 2024-121-1 and Broadcasting Order CRTC 2024-194, 29 August 2024
- *The Path Forward – Supporting Canadian and Indigenous content through base contributions*, Broadcasting Regulatory Policy CRTC 2024-121, 4 June 2024
- *Aboriginal Peoples Television Network Incorporated – Licence amendment and mandatory distribution order of the service across Canada*, Broadcasting Decision CRTC 2024-106 and Broadcasting Order CRTC 2024-107, 14 May 2024
- *Shaw Communications Inc. – Change of ownership and effective control*, Broadcasting Decision CRTC 2022-76, 24 March 2022
- *Policy framework for local and community television*, Broadcasting Regulatory Policy CRTC 2016-224, 15 June 2016

## Dissenting opinion of Commissioner Bram Abramson

1. While I agree with my colleagues' majority decision in many respects, in my view we ought to have more coherently supported local news in a way that is mindful of the evolving media environment. I would have taken further and different measures to review independent and vertically-integrated broadcasters' funding in a like manner, similar to Commissioner Paquette's views set out below, adopting a more scalable entity cap that is sensitive to consolidation and news deprivation concerns; following up with Creative Commons licensing terms, and associated text and metadata releases, for Independent Local News Fund (ILNF)-supported content; and releasing more disaggregated and first-run news data that is already logged, providing an annual opportunity for affected local audiences to feed back on draft annual reports before they are finalized.

### Background

2. The Canadian Radio-television and Telecommunications Commission (Commission) is independent of the federal policy apparatus responsible for most of Canada's patchwork of news supports. The policy goals that the *Broadcasting Act* assigns us the job of ensuring Canada's broadcasting system meets mention "news" only once, a late-breaking insertion as part of the reforms enacted to the *Broadcasting Act* by the *Online Streaming Act*.<sup>1</sup> But we have long recognized that a "vibrant and dynamic news ecosystem is one of the cornerstones of any democracy, since it permits citizens to remain informed of matters of public concern and thus enables their participation in the democratic system".<sup>2</sup>
3. The regulatory supports built into the regulatory frameworks for broadcasting in Canada include, in the audiovisual sector, the news obligations placed on over-the-air (OTA) broadcasters as generalist channels;<sup>3</sup> must-carry status, on basic cable, for generalist services as well as Indigenous, parliamentary, public affairs, community, educational, weather, and long-standing all-news channels;<sup>4</sup> must-offer status for newer national news discretionary services;<sup>5</sup> a system for escalating complaints in respect of broadcast content that fails to comply with journalistic standards,<sup>6</sup> including content that rises to the level of flagrantly distributing false or misleading news;<sup>7</sup> and mechanisms for redistributing revenues earned from distributing audiovisual programming.

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<sup>1</sup> Sub-paragraph 3(1)(i)(ii.1): "the programming provided by the Canadian broadcasting system should ... include programs produced by Canadians that cover news and current events — from the local and regional to the national and international — and that reflect the viewpoints of Canadians, including the viewpoints of Indigenous persons and of Canadians from Black or other racialized communities and diverse ethnocultural backgrounds."

<sup>2</sup> See Broadcasting Regulatory Policy 2016-224, paragraph 17.

<sup>3</sup> See Broadcasting Regulatory Policy 2016-224.

<sup>4</sup> See *Broadcasting Distribution Regulations*, sections 17, 41, and 46.

<sup>5</sup> See Broadcasting Order 2022-297.

<sup>6</sup> See Public Notice 1991-90.

<sup>7</sup> See Broadcasting Regulatory Policy 2011-308. More broadly, "[t]he Commission must examine the particular circumstances of each individual case, taking into account the vital freedom of fair and vigorous comment. Moreover, the Commission is not prepared to conclude that the limits to freedom of expression have been

