

16 February 2016

Sent electronically

Danielle May-Cuconato
Secretary General
Canadian Radio-Television &
Telecommunications Commission
Ottawa, Ontario
K1A ON2

Re: Broadcasting Notice of Consultation CRTC 2015-421 – A review of the policy framework for local and community television programming
Final Submission

Dear Ms. May-Cuconato,

CBC/Radio-Canada is pleased to provide its final comments in Broadcasting Notice of Consultation CRTC 2015-421 – A review of the policy framework for local and community television programming.

If you have any further questions or require additional documentation, please do not hesitate to contact me directly.

Yours truly,



Bev Kirshenblatt
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Encl.

Broadcasting Notice of Consultation CRTC 2015-421

**A review of the policy framework for local
and community television programming**

**Final Comments of CBC/Radio-Canada
16 February 2016**

Executive Summary

The Purpose of the Proceeding

- i. Some parties have suggested that this proceeding should be used as a basis for attempting to fix the structural problems facing over-the-air conventional television stations.
- ii. That is not the purpose of this proceeding according to BNC 2015-421, the Commission's Working Document or the Chairman's opening statement at the oral hearing.
- iii. The business model of conventional television can only be fixed if local stations gain access to subscription revenues. This can be achieved by Parliament amending the *Copyright Act* or by the Commission permitting conventional television stations to abandon over-the-air distribution.
- iv. If the Commission were to attempt to use this proceeding as a way to fix the structural problems of conventional television it would only lead to regulatory distortions without actually remedying the underlying problems.

A Local News Fund

- v. Local news is an important but uneconomic type of programming and a fund to support the incremental production and broadcast of local news would make sense.
- vi. A local news fund should: 1) be large enough to permit effective support of local news but not so large as to cripple the community television sector; 2) focus first on small markets; 3) be open to all conventional television stations; 4) be incentive-based so as to encourage the creation of professionally produced local news and information programming through incremental projects that enhance the existing coverage and reflection in the market.
- vii. CBC/Radio-Canada's proposed Local News Incentive Fund would provide a good model for a fund.

The Relationship Between Conventional and Community Television

- viii. Conventional television and community television have different mandates under the *Broadcasting Act*.
- ix. Cooperation between conventional television stations and community programming groups is possible but should be handled on a case-by-case basis so as to ensure that it is mutually beneficial and does not distort the fulfillment of either party's mandate under the Act.

Definitions Related to Local Programming

- x. The current definitions of local programming and local news have worked well. If the Commission believes there are problems in respect of individual broadcasters

then those problems should be addressed directly with those broadcasters.

- xi. As addressed in our response to CRTC Exhibit #1, any locally produced programming which relates to the needs and interests of the local community should qualify as local programming.
- xii. As addressed in our response to CRTC Exhibit #1, if the Commission were to adopt a definition for “local news”, it should be defined in the following manner: Local news is defined as category 1 (news) and is considered local if it also meets the definition of local programming and is produced by a local newsroom employing professional journalists on the ground in the community.
- xiii. As addressed in our response to CRTC Exhibit #1, if the Commission were to impose a local news exhibition requirement on conventional television broadcasters, all French-language stations and English-language station serving small and medium-sized markets could be required to air 2.5 hours of original category 1 local news per week. English-language stations serving large markets could be required to air 5 hours of original category 1 local news per week.
- xiv. As addressed in our response to CRTC Exhibit #1, an exhibition requirement for category 1 local news, combined with a requirement to have a newsroom and professional journalists on the ground in the community would ensure that all local stations spend a reasonable amount of money on local news in their markets.

Introduction

- 1 In keeping with the requirements set out in BNC 2015-421-3, CBC/Radio-Canada's final written comments focus on the following four areas relating to the Commission's Working Document, the online discussion forum and submissions made during the public hearing:
 - 1) the purpose of the proceeding;
 - 2) proposals for a fund to support local news;
 - 3) the relationship between conventional television and community programming; and
 - 4) definitions related to local programming.
- 2 Each of these areas is discussed, in turn, below.

