

**Unifor Submission on the Independent Local News Fund (ILNF)**

**BNOC CRTC 2024-164  
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## Contact

Lana Payne

National President

[lane.payne@unifor.org](mailto:lane.payne@unifor.org)

## Broadcasting Notice of Consultation CRTC 2024-164 – Call for comments on the Independent Local News Fund (ILNF)

1. Thank you for the opportunity to reply to the Call for comments on the Independent Local News Fund (ILNF) (Broadcasting Notice of Consultation CRTC 2024-164).
2. Unifor is Canada's largest private sector union, with more than 320,000 members across Canada working in 20 economic sectors. Unifor is one of Canada's largest unions in the media sector, representing more than 10,000 media workers, including 5,000 members in the broadcast and film industries.
3. Our members working in newspapers and digital news publishing work at some of the largest national and provincial dailies, including the Globe and Mail, Toronto Star, National Post, London Free Press, the Toronto Sun, the Vancouver Sun and The Province, the Winnipeg Free Press, Brandon Sun, Thunder Bay Chronicle, Lethbridge Herald, the Winnipeg Sun, and the Hamilton Spectator. Our employers include national media companies like Torstar and Postmedia, as well as regional enterprises like Black Press and Continental.
4. Unifor broadcast members work for radio and television stations serving local communities as well as national discretionary pay and specialty services, and distribution services that include cable, satellite and wireless telephony.
5. Unifor broadcast members are employed by large, private Canadian broadcasters and distributors, including Corus (e.g. Global), as well as Canada's largest Vertically Integrated (VI) firms: Rogers (e.g. City and OMNI stations) and Bell Media (e.g. CTV). In addition, Unifor members work for independently-owned and locally-based television stations (such as CHCH TV in Hamilton, Ontario and CHEK in Victoria, BC) as well as public television stations (e.g. TV Ontario).

### Background

6. For years, Unifor has consistently supported and participated in the creation of new funding models for Canada's struggling media sector. Our union supported the development and passage of the *Online News Act* and the *Online Streaming Act* and related regulations, and we have engaged in countless consultations and applications before the Commission, all in an effort to create new, sustainable and equitable funding models for Canadian news businesses.
7. In all cases, Unifor has prioritized the critical need to stabilize, support and foster the creation of original local news in communities across the country, which we argue is foundational to the health of Canadian democracy. For Unifor, supporting original local news means supporting Canadian newsrooms, and the professional journalists and media workers working there.

8. Starting in 2017, the Independent Local News Fund (ILNF) has played an important role in supporting television stations that offer local news and information and do not benefit from being part of a larger vertically integrated (VI) company. Since then, the crisis facing Canada's media sector has worsened, especially regarding the creation of original local news.
9. Unifor is grateful for the Commission's focus on addressing Canada's local news crisis, including in Broadcasting Regulatory Policy CRTC 2024-121, which specified new funding through base contributions by online streaming services, and noted, "the new funding would be directed to areas of immediate need in the Canadian broadcasting system, including local news."
10. This increased funding for the ILNF, which had previously seen a steady decline in contributions since 2017, is reason enough to revisit the purpose, structure, and guidelines of the fund. The Corus application for ILNF eligibility<sup>i</sup> following the approval of the Rogers/Shaw merger provides the Commission with another important reason to re-examine the ILNF.
11. Regarding the Rogers/Shaw merger consultations (Broadcasting Notice of Consultation CRTC 2021-281), we would like to respectfully remind the Commission that Unifor raised a red flag about how the merger would lead to the loss of \$13 million in allowable local expression contributions from Shaw for Corus stations, and we were concerned about how Corus would make up that gap. It is worth noting that in our submission, we wrote:

Unifor would like to ensure that contributions will not diminish in the 'flexible' funding formula with this transaction. The loss of thirteen (\$13) million dollars in funding for Corus television stations could be disastrous. At best, local news levels would stay the same but would be redistributed from West to East in this country; at worst flexible funding formulas that aren't adjusted could cause a devastating loss of local news and community content, that won't be able to be recovered if we don't act accordingly.<sup>ii</sup>

12. With all this as important background context, Unifor would like to take the opportunity to respond to the Commission's specific questions and provide general comments below.

