**Broadcasting and Telecommunications Legislative Review**

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**Terms of Reference**

I. **Introduction**

As modes of communication, connection, and culture, broadcasting and telecommunications play a significant role in the social and economic lives of Canadians. The rapid emergence and expansion of digital technologies present new opportunities for Canadians to communicate with each other and the world. They also present challenges to our typical ways of thinking about broadcasting and telecommunications, as well as the relationships Canadians have with these sectors.

The Government recognized in Budget 2017 that Canada’s media industries and the systems that allow for broadcasting, distribution, and the exchange of ideas are fundamentally changing and that our legislation has not kept pace. Furthermore, the Government stated its support for an open and transparent Internet, in addition to a commitment to protect our culture and grow Canada’s creative sector in a way that is focused on the future and on bringing the best of Canada to the world.

New technologies and business models are introducing disruptive change while simultaneously creating new opportunities. For example, we have seen the growth of wireless technologies and the Internet of Things, and Internet-based, global players are entering the Canadian market, resulting in increased competition and different regulatory approaches between traditional broadcasters and online players. By embracing and adapting to the disruption, Canada can position itself to maximize the benefits the digital age brings to our citizens, artists and creators, communications industry, and economy as a whole.

To ensure Canadian broadcasting and telecommunications are well positioned to meet these and other objectives, the Government of Canada has launched a review of the broadcasting and telecommunications suite of legislation. As stated in Budget 2017, this review will look to examine issues such as telecommunications and content creation in the digital age, net neutrality, cultural diversity, and how to strengthen the future of Canadian media and content creation. This review is intended to examine the existing legislative framework and tools in the context of the digital age and what changes may be needed to support the Government of Canada in meeting these objectives.
II. A Joint Review

The review will examine the relevant legislation jointly given the linkages between broadcasting and telecommunications. For example, there is a high degree of vertical integration and concentration across the two sectors. Some of Canada’s largest broadcasters are also the largest telecommunications carriers owning a large portion of Canada’s wired and wireless network infrastructure and they often market and sell services in bundles. Both sectors are subject to many of the same global trends given the spread of digital technologies and the growing importance of the Internet; and companies benefit economically from scale, but the specific needs of smaller communities are also important. Certain issues such as net neutrality and cultural diversity can have cross-implications. Effective administration and governance have considerable overlap and the Canadian Radio-television and Telecommunications Commission (CRTC) regulates both the broadcasting and telecommunications sectors. Moreover, both the broadcasting and telecommunications sectors benefit from policies that encourage competition, innovation, and affordability of service.

Overall, it is in the public interest to have a joint review that considers the legislation in light of the linkages that exist. In addition to the Broadcasting Act and the Telecommunications Act, any necessary changes to the Radiocommunication Act ought to be considered given that it constitutes an integral part of the same legislative framework, and is constructed in a manner that takes the objectives of the Telecommunications Act as its own. These three Acts are complementary and form the main legislative framework for communications.

To an extent, broadcasting and telecommunications are distinct activities. The goals and practices associated with creating, choosing, and packaging different types of content can be quite different from building and operating telecommunications networks. These differences have historically been reflected in distinct pieces of legislation and policy objectives. Nevertheless, given the complementary nature of the legislation in question, common trends, and policy linkages, it is important to have a coherent review that does not examine these issues in isolation.

Broadcasting and telecommunications together make up Canada’s communications sector, each guided by the ambition to reach a world-class standard. A world-class communications sector should enable Canadians to connect with each other and the world, be competitive, be innovative, contribute to economic growth, and provide reliable services at affordable rates to Canadians across the country.

Our communications sector should also enable and promote culture as touchpoints for Canadians and be the foundation for Canadian content and culture in English and French, which thrive in Canada and abroad. It should also enable Canadians to participate in the free flow and exchange of information, supporting the principles of Canadian democracy. Finally, a world-class
communications sector for Canada should safeguard the interests of Canadian consumers and support the safety, security, and privacy of Canadians.

This document goes on to set out the Government’s priorities for telecommunications and broadcasting along with key questions for consideration in conducting the review. While the discussion below is organized by statute, these issues should be examined with due consideration to the common linkages and cross-cutting factors that exist.