The Purpose of the Proceeding

- 3 CBC/Radio-Canada is concerned that during the course of the public hearing some parties attempted to expand the scope of the present proceeding beyond that identified by the Commission in its Notices, the Working Document and as reiterated by the Chairman at the beginning of the hearing. In particular, some parties have suggested, expressly or implicitly, that the Commission should use this proceeding as a basis for attempting to remedy the structural problems facing over-the-air (OTA) conventional television.¹ We do not agree.
- 4 In BNC 2015-421 the Commission indicated that the aim of this proceeding is to ensure:
 - Canadians have access to locally produced and locally reflective programming in a multi-platform environment.
 - Both professional and non-professional independent producers and community members have access to the broadcasting system.
 - Locally relevant news and information programming is produced and exhibited within the Canadian broadcasting system.
- 5 The Commission released its Working Document on 12 January 2016 and reiterated that the issues identified in BNC 2015-421 remained the focus of the proceeding. The Commission went on to state that it wished to discuss the following issues at the hearing:
 - the creation of precise and clear definitions of local programming, access programming and local news programming;
 - measures to ensure a continued and appropriate level of local programming and local reflection;
 - the tailoring of local programming and access programming requirements based on market size and demonstrable community needs;

¹ Friends of Canadian Broadcasting Transcript (Para 2031 to 2046); SMITS Transcript (Para 3863, 3864), Undertaking #1 and #2; Unifor Transcript (Para 5951, 5952).

- measures to ensure that access programming is widely available to Canadians as creators and citizens, using a multiplatform approach that takes discoverability into account; and
- a review of the parameters of the Small Market Local Production Fund with a view to focusing on incentives and outcomes rather than compensation.

6 At the commencement of the hearing, the Chairman stated in his opening remarks:

So here are some questions that my colleagues and I will be raising with interested parties.

First of all: Given that the economic model for the production of news and local information programs is under stress, should the CRTC intervene to guarantee the production and long-term viability of these broadcasts? And if the answer is yes, what type(s) of action should the CRTC take?

Secondly: More and more, digital technology is playing the role of the traditional community element by giving Canadians a range of opportunities to personally produce and disseminate content for their community, and they can do so at very low cost. Is it still necessary and relevant for the CRTC to intervene to ensure that Canadians have access to the community element of the traditional broadcasting system? And if the answer is yes, what type(s) of intervention should continue or emerge?

Thirdly: Financial contributions to local expression have been increasing for many years, despite the losses incurred by local news services. How can existing resources be apportioned between the community element and local television stations so as to maximize the benefit to Canadians?

7 Nowhere in any of these statements has the Commission suggested that the goal of this hearing, in whole or in part, is to fix the structural problems of conventional television. This is important for two reasons.

8 First, conventional television faces two core problems with its business model: fundamental changes in the advertising market have significantly reduced advertising revenues for conventional television stations; and, the lack of a subscription option to generate revenues limits the ability of conventional television to compensate for this loss of advertising revenues. In our submission, neither of these problems can be fixed by the Commission in the context of this proceeding.

9 Second, if the Commission were to attempt to address the structural problems of conventional television by means of measures ostensibly aimed at local programming, local news and community programming this would only serve to distort the regulatory regime as it relates to these areas. In particular, local news deserves to be supported because it is a very important but uneconomic type of programming, not because supporting it provides a way to bolster the bottom line of conventional television broadcasters. As discussed in the next section, this difference in rationale has important implications for what type of local news fund, if any, may make sense from a policy perspective.

- 10 Finally, CBC/Radio-Canada recognizes that the business model for conventional television is broken. In our submission, the obvious solution to this problem would be for Parliament to amend the *Copyright Act* so that OTA conventional television stations can have access to subscription revenues. An alternative solution would be for the Commission to permit conventional television stations to cease OTA distribution and to shift instead to direct feeds to BDUs, thereby enabling access to subscription revenues. This latter approach would, of course, involve the abandonment of the OTA platform by conventional television. Neither of these solutions is within the scope of this proceeding.

Proposals for a Fund to Support Local News

- 11 At paragraph 24 of its Working Document the Commission invited parties to make proposals for a fund to provide incremental support for local news:

24. The Commission is therefore open to considering interveners' proposals to establish a fund that would provide incremental support for the production and broadcast of local news and information programs.