Q.1 Currently only private conventional television stations that provide locally reflective news and information are eligible to receive ILNF funding. Should the Commission revise the current criteria to permit access to the ILNF by a broader range of audiovisual news providers? If so, which eligibility criteria should the Commission use?

13. Unifor believes that the Commission should consider revising the current criteria to permit access to the ILNF by a broader range of audiovisual news providers, provided they meet equivalent criteria of existing participants, including:

- The production of high quality original local news (does not include National news);
- Adherence to journalistic standards;
- Adherence to an equivalent of the qualified Canadian journalism organization (QCJO) eligibility requirements (especially that funding should support full-time journalists who spend at least 75% of their time engaged in the production of original news content);
- Maintains a strong local presence in the community they serve, including—maintaining a threshold of journalists on the ground in the community, and the production and control of local news in the community;
- A requirement for regular, daily local newscasts;
- Expenditure requirements and exhibition requirements for the number of original local news hours broadcast;
- Is Canadian owned and controlled; and
- Has an emphasis on serving smaller/underserved markets.

14. It is clear that the question of exactly how much money will be available in the ILNF following the creation of the new funding stream will have a huge influence on whatever new funding model the Commission establishes and the allowance of new entrants.

15. Further, the Commission must structure the new eligibility rules based on a series of priorities that take into account a variety of factors, including, but not limited to: ownership status (VI, independent, or other); market location and size (metropolitan, rural, or remote) and service levels; platform type (traditional audiovisual or online); language; and cultural relevance.

16. While balancing all these factors may appear to be a daunting task, especially given the limited amount of funds available (while acknowledging the increased level of funds available thanks to Broadcasting Regulatory Policy CRTC 2024-121) Unifor respectfully recommends the following funding model, in order of priority:

#### **Should there be enough money**

- Current recipients of the ILNF should receive no less than the current formula, and any caps on the current funding model should be eliminated to

promote the creation of more local news. Corus should be granted full eligibility to the fund.

- If the fund allows, after the above conditions are met, the Commission could consider providing funding to current small market stations that are owned and operated by vertically integrated companies (i.e. Bell and Rogers). This would replace the Small Market Local Programming Fund, which ended in 2017.
- Once these priorities are met, the Commission could consider new entrants into the fund.

### **Should there be restraints on the amount of money in the fund**

- Under no circumstances should current recipients receive less funding than they currently receive. Corus should still be eligible and should receive at least \$13 million to offset the funding lost through the Rogers/Shaw merger. The Commission could impose caps to ensure an equitable distribution of funds.
- If the updated ILNF has insufficient funds to support all recipients, including new entrants, the Commission should reduce funding levels for new recipients that operate in well-served metropolitan areas, or that benefit from certain corporate synergies (for example, while not a VI, Corus does benefit from having a national reach).
- New entrants to the fund may be capped to ensure the stability of the fund going forward.

Q.2 Local stations have always produced news to meet audience needs. However, this programming is becoming difficult to produce and the quality of news that viewers receive may suffer as a result. Are there any incentives or measures that the Commission should put in place to ensure that funds received from the ILNF are focussed on the production and broadcast of high-quality locally reflective news? Which platforms (traditional and/or online) should the Commission prioritize? What types of incentives would best further the broader distribution of local news and how should the Commission assess their impact?

17. Unifor has argued that new funding supports should be platform agnostic, and we recognize that members of the public access local news and other content through a variety of platforms. That said, we would like to reiterate that supporting original local news means supporting Canadian newsrooms, and the professional journalists and media workers working there. It should be noted that although funding supports should be platform agnostic, television news can be an expensive endeavor and any funding models should take the costs of the platform into account.

Q.4 Should the allocation method favour recipients operating in rural, remote, and underserved communities? If so, how?