4. Like the broader public policy conversation around news supports now taking place economy-wide, evolution in any of these supports must keep one eye on the near-term and the other future-forward. The model of a continuum, stretching from costly but principled broadcast journalism to monetized influencer content, has long since been overtaken both by a thickening middle that blurs these too-easy distinctions and by the long echo outward of recirculation and churn across social video platforms and ecosystems. In this context, ensuring the future of news depends on sustainable transformation in how it is funded, organized, and delivered. News supports should not swat eagerly or clumsily at the embers of creative destruction, lest they stunt the news enterprise’s evolution into new, digitally-native forms that can sustain themselves on their own at scale. Yet walk away, and news itself may flounder before it reaches scale, digitally-native or not—crashing into a market failure which, at scale, few democracies can afford to sustain as an interim measure.
5. Our consultation on the ILNF and the practical challenges now facing it step into this context. The majority decision of the full Commission will now take the ILNF from supporting locally-reflective news produced by 19 stations in 14 cities, across 5 Canadian provinces,<sup>8</sup> to 34 stations in 28 cities across 9 provinces.<sup>9</sup> It is the next phase in the evolution, and generalization, of what began as a small-market fund for independent broadcasters in a direct-to-home satellite environment otherwise passing them by.<sup>10</sup>

### **Accelerating the move forward**

6. It is likely an interim phase. In initiating the proceeding leading to the majority’s decision, Broadcasting Notice of Consultation 2024-164 stated a clear, and platform-agnostic, objective for the ILNF: “to ensure that high quality local news is created for as many communities as possible.”<sup>11</sup> It likewise held out hope that the decision resulting from that Notice would chart a longer-term path, asking broadly about who ought to be eligible for the ILNF—and therefore, implicitly, about ILNF’s broader role, should one be warranted, within our supervisory frameworks.
7. On the latter, the majority’s decision is, in my view, wanting. To be sure, the degree of difficulty is high: any vision we stake out as to the role the ILNF ought to play in the overall

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overstepped in cases other than those of the most flagrant excess; in grey areas, where it is not obvious that the requirement of high standard has been breached, the Commission will settle in favour of freedom of expression. The aim is to provide a minimum level of protection to persons in situations where freedom of expression, a very powerful freedom when exercised using the public airwaves, comes at their expense” (Decision 90-772, section II).

<sup>8</sup> In British Columbia, Kamloops (CFJC-TV), Prince George (CKPG-TV), and Victoria (CHEK-TV). In Alberta, Lethbridge (CJIL-DT), Lloydminster (CKSA-TV, CITL-TV), and Medicine Hat (CHAT-TV). In Ontario, Hamilton (CHCH-DT) and Thunder Bay (CKPR-TV, CHFD-TV). In Québec, Carleton (CHAU-TV), Gatineau (CHOT-DT, CFGS-TV), Rivière-du-Loup (CIMT-TV, CFTF-TV, CKRT-TV), Rouyn-Noranda (CFEM-TV), and Val-d’Or (CFVS-TV). In Newfoundland, St. John’s (CJON-TV.)

<sup>9</sup> In British Columbia, add Vancouver (CHAN-DT) and Kelowna (CHBC-DT). In Alberta, add Calgary (CICT-DT), Edmonton (CITV-DT), and another Lethbridge station (CISA-DT). In Saskatchewan, add Regina (CFRE-DT) and Saskatoon (CFSK-DT). In Manitoba, add Winnipeg (CKND-DT). In Ontario, add Toronto (CIII-DT), Oshawa (CHEX-TV-2), Peterborough (CHEX-DT), and Kingston (CKWS-TV). In Québec, add Montreal (CKMI-DT-1). In New Brunswick, add Saint John (CHNB-DT). In Nova Scotia, add Halifax (CIHF-DT).

<sup>10</sup> See Broadcasting Public Notice 2003-37.

<sup>11</sup> See paragraph 20.

audiovisual and audio news environments, and how this interim phase will fit into it, must jibe with the approach adopted by those impanelled in a series of other proceedings, some underway, others not yet begun. However, and particularly given its doubling to include the Corus stations, there are good reasons to see the ILNF as the backbone for a more coherent approach to subsidizing the at-risk audiovisual broadcast news content whose impact is still significant on its native platform even before its social video echo.