**III. TELECOMMUNICATIONS ACT & RADIOCOMMUNICATION ACT**

Telecommunications networks are a critical enabling platform. They are used for personal communications, e-commerce and entrepreneurship, information and entertainment, education, healthcare, scientific research, and emergency services.

The market and technological context for telecommunications has evolved dramatically. Wireless communications in Canada have grown from a relatively niche service to tens of millions of connections and devices. The Internet has similarly grown into an essential service throughout the economy and society.

The Government recognizes how important these services are for daily life and set out in its telecommunications policy vision priorities of quality, coverage, and price. It is essential that these services are: of high quality; reliable while reflecting technological advance; available where Canadians live and work, including in rural and remote areas; and affordable. Without competitive prices and choice, Canadians cannot afford to use these services.

Nevertheless, the sector is still marked by substantial economies of scale and a high degree of concentration. While reports have typically found that Canada has high-quality networks, high prices are a persistent challenge. There are growing concerns over safety, security, and privacy risks as more of our activities go online. It is imperative that we continue to build out affordable, high-quality services and close the digital divide. Future waves of technological change are expected with the advent of 5G wireless networks, ever-growing demand for faster network speeds, and rapid growth in the number of devices connecting everything from automobiles to sensors for precision agriculture.

Over the course of this evolution, some aspects of the Telecommunications Act and Radiocommunication Act have held up well, while in others there is scope for improvement. This review is an opportunity to ensure Canada has a modern legislative framework that is positioned for the future.

In light of this context, the Government would like to hear views on legislative changes that would improve our ability to address the following priorities:
1. **Universal Access and Deployment**

Universal access to high-quality and affordable telecommunications services has never been more important. This importance is currently reflected in legislative provisions and the CRTC’s basic service regulatory framework, which was recently updated to include modern broadband and mobile services. Outside of this framework, a series of Government funding programs have directly supported expansion to parts of the country that would not otherwise be served by the private sector. Improving access to these services for Canadians in rural and remote areas, including for Indigenous communities is a key priority.

A related issue is access to passive infrastructure such as poles, ducts, and rights-of-way for deploying telecommunications infrastructure. Inefficient access can dramatically increase the cost of deployment or prevent it altogether. This importance is expected to grow with developments in 5G wireless, small cells that have equipment distributed in a much greater variety of locations and on non-traditional structures, and increasing demand for fibre optics. However, responsibilities over access to passive infrastructure are currently shared across multiple bodies and levels of government, presenting challenges for efficient and effective deployment.

Universal access and deployment also play a role in achieving the objectives of the *Broadcasting Act*. As more and more cultural content becomes available via the Internet, ensuring that Canadians in all regions have access to high-quality and affordable telecommunications services becomes helpful in enabling cultural expression and diversity.

**Questions**

1.1 *Are the right legislative tools in place to further the objective of affordable high quality access for all Canadians, including those in rural, remote and Indigenous communities?*

1.2 *Given the importance of passive infrastructure for network deployment and the expected growth of 5G wireless, are the right provisions in place for governance of these assets?*

2. **Competition, Innovation, and Affordability**

A key Government priority is promoting competition within all sectors of the Canadian economy to ensure growth and continued economic development. Dynamic competition is important for a modern communications landscape that produces innovation, choice, and affordable prices for Canadians. The *Telecommunications Act* gives the CRTC certain tools to promote competition and its associated benefits. Relevant policy objectives include affordability of high-quality services and responding to the economic and social requirements of users. The objectives also include a provision to promote reliance on market forces, an important consideration in the early 1990s monopoly environment.
Given the integrated nature of many Canadian carriers and the high degree of concentration in the sector, barriers to dynamic competition need to be considered in the context of convergence. However, it should be made clear that the Government is not interested in a proposal that reduces Canadian ownership of broadcasting.

**Question**

2.1 *Are legislative changes warranted to better promote competition, innovation, and affordability?*

3. **Net Neutrality**

Net neutrality is a key Government priority given its importance for freedom of expression and the “innovation without permission” ethos that underpins the success of the Internet.