- 12 There were three main types of proposals put forward by parties.
- 13 First, some BDUs, such as Rogers² and Cogeco³, made proposals for the redistribution of their BDU contribution to local expression so as to support local news production and broadcast either by their community channels or by affiliated OTA conventional stations.
- 14 CBC/Radio-Canada does not support this type of approach as it would do nothing to preserve or enhance local news in other geographic areas and would provide the BDU and/or its affiliates with a competitive advantage in local markets where other OTA conventional television stations operate. In our submission, a fund should be competitively neutral and should benefit the system as a whole, not just a limited set of BDUs and their affiliates.
- 15 Second, Channel Zero proposed the 2% local reflection contribution of BDUs be put into an independent fund and allocated, by market, to OTA conventional television stations meeting minimum obligations regarding local news, community content and municipal affairs. In markets where there were no OTA conventional television stations the monies would be provided to the local BDU to provide comparable programming on a community channel which would also enjoy the benefit of carrying advertising.
- 16 In the Corporation's submission this approach does not properly respect the distinct mandates of the three-elements of the Canadian broadcasting system: public, private and community broadcasting. The Channel Zero model attempts to find efficiencies by merging the roles of the private and community elements in certain circumstances, an approach we believe would serve neither of those elements well. In particular, we submit that it would be inappropriate to put community programming under the control of a conventional broadcaster which is subject to and accustomed to different standards, objectives and regulations.

² Rogers 5 November 2015 Submission (Para 25, 28 to 38).

³ Cogeco 5 November 2015 Submission (Para 19, 28, 37-41); Cogeco Transcript (Para 3439, 3462 to 3465).

- 17 The third type of proposal would involve allocating a portion of the BDUs 5% contribution to Canadian programming to a fund to support local news production and broadcast by conventional television stations. The details of the proposals submitted by parties varied significantly as to the size and scope of the fund, eligibility requirements and obligations of participants.
- 18 For example, Bell Media proposed a fund that would be open to all conventional stations in all size markets, irrespective of ownership and would impose no obligations on participants beyond the threshold eligibility requirements.⁴ In contrast, SMITS proposed the continuation of the SMLPF, as well as the creation of a new fund dedicated solely to supporting private independent conventional television stations in small markets.⁵ There were a wide range proposals in between.⁶
- 19 As the Commission is aware, CBC/Radio-Canada proposed a Local News Incentive Fund (LNIF) which would be open to all conventional television stations in small markets⁷, as well as all private independent conventional television stations in medium-sized markets⁸, provided they broadcast at least 2.5 hours of original category 1 local news per week and operate a local newsroom staffed by professional journalists⁹. The LNIF would involve an application process whereby a panel would assess proposals from eligible stations for incremental local news projects. Assessment would be based on pre-established criteria (e.g. language, market need, etc.) and would not involve any form of editorial interference. To ensure equitable treatment of all stations, funding for any single station would be capped in a year and there would also be a cap for aggregate funding for licence groups in a year. CBC/Radio-Canada proposed a fund of about \$68M thereby reserving significant funding for community programming. A summary of the proposed LNIF is attached as an appendix to this document. This summary reflects revisions to the initial proposal arising from the discussion between the Commission and the CBC/Radio-Canada panel at the oral hearing and as reflected in the Corporation's undertaking responses.
- 20 While CBC/Radio-Canada continues to believe that its LNIF represents a suitable way of supporting local news, the Corporation also recognizes that the Commission may view some other proposals as having attractive elements. Rather than review each intervener's proposal in depth we believe it would be more efficient and helpful to identify the key characteristics for an acceptable fund.

⁴ BCE 5 November 2015 Submission (Para 35, 37); Transcript (Para 1159, 1160, 1161).

⁵ SMITS Transcript (Para 3385 to 3894); SMITS Undertakings #1 and #2.

⁶ Additional proposals were made by Channel Zero Transcript (Para 639 to 664); CMG Transcript (Para 8261, 8262 and 8263); Friends of Canadian Broadcasting Transcript (Para 2032 to 2045); Rogers Transcript (Para 5149 to 5151, 5155, 5165 to 5172); Groupe V Média Transcript (Para 1672 to 1674) and Unifor Transcript (Para 5952 to 5355).

⁷ A "small market" is defined as a Census Metropolitan Area (Statcan Census) with less than 300,000 inhabitants, based on language group.

⁸ A "medium-sized market" is defined as a Census Metropolitan Area (Statcan Census) with less than 300,000 inhabitants, based on language group.

⁹ As noted by several parties at the oral hearing, the operation of such a newsroom must be free from editorial interference by upper management and must be subject to appropriate journalistic codes.