8. There are good reasons to take seriously the submissions of those who reminded us that news produced by community television, Indigenous news, news in Indigenous and diasporic languages, and audio-only news operate in ecosystems interconnected with the English- and French-language audiovisual news at issue here. I would not yet have brought all of these into the ILNF directly. In that regard, I agree with the majority with respect to the availability of alternative supports for community television that are unavailable to private conventional broadcasters, on which point I differ from Commission Desmond's dissenting opinion below. I likewise agree that neither the ILNF's funding envelope, nor the current state of play as to audiovisual news's evolution to an online-only future, warrant expanding the ILNF beyond the over-the-air component of the broadcasting system at this time, even if the potential need for supports for the other audiovisual news sources noted above bear further review, as in my view they do. But given a private conventional broadcasting environment that is challenging for all market participants—and one in which large size and vertical integration are no longer, with Corus's independence, synonymous—I, like Commissioner Paquette in her dissenting opinion below, would have moved more quickly to bring these market participants onto a common plane by looking at independent and vertically-integrated broadcasters together, taking into account contributions already received by the latter.

### **Scale, voice, and deprivation**

9. Two of the key issues on this proceeding have been whether and at what level to cap the proportion of the ILNF that could be directed toward any group of stations under common control, given the new context in which Corus controls 44 percent of eligible undertakings, and whether to take into account differences between small markets and metropolitan areas.
10. I would have taken a different approach than the majority in this regard. In my view, both horizontal concentration, and existing supply within a community, ought to be factored into the funding formula. Such factoring would have been essential to a more even-handed local news fund in which both independent broadcasters' and vertically integrated broadcasters' news output, and inflow of broadcasting-system subsidies, were taken into account, as Commissioner Paquette and I have each advocated. But it is likewise, in my view, the better approach for administering the newly expanded ILNF, given the new issues raised by introducing a large group operating in metropolitan areas to the fund.

11. Horizontal concentration facilitates operational and cost efficiencies associated with scale,<sup>12</sup> but diminishes diversity of editorial voices and creates delocalization risk.<sup>13</sup> To account for these efficiencies and risks, I would have revised the approach to an entity cap to create a relatively straightforward dynamic formula with a scale-dampening factor. Each additional station under common control would increase the beneficial owner’s entity cap, but each time by slightly less. This would make the entity cap more relevant for consolidators below the Corus scale; allow the cap to adjust as changes of ownership and control take place, maintaining its overall relevance; and, set properly, both recognize scale economies and respond to delocalization risks without punishing scale.
12. At the same time, and as interveners underlined in different ways, the challenges faced in different markets and the corresponding benefit to funding additional audiovisual news in those markets range broadly. In this regard I would have taken a page from the Local Journalism Initiative, which targets so-called “news deserts,” by building on research to calculate news deprivation index scores that could be factored in as a multiplier for ILNF allocations.<sup>14</sup> Undertaking or building partnerships to undertake this research is, in my view, exactly in line with the role Canadians expect of the Commission when we measure audiovisual market realities against the policy objectives that the *Broadcasting Act* requires us to enforce. It is likewise in line with our current, but long stale-dated, approach that attends to the radio, television, and newspaper platforms based on a time when these dominated.<sup>15</sup>
13. A dynamic entity cap with a scale-dampening factor and, in future years, a news-deprivation factor, would, it is true, have been more complex than the static, across-the-board 45 percent entity cap adopted by the majority. But the latter is, in my view, too static an approach, and one that does not sufficiently take into account the ILNF’s changed circumstances. Simplicity is always to be favoured, all equal, but must here be balanced against scalability—especially where interim program structures have the habit of sticking around.

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<sup>12</sup> See, for instance, Broadcasting Notice of Consultation 2024-164, Corus, Reply, 23 September 2024, paragraph 15 (“[b]y incorporating new technology into its backend functions, centralizing certain workflows, and bringing news content onto digital platforms, Global News has long led the industry in modernizing the traditional news delivery business model”), and Broadcasting Decision 2016-110, Dissenting Opinion of Commissioner Shoan, heading entitled “Operational Efficiencies” (“regarding cost synergies to be found from operational efficiencies, the consolidation of facilities and real estate, systems, programming expenditures and other savings”).

<sup>13</sup> See, for example, Broadcasting Notice of Consultation 2024-164, LITS, Intervention, 6 September 2024, page 17; CPSC-SCFP, Intervention, 6 September 2024, paragraphs 33-34 and 43; Elinor Ashcroft, Intervention, 12 September 2024.

