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Policy Brief: What problem were C-11 (*Online Streaming Act*) and the CRTC regulation trying to solve?

By Kelly Wilhelm, Cultural Policy Hub

Under the existing system, funding to Canadian content came from a complex web of requirements regulated by the Canadian Radio-Television and Telecommunications Commission (CRTC). These included minimum spends by broadcasters on Canadian content of national interest and a direct contribution of a percentage of cable subscription revenue to funds like the Canada Media Fund and certified independent production funds.

The Broadcasting Act and CRTC regulation, despite being "technologically neutral," had not established a way to deal with the digitization of the broadcasting system or entry of U.S. streaming giants like Netflix, Disney+, Amazon and others, into what had previously been a walled garden that could be domestically regulated.

As Canadians cut the cable cord, the contributions to funds were declining and, because streaming was outside of the regulated system, there was no new source to replace it. The industry argued for a "level playing field" in which foreign streamers should contribute to Canadian content in return for the privilege of selling subscriptions to Canadians. This was the origin of the principle that if you benefit, you should pay; this principle was adopted by the Trudeau government in response to steadily declining contribution to Canadian content creation from an outdated regulatory system.

The larger issue at play was how Canada intended to treat digital giants in all sectors, whose growth and presence has had a massive impact on social, economic and other outcomes in Canada. In policy, this was framed as a collaboration with like-minded countries, mostly other western democracies who shared Canada's concerns about privacy, mis- and disinformation, monetization of attention to U.S. services capturing an increasing market share and the effects of tech and social media on citizens, especially children. In the case of the digital services tax (later repealed by Prime Minister Carney), the central coordinating body was the OECD (Organization for Economic Co-operation and Development). Canada went out ahead of the OECD, putting in place a direction on digital services tax before other countries as a signal of how it intended to regulate digital companies.

To address the CanCon contributions issue and stabilize funding to the content system, the government introduced C-11, the *Online Streaming Act*, and gave the CRTC policy direction to determine the nature and scale of the contributions by all broadcasters in the system, including streamers. The regulatory process took years and thousands of hours of hearings, reports and lobbying by the industry's interest holders, all of whom fought for their piece of the pie. But on June 3, Marc Miller, Minister of Canadian Culture and Identity announced that the government would direct the CRTC to review its May 21 decision that raised the financial contribution from foreign streaming giants towards Canadian content from 5% of revenues in Canada up to 15% of those revenues. For many, this change seems abrupt, an about-face from the policy direction established by the Trudeau government over the past 10 years, one to which the cultural industries have contributed years of lobbying and labour.