Key Characteristics for a Fund to Support Local News

- 21 In our submission, there are four characteristics which any local news fund established by the Commission should have.
- 22 First, the fund should be large enough to enable meaningful support of local news projects while, at the same time, leaving adequate funding for community television. It makes no sense to cripple the community sector in order to support local news. Similarly, the fund should not divert monies from the CMF or CIPFs which support other forms of programming which are both culturally important and uneconomic.
- 23 On this point it is necessary to emphasize that the purpose of a local news fund should be to support local news, not to fix the structural problems of conventional television broadcasters. A fund to address the latter problem would have to be much larger – a point made by Friends of Canadian Broadcasting and others¹⁰ – and would necessarily be a band-aid rather than a remedy since the structural issues would remain unchanged. We respectfully submit that any attempt to address this structural problem in this context would be misguided and should be avoided.
- 24 Second, the fund should focus primarily on small markets since this is where the need is greatest. While the evidence before the Commission indicates that local news does not pay for itself in any markets, the challenges facing small market broadcasters are the greatest. This fact was acknowledged by most parties addressing this point at the oral hearing.¹¹ At this time, it would make most sense to focus the fund on the area of greatest need.
- 25 Third, the fund should be open to all broadcasters in small markets since they all face the same challenges. We note that several parties argued that CBC/Radio-Canada should be excluded from a fund¹². We do not agree.
- 26 As CBC/Radio-Canada stated at the oral hearing, the Corporation faces comparable news costs and the same advertising challenges as other local broadcasters. Also, despite media reports regarding additional public funding for CBC/Radio-Canada that funding is not yet in place and we do not know if, when or how much that funding will be. Moreover, any new funding that may be received has an extremely high number of demands on it given the cuts to the Corporation's funding over the past several years and the need for CBC/Radio-Canada to expand in the digital area. We also note that all other broadcasters receive public monies to support their cultural activities from various levels of government¹³ and, therefore, the receipt of public funding cannot be a rational

¹⁰ Friends of Canadian Broadcasting Transcript (Para 2032 to 2047); Undertaking #1, pages 3 and 9; BCE Transcript (Para 1188 to 1190).

¹¹ BCE Transcript (Para 1207 to 1210); Friends of Canadian Broadcasting Transcript (Para 2027 to 2030) and Undertaking #2; Council of Senior Citizens' Organizations of British Columbia and Public Interest Advocacy Group Transcript (Para 2865 to 2873, 2919 to 2923); SMITS Transcript (Para 3919 to 3932, 4072 to 4077); RNC and Télé Inter-Rives Transcript (Para 6168 to 6183); APFC Transcript (Para 12714).

¹² Parties making this argument were Channel Zero Transcript (Para 655); Groupe V Média Transcript (Para 1675); Québecor Transcript (Para 7980 to 7999).

¹³ Québecor Media received \$45M in year 2014-2015 from various forms of public monies: Production Tax Credit for original productions, Canada Media Fund, Canada Book Fund, Canada Music Fund, Canada Periodical Fund (Québecor Undertaking #2). This does not include provincial funding. Reception of various forms of public funding was also discussed with BCE (BCE Transcript 1394 to 1408) and Rogers (Rogers Undertaking #1).

basis for excluding a broadcaster from the fund. Finally, the audiences served by CBC/Radio-Canada deserve to benefit from any fund as much as audiences who choose to listen to or who are only served by other broadcasters. There is, therefore, no sound basis for excluding CBC/Radio-Canada from our proposed LNIF or any similar local news fund.

- 27 Fourth, a local news fund should be incentive-based so as to require local stations to strengthen their local news offering. This approach is essential if the Commission is to avoid the problems associated with funds which simply distribute money to broadcasters who meet a basic threshold requirement. In this latter case there is no quality control or accountability as to how the money is spent. Consequently, there is a significant incentive for a private broadcaster to flow through any monies to the broadcaster's bottom line rather than improving service to viewers.
- 28 Once again, it is important to emphasize that the purpose of the fund is to support local news, not to fix the structural problems of conventional television. From this perspective, parties who argue that an incentive-based fund may not improve their bottom line are misguided in their complaint. The fund is not intended to be a form of subsidy providing private corporations with adequate profit margins. It is intended to improve local news for Canadians.
- 29 On the basis of these criteria, CBC/Radio-Canada respectfully submits that none of the funds proposed by other parties is satisfactory:
- Bell Media's proposed fund is too broad as it includes all broadcasters in all markets and fails to provide adequate incentives to ensure quality and accountability.
 - The news fund proposed by Rogers at the oral hearing is too small and includes too many local stations to be effective. It also lacks the proper incentives regarding quality and accountability.
 - Groupe V's proposed fund is too narrow as it is limited to independent broadcasters and it does not include incentives for quality or accountability.¹⁴
 - SMITS proposed a new fund that would only support private independent broadcasters and would be structured so as to subsidize their businesses rather than enhance local news. It is an example of a fund purporting to support local news but actually aimed at fixing the business model of conventional broadcasters. It is not appropriate.
 - The funds proposed by Friends and by the various media guilds and unions are focused on fixing the structural problems of conventional television, not strengthening local news. These proposals are not appropriate.