<sup>14</sup> David Macdonald and Sonja Macdonald, “News deprivation,” Canadian Centre for Policy Alternatives, March 2025 (online: <https://www.policyalternatives.ca/wp-content/uploads/2025/03/news-deprivation-2.pdf>), but note the importance of verifying the accuracy and freshness of the underlying data set, including data relating to non-traditional and online-first local media: Marc Edge, “New report shows ‘news deprivation’ rampant across Canada,” *Canadian Dimension*, 25 March 2025 (online: <https://canadiandimension.com/articles/view/new-report-shows-news-deprivation-rampant-across-canada>). More generally, see European University Institute, Centre for Media Pluralism and Media Freedom, “Local Media for Democracy – methodology,” online: <https://cmpf.eui.eu/local-media-for-democracy-project/local-media-for-democracy-methodology/> (last visited 3 June 2025).

<sup>15</sup> See Broadcasting Public Notice 2008-4, paragraphs 51-68.

## The news environment as a dynamic, data-driven system

14. If news is the lifeblood of democracy, and today's media environment is one in which content's virality, velocity, and generativity shape its impact on public discourse, then making high-quality local news available now depends, in no small part, on that news's "spreadability"—its ability to be republished, shared, clipped, quoted, remixed, and injected into the human and algorithmic curation that drive the modern media carousel.<sup>16</sup>
15. The public policy conversation around news supports recognizes this dynamic in the increasing prevalence of calls to make supported content available for straightforward recirculation by taking rights issues largely off the table—such as through its licensing under one of the ready-made Creative Commons licence agreements that provides for intact, credited content to be circulated by third parties permissionlessly.<sup>17</sup>
16. The reasoning underlying this policy approach is straightforward. Making news content available in this manner makes it more spreadable. The social value of enhancing spreadability, in an environment where less-credible content would otherwise take its place, is high. The private reuse value of news content is generally low, given its short shelf life. Its ancillary value—prestige, credit, aggregation value through archive sales—can generally be preserved through a properly-drafted licence agreement.
17. As the majority's adoption of a novel incentive for producing news related to equity-seeking communities reminds us, we have the freedom to develop frameworks and approaches not fully spelled out on the public record of a proceeding. The making-spreadable of ILNF-supported content through a tailored Creative Commons licensing approach was not broached on the record, but I would have built it into this next phase of the ILNF by proposing the terms of such a licence for a follow-up paper proceeding. In my view, such an approach speaks to the basic characteristics of the audiovisual news environment as it exists today, particularly as virality and spreadability continue to attach in particular to the short video form.
18. To understand this distinction between the segments of the audiovisual market that we actively supervise, and to attend to how such audiovisual content will make its way about in the world, will be fundamental to achieving our policy objectives going forward. In the same manner, it seems to me that the coordination role that market supervisory authorities are well-placed to play calls on us to build on considerations of spreadability to review our work in the area of metadata stewardship. The Commission already participates in a broad range of textual data and metadata that accompany audiovisual programs, ranging from logs to captions to ratings: all of these have significant generative potential when made available unencumbered, documented clearly, and sparked through awareness campaigns. Likewise with news: metadata and tagging standards are already well developed, but are less well employed within

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<sup>16</sup> I take this term from Henry Jenkins, Sam Ford, and Joshua Green, *Spreadable Media: Creating Value and Meaning in a Networked Culture* (New York: NYU Press, 2013).

<sup>17</sup> The Local Journalism Initiative has taken this approach to a limited degree.

Canada's emerging domestic news innovation environment.<sup>18</sup> The majority has required that ILNF recipients make their locally reflective news and information content available online at the time of broadcast on television and for a minimum of seven days after broadcast. I would have gone further by mandating its Creative Commons licensing, as above, but also its online publication in text format, which would facilitate its indexing and seeping into the broader information ecosystem; and its tagging with relevant metadata based on widely adopted standards.