Net neutrality principles are currently reflected in the sections of the legislation concerning discrimination/undue preference and a prohibition of carriers from controlling the meaning of messages. The CRTC has issued regulatory decisions to implement these principles that take into account different technological and market circumstances. Flexibility has enabled the CRTC to act quickly to apply these principles to new situations and to tailor the rules appropriately. Canada has been a world leader in this regard. However, more and more activities are shifting online and networks are carrying an increasingly diverse range of applications. Net neutrality principles must continue to be a core part of future legislation while giving the regulator the flexibility needed to consider new developments and adapt accordingly.

**Question**

3.1 *Are current legislative provisions well-positioned to protect net neutrality principles in the future?*

4. **Consumer Protection, Rights, and Accessibility**

As telecommunications services pricing and contracts have grown more complex, measures to protect consumer interests have become more important. The ability for Canadians with physical disabilities to be able to fully engage with modern communications services is critical to their social and economic wellbeing. Relevant legislative provisions include the policy objective to respond to the economic and social requirements of users and CRTC authority to attach conditions of service. Currently, the CRTC requires that telecommunications service providers participate in the consumer protection framework administered by the Commission for Complaints for Telecom-Television Services and to abide by the CRTC’s Wireless Code of Conduct. Similarly, the CRTC has regulations in place to compel accommodations for Canadians with disabilities such as Video Relay Service, which is a sign-language translation service used by Canadians with hearing disabilities.
Question

4.1 Are further improvements pertaining to consumer protection, rights, and accessibility required in legislation?

5. SAFETY, SECURITY AND PRIVACY

Public safety, security, and privacy take on an expanded meaning and increased importance given how deeply the Internet reaches into Canadian homes and businesses. Concerns of Canadians extend far beyond the vital 9-1-1 services that connect them to first responders. The lines between networks, services, applications, and content have blurred. Emerging technologies like quantum computing, distributed ledger technology, big data, machine learning, and artificial intelligence are expected to fundamentally change our notions of security and privacy. Currently, there is no explicit reference to security/safety in the objectives, while privacy is reflected.

Safety, security, and privacy are broad issues that extend well beyond the Telecommunications Act and Radiocommunication Act. Economic security, national security, public safety, and the security of critical infrastructure are distinct and yet closely linked. These concepts are more broadly addressed through other statutes and legislative authorities. In considering the Telecommunications Act/Radiocommunication Act, key considerations are how to balance security, privacy, and the potential for economic growth and innovation, and whether changes are warranted in this context or are best addressed elsewhere.

Question

5.1 Keeping in mind the broader legislative framework, to what extent should the concepts of safety and security be included in the Telecommunications Act/Radiocommunication Act?

6. EFFECTIVE SPECTRUM REGULATION

The changing nature of wireless communications will continue to drive demand for new and innovative approaches to spectrum regulation. The deployment of 5G networks and the Internet of Things, for example, will not only increase the overall demand for wireless bandwidth with billions of devices used by millions of Canadians, but result in a wide variety of smart devices and intelligent users. The context has changed dramatically since the Radiocommunication Act was introduced.

These devices, which can be compliant when they are sold to the user, but changed or used afterwards in an unauthorized manner, test the limits of today’s regulatory framework and could hamper innovation and enforcement in the future.
Question

6.1 Are the right legislative tools in place to balance the need for flexibility to rapidly introduce new wireless technologies with the need to ensure devices can be used safely, securely, and free of interference?

7. Governance and Effective Administration

The government’s responsibilities and powers to address issues in telecommunications and radiocommunication are assigned to different organizations and decision-makers, such as the CRTC, ISED, Competition Bureau, as well as Cabinet. Periodically, it is important to be re-examine decision-making structures to ensure they continue to suit the current context, are performing effectively and efficiently, and can support competition in the telecommunications market.

In particular, there is the opportunity to consider the Governor-in-Council (GiC) powers that set the conditions of the relationship between the government and the CRTC. The current GiC powers are limited to a few sections within the Telecommunications Act, most notably which grant the GiC the ability to issue a binding broad policy direction to the CRTC, vary or rescind or refer back a CRTC decision, and require the CRTC to make a report on an issue of the GiC’s choosing. This issue area has substantial linkages with the comparable section under the Broadcasting Act.

Questions

7.1 Is the current allocation of responsibilities among the CRTC and other government departments appropriate in the modern context and able to support competition in the telecommunications market?

