



September 9, 2025

Mr. Marc Morin
Secretary General
Canadian Radio-television and
Telecommunications Commission
Gatineau (Québec) K1A 0N2

Filed Online

Dear Secretary General Morin:

Re: Broadcasting and Telecom Notice of Consultation CRTC 2025-94 – *Call for comments – A new approach to funding public interest participation in Commission proceedings* – DIMA Comments

1. These are DIMA's comments in the above-noted consultation on behalf of our members, the world's leading music streaming companies.

Introduction and executive summary

2. DIMA agrees that the Commission should consult stakeholders, including public interest organizations, to ensure that its decision-making reflects all relevant views and information. Wherever possible, however, the Commission can and should choose more focused and less expensive means of consultation than formal public hearings alone. There are opportunities to make participation much more productive and cost-effective through interactive stakeholder roundtables, and by ensuring that sets of related questions and issues are addressed once, in a single proceeding, rather than in multiple overlapping proceedings. In short, all stakeholders can benefit from tailored, streamlined consultation processes.
3. The following are our key positions in this submission.

- Requiring online streaming businesses, in particular audio streaming services, to contribute to third-party participation funding in broadcasting proceedings would depart from the global norm, and does not appear to have broad support from Canadian public interest organizations. The Commission should not require such contributions.
 - Where public interest participation funding can and should be imposed, the only contributors should be operators of broadcasting undertakings that are directly impacted by the proceeding and decision-making, and costs awards should be modest, reasonable and transparent.
 - Online streaming services, in particular foreign music streaming services, should not be responsible for participation costs for issues under statutes other than the *Broadcasting Act*, or for issues unrelated to their businesses.
 - Where a proceeding concerns or directly implicates one business or a limited number of businesses, the Commission should award costs to be paid only by those businesses.
 - Where any costs are awarded for a proceeding that implicates an entire sector – such as music streaming businesses generally – such payments should be drawn from a pooled fund.
4. In this submission, where we are responding to particular questions from the Notice of Consultation, we have set the question(s) out above our comments.

A. *Determining who should be funding participation*

Q1 and Q3: Funding processes in telecommunications and broadcasting proceedings

5. Before the *Broadcasting Act* was amended by the *Online Streaming Act*, the Commission did not have express authority to impose costs in broadcasting proceedings, and did so only as part of its review of a limited number of large-scale transactions. There is therefore no precedent for a comprehensive public participation funding framework under the *Broadcasting Act*. The telecommunications sector does have an established system for awarding costs under section 56 and related provisions of the *Telecommunications Act*. However, the stakeholders, market, issues and policy for costs awards in the telecommunications sector and under the *Telecommunications Act* are markedly different from those in

the broadcasting sector and under the *Broadcasting Act*.¹ Public interest participation and funding requirements are not comparable between the two sectors. Importing the telecom cost regime into broadcasting would amount to cut-and-paste regulation without policy justification, and against the clear language of the *Broadcasting Act* specifically limiting the Commission's regulatory and order-making power to participants, matters and proceedings under the *Broadcasting Act*. Recognizing these differences, the Commission should take a restrained approach to setting up a funding system under the *Broadcasting Act*. It should not impose additional funding obligations on online undertakings, in particular audio streaming services. Where it does impose funding obligations, they should be modest, reasonable and transparent, and fall on the operators of broadcasting undertakings that are directly impacted by the proceeding and decision-making.

Q14 and Q15: Who should be required to contribute / responsible to pay costs?