### **Broadening accountability**

19. The majority decision takes a number of measures to balance accountability, confidentiality, and reporting burden, including journalist full-time-equivalent (FTE) data for "aggregate" public release and additional aggregate data based on information provided by recipients.
20. Parties to the proceeding called for making FTE information available on a per-local-market basis. It is not clear what the competitive harm would have been that outweighs the public interest in this information, particularly as the ILNF's premise is that there is limited competition for local journalism in the first place. I would therefore have imposed a higher burden on masking the per-market FTE data that is being reported.
21. I would likewise have granted the Forum for Research and Policy in Communications (FRPC)'s request to include the numbers of hours of first-run or original locally reflective news and information broadcast annually by market. Broadcasters already log this information in the television logs they submit to the Commission and which we make available as open data. These logs tag news programs with a "news" program type and with an "RL" flag indicating that they are locally reflective. This information is not confidential. It is already tracked. The only reporting burden is to aggregate it, whose automation is well within reach for the broadcasters producing the logs, for the Commission receiving them, and indeed for any third party that cares to download them.
22. Finally, the possibility mooted in the Notice of Consultation to develop new approaches for monitoring the ILNF's success did not bear fruit.<sup>19</sup> Instead, much of the burden remains on the annual reports to be filed by ILNF recipients. I agree with the majority that annual reports, published promptly and perused purposefully, can play an important accountability function, especially seeded with the additional data we have now mandated. In the absence of other success monitoring measures, a modest but powerful step would have been to require the annual reports to be filed as drafts; issue a Notice of Consultation seeking comment on them, to be advertised to local viewers; and issue a decision on the Notice listing what changes, if any, ought to be made in the annual reports. Feedback loops are core conditions for accountability, empowering stakeholders to participate in governance in the shadow of regulation and creating reputational consequences for the regulated parties. I would have incorporated such a step.

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<sup>18</sup> See, for instance, the International Press and Telecommunications Council (IPTC)'s NewsML-G2 family of Extensible Markup Language (XML) standards.

<sup>19</sup> See Broadcasting Notice of Consultation 2024-164, paragraph 25, Q.9.

## **Conclusion**

23. The media landscape is evolving quickly. Our role cannot be limited to preserving legacy structures: we must, even in shoring up existing program delivery, have regard for the infrastructure of news in its emerging forms. Doing so should include addressing like broadcasters in a like manner; building dynamic, scalable funding models that reflect actual market structure, targeting underserved communities through data-informed deprivation indexes; and designing content obligations that speak to how news circulates dynamically across the media environment today. It requires embedding feedback and accountability across the system, as a check on continuing regulation and as a catalyst for trust, relevance, and democratic vitality.

## Dissenting opinion of Commissioner Ellen C. Desmond, K.C.

1. The Independent Local News Fund (ILNF), created in 2016, is a vital tool in providing support to television stations offering locally reflective news and information. As a primary objective, it encourages broadcasters to spend on and exhibit more news, which in turn helps Canadians stay informed and involved in their communities.
2. Since 2016,<sup>1</sup> the ILNF has been funded by licensed terrestrial and direct-to-home broadcasting distribution undertakings (BDUs), who are required to contribute 0.3% of their previous year's broadcast revenues to the ILNF. More recently, and as a result of Broadcasting Regulatory Policy 2024-121-1 and Broadcasting Order 2024-194, certain audiovisual online undertakings<sup>2</sup> will also be required to contribute to the ILNF, resulting in significantly more funding being available.
3. This has also, in turn, led to a review of the ILNF and has allowed the Commission both to take stock of the many changes that have occurred since 2016 and to take another step forward in the implementation of the modernized *Broadcasting Act* (Act).
4. I agree with many of the determinations made by the full Commission's majority decision on this review of the ILNF. The Commission has confirmed the allocation method to be used and has carefully considered how the success of the ILNF will be measured. These are positive steps forward in supporting local news and information.
5. However, and with the greatest respect to my colleagues, I dissent on one matter, namely the ILNF eligibility criteria. My reasoning is provided below.
6. Under the current regime, eligibility to receive funds from the ILNF is limited to private independent television stations, who are required by license to broadcast a minimum level of local news and to allocate a percentage of their revenues (expenditures) to such programming.<sup>3</sup>
7. This regime is a result of a policy decision that was made almost a decade ago and reflects the reality that news is expensive to make and financially difficult to sustain. The creation of the ILNF was intended to help ensure that local television stations would have the financial resources to continue providing high-quality local news and information and that there was no erosion of local news in the various markets.
8. That said, much has changed since 2016. We have seen newsrooms being downsized and "local" becoming "regionalized." Economic pressures and the weakening of the local news ecosystem are realities that are often exacerbated for smaller communities. Even BDU cable community channels have experienced amalgamation and regionalization, leaving many

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<sup>1</sup> See Broadcasting Regulatory Policy 2016-224.