¹⁴ Groupe V Média Transcript (Para 1672 to 1675).

30 Overall, CBC/Radio-Canada respectfully submits that the only proposed fund which is appropriately sized, focused and structured is the LNIF advocated by the Corporation. If the Commission decides to go forward with a fund to support local news then it would make sense to use the LNIF as the starting point.

The Relationship Between Conventional and Community Television

31 The relationship between OTA conventional television and community programming came up in a number of ways during the oral hearing and in the written submissions of parties. Some parties suggested that community groups should have access to the studios of conventional television broadcasters in order to make community programming.¹⁵ Others argued that conventional television broadcasters should partner with community groups to make programming which could then be broadcast over the OTA facilities of the conventional broadcaster, as well as over other platforms.¹⁶ Variations on these proposals were also discussed.

32 In CBC/Radio-Canada's submission there are three key points that need to be made in respect of these issues.

33 First, conventional television and community television have distinct mandates under the *Broadcasting Act*. Conventional television produces and broadcasts a variety of professional television programming, including local programming which reflects the needs and interests of local viewers from a professional broadcaster's perspective. The role and character of community television is different.

34 In our view, community television was described most compellingly by Allan Sayegh, MTS Allstream and St. Andrews Community Channel at the oral hearing. At its best, community programming is made by community members, possibly with professional technical assistance, and focuses on community events and issues, reflecting the community to itself using community perspectives and voices. The quality and appeal of community programming can be very high; but it does not take the same perspective as professional conventional television which necessarily is more objective as it is subject to professional codes and distinct regulatory standards.

35 The differences in character and purpose of these two types of programming should not be forgotten when discussing possible relationships between conventional and community programmers.

36 Second, cooperation is possible between different types of broadcasters – public, private and community – but it must make sense for both (or all three) sides. In particular, there should be no expectation that conventional television broadcasters should become technical mentors to community programmers, nor that community programmers should provide inexpensive programming to fill the schedules of conventional television broadcasters. Any possible joint projects should be mutually beneficial and should be assessed on a case-by-case basis in light of current needs, objectives and resources.

¹⁵ See for example, Cactus 5 January 2016 Submission (Para 39 to 42).

¹⁶ Channel Zero Transcript (Para 691 to 693); ELAN Transcript (Para 2599 to 2600).

37 Third, evidence presented at the oral hearing strongly suggests that community programming should be available on an on-demand basis (i.e., via VOD and online) so that it is available to community members on an ongoing basis.¹⁷ This does not mean that linear presentation of community programming is not of interest to some viewers. However, it does mean that linear presentation is not enough and that on-demand availability is critical if community television is to properly fulfill its mandate by reaching as many viewers within the community as possible. This, in turn, suggests that the goal advanced by some parties¹⁸ of getting community programming on conventional television is misguided. The appropriate goal should be to get this programming available on-demand.

The Commission's Proposed Definitions for Local Programming

38 At paragraph 22 of its Working Document the Commission stated that one of the issues to be discussed at the oral hearing would be “the creation of precise and clear definitions of local programming, access programming and local news programming”. The Commission introduced CRTC Exhibit #1 on the first day of the hearing and, as a result, the discussion of possible definitions was limited.

39 CBC/Radio-Canada has submitted its completed version of CRTC Exhibit #1 under separate cover. In addition to the comments set out in CRTC Exhibit #1, the Corporation has three points it would like to emphasize.

40 First, CBC/Radio-Canada has a mandate to reflect the regions of Canada to themselves and to the rest of Canada. The Corporation does this by producing a mix of local and regional programming which is broadcast both locally and regionally and then selecting some of that programming for national distribution. The Corporation submits that any definition of local programming should not become an obstacle to the fulfillment of this mandate. In particular, local programming should not be defined so narrowly as to exclude programming about regional issues or events which are of clear local interest.