7.2 Does the legislation strike the right balance between enabling government to set overall policy direction while maintaining regulatory independence in an efficient and effective way?
IV.  **Broadcasting Act**

The current *Broadcasting Act* was enacted at a time before the rise of the Internet, when the Canadian broadcasting system and the production and exhibition of Canadian programming was mostly insulated from international competition and overseas players. In this environment, a major part of the broadcasting system’s value was its unique ability to cultivate and maintain cultural sovereignty and identity, as the majority of the programming viewed by Canadians was provided by Canadian broadcasters.

In the 27 years since the Act was enacted, the Internet has allowed content to flow across borders and be created in new ways. Now, Canadians have a seemingly infinite amount of choice in the content they want to consume, and creativity is being harnessed in ways Parliament could not have predicted. The new open, global communications environment creates opportunities for Canadian content on the world stage but also poses challenges at home with respect to the creation of and access to Canadian cultural content, as well as, reliable news and information content.

The Government’s vision for a Creative Canada, announced in Fall 2017, emphasized the need to: protect, promote, and support Canadian culture, in both official languages; capture a greater share of global markets; take a platform-agnostic perspective; and embrace culture and creativity’s potential as a driver for economic growth, in light of the change and disruption that has taken place in the communications environment.

The broadcasting sector can play a key role in this vision by acting as a launchpad for Canadian content to compete at the global level, and harnessing the potential of Canadian culture and its creativity to drive economic growth, all while serving its role in protecting culture, and cultivating and maintaining cultural identity and diversity. The value placed on Canada’s broadcasting sector can be expanded and redefined to focus on choice and creativity while maintaining the core principles of national identity and cultural sovereignty that underpin Canada’s cultural policy.

The goal of this review is to modernize the communications framework to support this vision. The *Broadcasting Act* can play a pivotal role in the Government’s new approach given its function in establishing the regulatory framework for the broadcasting industry. As such, the Government would like to hear views on legislative changes that would improve our ability to address the following priorities:

8. **Broadcasting definitions**

The *Broadcasting Act* sets out a regulatory framework for the Canadian broadcasting system. The *Act* defines the broadcasting system as a single system comprising radio and television broadcasters, from the public, private, and community broadcasting sectors, engaged in both programming and distribution activities – undertakings which involve the transmission of
programs by means of telecommunications to the public, which has been characterized as a technologically-neutral definition. The CRTC has a regulatory framework in place via licencing and exemption orders. As part of this framework, broadcasters are required to contribute to the policy objectives set out in the *Broadcasting Act*, such as through financial contributions, programming expenditure, and exhibition requirements.

Today, new forms and sources of content are entering the Canadian market unlicensed through digital technology. In this context, broadcasting services and content can be seen as one part of a larger, open, and shifting communications landscape. Online services, both Canadian and foreign, have become a part of Canada’s creative ecosystem and have a role to play in the production, distribution, and discovery of Canadian content. The Government is seeking ways to ensure that broadcasting stays relevant and that there is fairness in the system, as well as to define the role of online players.

**Questions**

8.1 *How can the concept of broadcasting remain relevant in an open and shifting communications landscape?*

8.2 *How can legislation promote access to Canadian voices on the Internet, in both official languages, and on all platforms?*

9. **Broadcasting Policy Objectives**

In the new digital environment with almost limitless choice and increased competition for audiences, there is a recognition of a greater imperative to ensure high-quality and competitive programming, to promote it effectively and to ensure its discoverability both at home and abroad (e.g., as a launchpad for Canadian content). The current *Broadcasting Act* was enacted at a time in which television and radio were primary sources for information and entertainment content for Canadians. It set out some twenty discrete policy objectives and twenty-eight sub-objectives focussed on ensuring the creation and presentation of Canadian programming that would reflect the needs and aspirations of Canadians in all their diversity. This includes official language minority communities, Indigenous Peoples, and persons with disabilities.