<sup>2</sup> See Broadcasting Regulatory Policy 2024-121-1 and Broadcasting Order 2024-194, where the Commission determined that audiovisual online undertakings with an annual Canadian gross broadcasting revenue over \$25 million and that are not affiliated with a traditional undertaking will be required to allocate 1.5% of their base contribution to the ILNF.

<sup>3</sup> See Broadcasting Regulatory Policy 2016-224.

Canadians without a truly local service. Many smaller communities have become “news deserts.”

9. With this shifting reality, there are communities who, with no source of local news, are motivated to set up and maintain their own news stations. These independent community channels have become a vital part of our broadcasting ecosystem.
10. The importance of community broadcasting has also been recognized in the Act. The Broadcasting Policy, articulated in section 3 of the Act, confirms that programming should be drawn from different levels, including community broadcasters, who are in the unique position to provide varied programming to meet the needs of specific audiences.<sup>4</sup> Moreover, the Act specifically notes that when drawn from the community element, programming should, amongst other objectives, support local journalism.<sup>5</sup>
11. My colleagues have determined that the criteria for eligibility to obtain funding from the ILNF should remain unchanged. It is on this point that I disagree.
12. There are several independent community channels operating in Canada, some of which are now filling a gap by providing local news and programming where it is not otherwise available.
13. In my view, these independent community channels should be considered possible recipients of the ILNF, if certain criteria are satisfied. For example, these stations would need to provide evidence of their current level of news production and adherence to journalistic standards. The stations would also need to be focused on serving smaller and underserved markets that otherwise do not have access to local news. There may be other appropriate criteria, all of which could be determined with input from stakeholders.
14. Historically, the Commission has not had the data or information to ensure that these community stations are in fact providing locally reflective news. This is because these stations have different reporting requirements than private television stations. However, reporting terms could be developed in a public process, prior to confirming the availability of funds.
15. Current recipients of the ILNF have conditions of license related to both exhibition and expenditures. To the extent that independent community channels are able to meet similar or equivalent criteria, it would be appropriate to allow them access to the ILNF so that they are able to provide local news to smaller, underserved areas.
16. My colleagues have concluded that community stations have access to funds provided through the Local Journalism Initiative (LJI) and, as such, have an alternative means of support for news production.
17. Indeed, the LJI does provide some funding to community television stations and supports the continued creation of journalism in smaller regions. Yet, the LJI spreads its funding

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<sup>4</sup> See the amended *Broadcasting Act* S.C. 1991, c. 11 section 3(1)(i)(ii).

<sup>5</sup> See the amended *Broadcasting Act* S.C. 1991, c. 11 section 3(1)(s).

across various forms of media, including written press and community radio. Only a portion of this funding is available to journalists working at community stations. As is the case for private independent television stations, access to funding for these community stations is limited.

18. Given the role independent community stations have in filling the void in the news ecosystem, I find that they should also be considered as possible recipients of the ILNF.

## **Conclusion**

19. In conclusion, the Commission must consider the shifting reality in how news is being delivered to communities and, in my view, should take a combined approach to serving news deserts.
20. Permitting independent community stations the opportunity to receive funds from the ILNF, upon condition, would encourage innovation and support the sustainability of community broadcasters, who are in the unique position of serving the needs of Canadians at the local level. In my view, extending the funding opportunity to private community broadcasters would be in keeping with the Act and would allow local news and information to reach all Canadians, including those in remote and underserved areas.