6. The Commission stated in the Notice of Consultation that currently, Canadian telecommunications companies and broadcasters fund public interest groups under the *Telecommunications Act* and *Broadcasting Act*, and that “[f]ollowing amendments to the *Broadcasting Act*, online streaming services could potentially support public participation in the Commission's proceedings as well.” The Commission is correctly treating this option as a possibility, and not necessarily as a conclusion.
7. Requiring online streaming businesses, in particular music streaming services, to contribute to third-party participation funding in broadcasting proceedings would depart from the global norm. Our members are not subject to such a requirement in other jurisdictions.
8. We also note that the Commission has included in the record of this proceeding the 27 October 2023 Part 1 application submitted by eight organizations calling for more stable funding for public interest participation. The organizations stated that they “do not believe it is either appropriate or necessary at this time to require non-Canadian registrants to make expenditures on the [Broadcasting Participation Fund].”² DIMA

¹ The telecommunications sector is characterized by significant economic issues with direct consumer impact (e.g. rate-setting), a limited number of national businesses with dominant market share, and, tied in with the foregoing, persistent competition issues. These factors present very specific consumer and public interest issues in Commission telecommunications proceedings that call for a high degree of technical, quantitative, economic assessment and critique.

² Available at https://applications.crtc.gc.ca/TransferToWeb/2025/2025-94_related%20documents.zip, DM#4866470, “Regulations to support public-interest participation in CRTC broadcasting matters” submitted by Samuelson-

agrees that it is not evident that foreign online undertakings should be required to contribute to Canada's local public interest funds.

9. The following comments are submitted notwithstanding the above positions. If the Commission does require online undertakings, including foreign businesses, to contribute to Canada's public interest organizations, this should be done in a manner that aligns with their regulated activities in Canada under the *Broadcasting Act*.
 - a. Sections 11.1(1)(c) and 11.1(2) provide the Commission with the authority to make regulations and orders respecting expenditures by persons carrying on broadcasting undertakings to support public interest participation only in "proceedings before the Commission under [the *Broadcasting Act*]". Where the Commission holds combined proceedings under the *Broadcasting Act* and other statutes that it administers, including the *Telecommunications Act* and the *Online News Act*, online undertakings, or at least foreign businesses, should not be responsible for any costs relating to issues or regulatory matters under those other statutes.
 - b. Section 3(1)(a.1) of the *Broadcasting Act* provides that each broadcasting undertaking shall contribute to the broadcasting policy for Canada "in a manner that is appropriate in consideration of the nature of the services provided by the undertaking". Foreign online undertakings should not be responsible for costs relating to issues or regulatory matters that do not directly impact them and their business models. For example, music streaming services should not be responsible for any costs relating to public interest submissions concerning traditional broadcasters or audiovisual services.

B. Determining how funding requirements should be imposed

10. As stated in section A, DIMA submits that new funding requirements should not be imposed on audio streaming services. Without prejudice to that position, DIMA wishes to comment on some principles applicable to the imposition of funding requirements. All comments in Sections B and C should be read accordingly. The Commission stated in the Notice that "any new funding must respect the legal limits imposed by the *Telecommunications Act* and *Broadcasting Act*". However, the

Glushko Canadian Internet Policy and Public Interest Clinic (CIPPIC); Consumers Council of Canada; Forum for Research and Policy in Communications (FRPC); OpenMedia; Option consommateurs; Public Interest Advocacy Centre (PIAC); Public Interest Law Centre (PILC); and Union des consommateurs. See paras. 142; ES40 (definition of *Canadian broadcast ownership group*); and Synopsis.

Commission has not referenced the mechanisms and restrictions set out under the *Broadcasting Act*, or raised questions about the available legal options.

11. Section 11.1(1) of the *Broadcasting Act* provides that the Commission may make regulations and orders to require persons carrying on broadcasting undertakings to make expenditures for the purpose of supporting public interest participation in Commission proceedings.³ Regulations would generally apply to all such persons, or classes of them (section 11.1(4)); orders would apply to particular persons (section 11.1(2)).
12. Any expenditure obligations to support public participation should be imposed under regulations, and not via orders. Regulations provide greater certainty to affected stakeholders on all sides, over time. Regulations also provide a fuller framework for rules, terms and conditions for all sides. Moreover, by their very nature, orders are unsuitable for public policy funding. It would not be appropriate to require a particular business to direct payment to a public interest organization for participation in a policy proceeding on a one-on-one basis: that could leave an incorrect and inappropriate impression of sponsorship or influence between the parties.