**Questions**

9.1 *How can the objectives of the Broadcasting Act be adapted to ensure that they are relevant in today’s more open, global, and competitive environment?*

9.2 *Should certain objectives be prioritized? If so, which ones? What should be added?*

9.3 *What might a new approach to achieving the Act’s policy objectives in a modern legislative context look like?*
10. SUPPORT FOR CANADIAN CONTENT AND CREATIVE INDUSTRIES

The Broadcasting Act states that “each element of the broadcasting system shall contribute in an appropriate manner to the creation and presentation of Canadian programming.” Ensuring that Canadian programming is readily available and that the enabling legislation allows for the production and creation of Canadian programming is a core component of the Broadcasting Act. The Government’s vision for a Creative Canada makes investing in Canadian stories, artists, and creators a priority.

There are a number of tools and mechanisms to require support for Canadian content, such as quotas on radio and television, expenditure requirements for programming undertakings, and regulatory contributions and mandatory carriage requirements for broadcasting distribution undertakings. In contributing to the creation of and access to Canadian content, broadcasters play a key role in the Government’s vision for a Creative Canada. Without a viable and healthy broadcasting sector, the continued success of Canadian creators, independent producers, and the content they produce is at risk.

The traditional business model of Canadian broadcasters is facing disruption brought about through the spread of digital technology. This presents opportunities and challenges. By breaking down borders and facilitating instant communication, digital technology provides increased access to export markets for Canadian content while also providing more opportunities for partnerships and collaboration with creators, producers, and new players all over the world. At the same time, Canadians are accessing and consuming information and entertainment content more and more from foreign Internet-based audio and video service providers and on an increasingly diverse range of devices, particularly mobile phones. These players are now part of the Canadian marketplace and compete with traditional broadcasters (primarily private broadcasters) for subscribers, audiences and revenues. Their presence also challenges the viability and success of French-language content. In addition, broadcasters and content producers face online piracy, which is challenging the business model of content creation and distribution.

Traditional regulatory mechanisms by which creation and access to Canadian content have been achieved may not be as effective in the digital environment where usual practices linked to scheduled audio or television programming or story-telling may no longer apply. Therefore, there is an opportunity to consider whether there are new ways that Canadian content creation, distribution, and discovery in both official languages can be supported in this new digital communications environment. However, the Government is not interested in an approach that increases the cost of services to Canadians.

Questions

10.1 How can we ensure that Canadian and non-Canadian online players play a role in supporting the creation, production, and distribution of Canadian content?
10.2 How can the CRTC be empowered to implement and regulate according to a modernized Broadcasting Act in order to protect, support, and promote our culture in both official languages?

10.3 How should legislative tools ensure the availability of Canadian content on the different types of platforms and devices that Canadians use to access content?

11. DEMOCRACY, NEWS, AND CITIZENSHIP

Through its news and information programming on both radio and television, Canadian broadcasting plays a key role in the development and maintenance of a healthy democracy, where institutions are held accountable and citizens are engaged and informed. Local television and radio provide Canadians with information on issues that affect their daily lives.

Moreover, for news and information programming to fulfill its role in maintaining a vibrant and healthy democracy, there must be a diversity of voices expressed and heard in the broadcasting sector. Only when there is a multitude of perspectives and opinions coming from separate independent sources can news and information programming enable a marketplace of ideas where democracy can flourish.

Canadian news media are in the process of a disruptive and dramatic change. Broadcasters are key players in the funding and distribution of local news and are facing reduced revenues, and a shrinking advertising market as large foreign online players attract more and more advertising revenues. Furthermore, social media platforms are becoming an increasingly significant source of news. Recognizing the appeal and reach of such platforms, various actors are using them to distribute false and misleading information. The phenomenon of online disinformation has the potential to undermine our democratic institutions, compromise the integrity of our elections and erode public trust.

Both public and private broadcasters have a role to play to ensure that Canadians receive local news and information in both official languages.

Questions

11.1 Are current legislative provisions sufficient to ensure the provision of trusted, accurate, and quality news and information?

11.2 Are there specific changes that should be made to legislation to ensure the continuing viability of local news?
12. Cultural Diversity

Cultural diversity is about ensuring that Canadians of all backgrounds and experiences can create and access content that speaks to them; this means protecting, supporting, and promoting Canadian content as technology evolves and changes. In the online environment where content flows effortlessly across borders, cultural diversity operates in a new open Internet context, one that respects net neutrality and enables the diversity of cultural expression. By enabling diversity of cultural expression, the online environment should also respect and have room for linguistic duality, Indigenous cultural expression, and gender equality. A review of the legislative framework for the communications sector should take this context into account.