## **Dissenting opinion of Commissioner Stéphanie Paquette**

1. In Broadcasting Regulatory Policy 2024-121, published in June 2024, the Commission requires audiovisual online streaming services<sup>1</sup> (Online Services) to contribute 1.5% of their Canadian revenues<sup>2</sup> to the Independent Local News Fund (ILNF or Fund). According to preliminary estimates, this measure will generate additional funding of around \$40 million per year, more than tripling the ILNF's budget. Specifically, funding will increase from \$18 million to approximately \$58 million for the 2024-2025 broadcast year.<sup>3</sup>
2. Such financial support for news and information production is vital for Canadian television broadcasters, whose financial situation is deteriorating year after year due to the exodus of advertising and subscription revenues to international digital platforms. While the decision to provide additional support to the country's news services in this way is laudable, the Commission's current review of the ILNF is a missed opportunity to quickly rethink the Fund's mandate and eligibility criteria to meet the most pressing needs of the English- and French-language markets, while ensuring a fair distribution of funding across the broadcasting ecosystem. Instead, the majority decision merely revises the Fund's distribution rules based on existing eligibility criteria and, at best, adds Corus Entertainment Inc. (Corus) to the equation, giving it a disproportionate share of the available funding.
3. With respect for the opinion of the majority, I feel that this decision creates certain inequities in the ecosystem, primarily 1) for the French-language market, which receives only a small portion of the new funding available, and 2) for the private general-interest networks (other than Corus) which, despite their important role in providing local and national information on all platforms, see their news services left out of the review of the Canadian regulatory framework for the time being.

### **Inequity for the French-speaking market**

4. In Quebec, eight French-language stations belonging to two independent media groups are currently eligible for the ILNF: RNC MEDIA Inc. (RNC), which operates two stations in Gatineau and two in Abitibi-Témiscamingue, and Télé Inter-Rives ltée (Inter-Rives), which operates three stations in Rivière-du-Loup and one in Carleton in the Gaspé Peninsula. In 2023-2024, these broadcasters received funding of \$2.58 million for RNC and \$2.875 million for Inter-Rives, for a total of \$5.46 million, representing 26% of the Fund's allocations for the year in question.
5. In this decision, the majority revises the ILNF distribution rules to take into account new contributions of approximately \$40 million from Online Services for the 2024-2025 broadcast year. According to the chosen method, and still based on a preliminary estimate, RNC will see its funding increased by approximately \$1 million for the year, while Inter-Rives will receive an additional \$1.625 million, for a total of \$2.625 million for both

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<sup>1</sup> Applies to services with annual contribution revenues of \$25 million or more that are not affiliated with a Canadian broadcaster.

<sup>2</sup> Calculated based on their annual contribution revenues.

<sup>3</sup> From 1 September 2024 to 31 August 2025.

companies, representing only 6% of the new funding available. Of the ILNF's total budget, estimated at \$58 million for 2024-2025, the only two French-language broadcasters eligible for funding will receive approximately \$8.1 million, a mere 14% of the available funds, which is far below a fair and equitable portion for the production of French-language and Quebec news in the country.

6. Furthermore, the Commission's majority recognizes in its decision Corus's eligibility for the ILNF and imposes a cap of 45% of the funding that can be allocated per entity. Consequently, Corus could receive up to approximately \$22 million for 2024-2025. The eligibility of Corus as a beneficiary of the Fund is not at issue here. On the contrary, this major English-language general-interest broadcaster plays an indispensable role for information in Canada, including Quebec, and deserves the Fund's support since its disaffiliation from Shaw Communications Inc. (Shaw) in 2021, which resulted in Corus losing the television broadcaster's financial contributions. For Corus, this loss follows revenue declines that have hit the Canadian media industry more broadly, weakening the financial situation of all broadcasters.
7. While Corus's eligibility for the ILNF is not in question here, the funding allocation method chosen by the Commission's majority is problematic, since it is estimated that it will result in the broadcaster receiving double the funding it received from Shaw when the two companies were affiliated. Corus is expected to receive \$26 million from the ILNF in 2024-2025, compared to \$11.5 million from Shaw in 2021-2022. Not to mention that, had Corus remained affiliated with Shaw, the distributor's contributions in 2024-2025 would undoubtedly have been lower than those in 2021-2022, given the company's declining distribution revenues in recent years.
8. Overall, almost 86% of ILNF funding will support the production of English-language news and information in 2024-2025. The impact in the French-speaking market of funding from Online Services contributions will remain extremely limited and localized to certain regions only. While at best it manages to support some independent news businesses in these difficult times of misinformation and social polarization, this new framework for the ILNF offers no solutions for rapidly supporting the most unifying French-language information services. To do so, we would have had to revise the Fund's eligibility criteria for extending its scope to other ineligible news businesses, in particular vertically integrated private broadcasters, discussed in the section below.