Q14 and Q15: Collecting funding through a third-party fund versus identifying respondents on a proceeding-by-proceeding basis:

13. Where a proceeding concerns or directly implicates one business or a limited number of businesses, the Commission should award costs to be paid only by those businesses. If minimum contributions are required, they must remain modest (for example, in the order of \$1,000).
14. Where any costs are awarded for a proceeding that implicates an entire sector – such as music streaming businesses generally – such payments should be drawn from a pooled fund.
15. If the Commission requires foreign online undertakings to support public participation in its proceedings under the *Broadcasting Act*, and approves the Broadcasting

³ Section 11.1(1) of the *Broadcasting Act* (the “Act”) provides that the Commission “may make regulations respecting expenditures to be made by persons carrying on broadcasting undertakings for the purposes of [...] supporting participation by persons, groups of persons or organizations representing the public interest in proceedings before the Commission under this Act”.

Section 11.1(2) of the Act provides that the Commission “may make an order respecting expenditures to be made by a particular person carrying on a broadcasting undertaking” for the above purpose.

Participation Fund or another fund to administer those costs, the governance structure of the fund should include appropriate representation from foreign online undertakings, in the form of a director position or the right to approve a director to represent broadcasting undertaking contributors' interests.

16. However payments are to be made – via a third-party fund or on a proceeding-by-proceeding basis – the Commission must ensure that contributing businesses' commercial and financial information is fully protected at all times and that no disclosure mechanism inadvertently reveals confidential market data. This could include, for example, instances where costs are allocated on the basis of revenues, market share, or other commercially sensitive factors. The Commission has previously recognized the concerns of online undertakings where they are required to share sensitive information with third parties⁴ or file sensitive information with the Commission,⁵ and it should continue to recognize that concern in the context of public interest participation funding. If the Commission requires foreign online undertakings to make such contributions, DIMA supports the use of confidentiality measures such as the use of a third-party administrator to aggregate amounts payable by multiple contributors, where applicable, as is done by Welch Fund Administration Services for online undertakings' base contribution payments.⁶

C. Administering applications

Q2: Who should process applications: the Commission or an independent third party?

17. Pursuant to section 11.1(5) of the *Broadcasting Act*, regulations and orders may provide for payment to a person or organization, other than the Commission, or to a fund, other than one administered by the Commission. This means that the Commission may not receive payments, or administer a fund itself. However, the Commission can and must be involved in public participation funding processes – that is evident from its statutory powers to make regulations or orders concerning funding.

Q11, Q12 and Q13: Ensuring that the funding system covers appropriate costs

⁴ [Broadcasting Regulatory Policy CRTC 2024-121-1](#) at paras. 71-76.

⁵ [Broadcasting Regulatory Policy CRTC 2022-47](#) at para. 145, and [Broadcasting Regulatory Policy CRTC 2024-121-1](#) at para. 79.

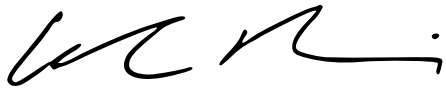
⁶ We note that Welch is also the Costs Officer for the Broadcasting Participation Fund.

18. The Commission should require regular (at least annual) reports from any organization that administers public participation funding, including with respect to governance, finances and audits, eligibility criteria and payments issued or denied. If the Commission does not establish a generally applicable “taxation of costs” procedure to be followed by funding administrators under the *Broadcasting Act*, the Commission should approve any such procedures in advance, following public consultation. An appeal on costs awards must be available to the Commission.

Conclusion

19. Thank you for the opportunity to provide comments in this consultation.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Rushing'.

Colin Rushing
Executive Vice President and General Counsel
Digital Media Association (DIMA)

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