Question

12.1 How can the principle of cultural diversity be addressed in a modern legislative context?

13. National Public Broadcaster

The current Broadcasting Act contains the mandate of the national public broadcaster. The Government continues to support this mandate, which requires CBC/Radio-Canada to provide a wide range of programming that: informs, enlightens, and entertains; is created for both English and French linguistic markets; reflects regions; promotes cultural expression; and serves linguistic minority communities.

With the rise of digital media, the context in which CBC/Radio-Canada operates has undoubtedly shifted since the Act was written. Canadians expect our national public broadcaster to show strong leadership and fully renew its rich tradition of excellence in the digital world. As such, the mandate of the public broadcaster needs to adapt to the modern context in order to ensure that CBC/Radio-Canada keeps serving Canadians from all over the country while maintaining its existing mandate to “inform, enlighten and entertain”. The Broadcasting Act review will explore ways to update CBC/Radio-Canada’s mandate and ensure its independence and stability over the long-term.

CBC/Radio-Canada should be a leading partner among Canada’s cultural and news organizations, and should play a leading role in showcasing Canadian cultural content in both French and English, and in reflecting Indigenous Peoples and our country’s diversity—at home and around the world.

Questions

13.1 How should the mandate of the national public broadcaster be updated in light of the more open, global, and competitive communications environment?

13.2 Through what mechanisms can government enhance the independence and stability of CBC/Radio-Canada?
13.3 How can CBC/Radio-Canada play a role as a leader among cultural and news organizations and in showcasing Canadian content, including local news?

13.4 How can CBC/Radio-Canada promote Canadian culture and voices to the world, including on the Internet?

13.5 How can CBC/Radio-Canada contribute to reconciliation with Indigenous Peoples and the telling of Indigenous stories by Indigenous Peoples?

13.6 How can CBC/Radio-Canada support and protect the vitality of Canada’s official languages and official language minority communities?

14. Governance and Effective Administration

A review of the Broadcasting Act should consider how the functioning and efficiency of the regulatory framework could be improved given technological developments, including the growing impact of algorithms on access to content. The CRTC’s main instrument to achieve policy goals stems from its ability to grant broadcasting licences and impose terms on those licences. A review of the Broadcasting Act should consider how the modern context necessitates a rethinking of the way the CRTC achieves its policy goals. In addition, it should consider whether the tools available to the CRTC other than licensing (such as enforcement mechanisms) are sufficient to achieve the policy objectives of the Act.

There is also the opportunity to consider the Governor-in-Council (GiC) powers that set the conditions of the relationship between the government and the CRTC. The current GiC powers are limited to a few sections within the Act, most notably which grant the GiC the ability to issue a broad policy direction to the CRTC, refer back a licensing decision, and request that the regulator provide a report on an issue of the GiC’s choosing. In a time of transition and great change, there is an opportunity to consider whether this balance needs to be adjusted, while upholding the essential independence of the regulator.

Questions

14.1 Does the Broadcasting Act strike the right balance between enabling government to set overall policy direction while maintaining regulatory independence in an efficient and effective way?

14.2 What is the appropriate level of government oversight of CRTC broadcasting licencing and policy decisions?

14.3 How can a modernized Broadcasting Act improve the functioning and efficiency of the CRTC and the regulatory framework?

14.4 Are there tools that the CRTC does not have in the Broadcasting Act that it should?
14.5 How can accountability and transparency in the availability and discovery of digital cultural content be enabled, notably with access to local content?

V. CONCLUSION

Canada has built a legislative framework comprised of the *Telecommunications Act*, the *Radiocommunication Act*, and the *Broadcasting Act* that has served Canadians over the years. Now is the time to renew that framework. This represents an opportunity to take a more modern and complementary approach to our review of communications legislation, ensuring a coherent analysis and set of recommendations in the pursuit of creating and maintaining a world-class communications sector in Canada.

This Government invites you as members of the Panel to think how broad trends are driving change and consider innovative and practical ways to ensure that our legislation is well-positioned for the future and Canada’s communications sector continues to serve the needs of Canadians.