### **Inequity for private conventional networks**

9. Currently, the ILNF helps only conventional private television stations that do not belong to a vertically integrated group. Networks such as TVA and Noovo, which are vertically integrated with broadcast distribution undertakings (BDUs), have been ineligible since the Fund was established in 2016. In Broadcasting Regulatory Policy 2016-224, the Commission created the ILNF to replace the Small Market Local Production Fund, which was open to all broadcasters, whether vertically integrated or not. In this regulatory policy, the Commission authorized BDUs to pay a portion of their contributions directly to the broadcasters with which they are vertically integrated, in return for which these broadcasters received no funding from the ILNF, which thus serves only independent broadcasting.

10. The rigorous logic of Broadcasting Regulatory Policy 2016-224, which ensured an equitable distribution of BDU contributions, no longer works in the context of a new funding source—Online Services—being added to the equation. All news businesses, not just independent players, are currently feeling the pinch of competition from international digital platforms and are seeing BDU contributions dwindle as viewers’ consumption habits change. All these broadcasters face the challenge of having to evolve on multiple platforms and adapt technologically, despite their shrinking resources. The decision not to make Online Services funding immediately available to all news businesses, whether vertically integrated or not, creates a mismatch between the funds available for news production by independent broadcasters and those available for the major Canadian news networks, which represent the core audience.
11. In Quebec, for example, French-language private conventional networks cover the Montréal, Québec City, Estrie, Centre-du-Québec, Bas-Saint-Laurent, and Saguenay markets, and have affiliation agreements with ILNF member stations. Their stations (excluding affiliates) generate average audiences (AMA) of over 300,000 viewers per minute,<sup>4</sup> while ILNF stations, even with Global’s English-language stations, reach average audiences of 25,000 viewers.<sup>5</sup>
12. The intention here is not to pit the performance of vertically integrated networks against that of independent broadcasters. On the contrary, ILNF member stations play an indispensable role in their communities, contributing a variety of news voices to the Canadian media landscape. As such, they must continue to receive funding that takes their reality into account and reflects the fact that they do not have access to certain economies of scale that belonging to a large network can provide.
13. However, the majority decision means that Canada’s independent broadcasters will receive nearly 40% more overall support from the ILNF than BDUs will pay to their vertically integrated broadcasters, even though these broadcasters have 30% more stations. While the ILNF will provide \$58 million in funding to 34 independent stations nationwide for the 2024-2025 year, direct contributions from BDUs to their vertically integrated broadcasters will total, at best, \$42 million for 48 stations in all.
14. Unless trends are reversed, this disproportion is likely to increase in the short term, as contributions from BDUs continue to decline, while those from Online Services are expected to increase because of changes in consumer habits. The private networks have already pointed out their difficulties in sustaining their conditions of licence related to news production and are requesting, through various processes initiated before the Commission, relief from their obligations. With this decision, the Commission is missing an opportunity to provide urgent and rapid support for news production, pending a broader and permanent review of the regulatory framework affecting information in the country.

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<sup>4</sup> Average audience 303,500 (Numeris, 2023-2024 broadcast year).

<sup>5</sup> Average audience 24,700 (Numeris, 2023-2024 broadcast year).

## Conclusion

15. Although we have announced, as a Commission, our intention to examine the issue of news production and funding more broadly in 2025-2026, through the various upcoming consultations, I feel that we should have broadened the scope of the Fund as soon as possible in the current context that is affecting all Canadian media. In this decision, the Commission could have reviewed the funding allocation rules in order to allocate to small independent broadcasters a portion that takes into account the reality of their business model and to allocate the remainder of the funding equitably among the major networks, taking into account the contributions already received directly from BDUs by vertically integrated players.
16. This first step would have calmed things down for the next phases of consultation in 2025-2026, which will address the broader issue of news production in Canada, with issues such as the definition of Canadian content, long-term funding, conditions of service for traditional broadcasters and online services, and discoverability of content.
17. The Commission, which certainly has its work cut out for it, would have been well advised to take a broader view with this decision, in order to provide sounder temporary measures.