41 Second, a similar point can be made with respect to local news. People in a local community need to know what is happening in their community and, more broadly, what is happening outside their community as it relates to and affects their community. It would do a grave disservice to them to suggest that any events occurring outside the municipal boundary or Census CMA or Grade B contour of the local OTA conventional television station cannot qualify as local news even though those events may have a direct impact or important relevance to that local community. The key to local news is that it be produced locally to serve the needs and interests of the local community.

42 Third, in CRTC Exhibit #1 the Commission has proposed a definition of “local presence” but has not identified the context in which that term would be used. It is extremely difficult, if not impossible, to state how a term should be defined except in light of a particular context for its use. Consequently, the Corporation respectfully submits that if the Commission wishes to introduce the term “local presence” into the regulatory

¹⁷ Channel Zero Transcript (Para 685 to 688, 801); Allan Sayegh Transcript (Para 911 to 917); Community Media Advocacy Centre Transcript (Para 1050 to 1052); MTS Transcript (Para 9431 to 9433); Shaw Transcript (Para 11103 to 11111).

¹⁸ Ibid 16.

framework applicable to local television it should identify how the term may be used so that interested persons can comment meaningfully on any proposed definition.

Conclusion

- 43 CBC/Radio-Canada is pleased to have the opportunity to provide our Final Comments in connection with the Commission's review of its policies for local and community television.
- 44 The public record clearly shows strong public support for local news programming and the need to support local news programming. CBC/Radio-Canada's proposal for a Local News Incentive Fund would provide a good model for a fund. The Corporation has also proposed specific comments on the Commission's proposed definitions for local programming. We believe the adoption of our proposals will ensure the continued availability of high quality local news programming for Canadians from a diversity of voices local on a newsroom diversity of platforms.
- 45 Should the Commission require any additional information, we would be pleased to provide it on request.

Appendix A

CBC/Radio-Canada Local News Incentive Fund (LNIF)

Objective

- Provide incentive for incremental expenditure on and exhibition of local news programming.

Source of Funding

- 1% from terrestrial BDUs.
- 0.4% from DTH. The SMLPF would be eliminated.
- No changes to BDU contributions to the CMF or CIPFs.
- No changes to BDU contributions to community programming undertakings under section 34(2) of the BDU Regulations.
- The LNIF would be approximately \$68 M.

Eligibility

- All licensed OTA conventional television stations serving small markets (i.e., less than 300,000), as well as all private independent OTA conventional television stations serving medium-sized markets (i.e., between 300,000 and 1 Million).
- The size of the market is defined as a Census Metropolitan Area (Statcan Census) and would be calculated on the basis of language of the station.
- We estimate there may be up to 65 eligible stations.
- A local station must operate a professional newsroom in the local market which is staffed by professional journalists and subject to appropriate journalistic codes and corporate protections to preserve editorial independence.
- A local station must broadcast at least 2.5 hours of original local news (category 1) per week.

Types of eligible programming

- Proposed projects could include local news, information and analysis programming (categories 1 (news), 2a (analysis and interpretation) and 3 (Reporting and actualities)).
- A proposed project could also include a digital media component that is to be made available to the Canadian public.

Application Process

- The fund would be administered by the CMF or a similar body.
- Only 1 applicant per language per ownership group, per market.
- Eligible applicants would submit applications for incremental projects (i.e., beyond the required minimum level of local news) that enhance existing coverage and reflection in the market (e.g. in depth features, investigative journalism, etc.).
- Applications would describe the proposed project and provide a detailed budget.
- Applications would be assessed by a panel on the basis of pre-established criteria (e.g. language, local need, local editorial decision-making, etc.).
- There would be no editorial interference in regard to the proposed projects by the assessment panel or the fund administrator.
- The assessment process would ensure that funds are distributed in a balanced manner so as to benefit all regions of Canada.
- Licensees would be required to produce financial reports to the CMF after the programming is aired.
- The administrator could audit a licensee receiving funds in order to ensure that monies were spent as proposed.
- There would be a cap of 2% of the total value of the fund as the maximum amount a licensee could receive in a year.
- There would be a licence group cap of 25% of the total value of the fund (i.e., the aggregate amount received in a year by stations within a licence group could not exceed 25% of the total amount of the fund).

End of document