18. Unifor would draw the Commission's attention to our response to Q.1, especially at para. 16, where we outline the basic priorities we recommend for the distribution of ILNF funding. Recipients operating in rural, remote, and underserved communities should continue to receive the highest priority, as long as they meet the eligibility criteria we laid out in para 13.

Q.5 The ILNF's goal is to promote the creation and distribution of high quality locally reflective news in markets served by its recipients. If stations like those owned by Corus or other services are added to the list of recipients of the ILNF, how should the Commission ensure that the distribution of funding is equitable among all recipients? What other criteria should the Commission consider in its allocation method if it decides to change the current method in place?

19. See our response to Q.1. We believe that, at a minimum, no current ILNF recipients should receive less funding than they currently receive, and that Corus should be made whole following the annual loss of \$13 million caused by the approval of the Rogers/Shaw merger.

Q.6 Should the Commission maintain a cap on the amount of funding that can be obtained from the ILNF? Is the cap still relevant per station or should the Commission apply a cap per ownership group?

20. See our response to Q.1. The question of whether the Commission should maintain a cap per station or per ownership group can only be answered when the new ILNF funding flows and the Commission establishes its new funding formula. A funding cap may or may not be necessary, but should be decided based on the priorities outlined in our Q.1 response.

Q.8 Would it be appropriate to impose the same measures regarding news and journalistic practices that are currently in effect for conventional television stations on all ILNF recipients, including any additional recipients that may be deemed eligible for ILNF funding?

21. As a matter of basic fairness and consistency, the Commission *must* impose the same measures regarding news and journalistic practices that are currently in effect for conventional television stations on all ILNF recipients, including new entrants.

Q.9 Currently, the ILNF administered by the CAB must file and make publicly available on its website reports detailing the amounts received and distributed on 30 November of each year. Further, ILNF recipients must file and make publicly available on their websites reports detailing how the funds received have been used to meet the ILNF's objectives. Considering the possible additional funding, should the Commission consider whether additional measures are needed to monitor the success of the ILNF? If so, please provide the measures as well as the rationale. Please also address how frequently additional reports should be filed to increase transparency and to evaluate trends while not unduly increasing the administrative burden on ILNF recipients.

22. In our submission to the Commission regarding *Regulations Respecting the Application of the Online News Act*, Unifor respectfully recommended that the government should approach the regulations attached to the *Online News Act* with a set of three basic principles: transparency, accountability, and inclusion.

23. In fact, we would argue that these same principles should also be the foundation for whatever changes the Commission makes regarding the ILNF. Without transparency and accountability, the public cannot have confidence that the objectives of the ILNF are being met.

24. Given our comments above regarding the importance of prioritizing support for newsrooms and locally-based journalists and media workers, we recommend the Commission require all ILNF recipients to provide additional information regarding employment, including in-market employment data and total employment, and FTE counts as well as total employee counts.

Q.10 Current ILNF recipients are members of the CBSC and are required to comply with the Radio Television Digital News Association of Canada's Code of Journalistic Ethics, the CAB's Equitable Portrayal Code and the Journalistic Independence Code. Should all ILNF recipients, including any that may be added further to this process, be required to comply with those codes? If so, who should be responsible for ensuring compliance?

25. All ILNF recipients, including any that may be added further to this process, should be required to comply with the various codes and standards listed above. The Commission itself should be responsible for ensuring compliance.

## Conclusion

26. Thank you for the opportunity to provide comments on this important matter. Please feel free to reach out if you require further comment, information, or clarification.

27. Given the union's longstanding participation in the development of the various new pieces of legislation and related regulations, and given the huge impact these



matters have on the union's media membership, Unifor wishes to appear at any public hearings related to this matter.

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<sup>i</sup> Corus Entertainment Inc. "Request for confirmation of eligibility for the Independent Local News Fund." (May 10, 2023). (CRTC 2023-0300-9). (

<https://applications.crtc.gc.ca/DocWebBroker/OpenDocument.aspx?AppNo=202303009>).

<sup>ii</sup> Unifor Intervention. (Broadcasting Notice of Consultation CRTC 2021-281). (September 10, 2021).

(<https://applications.crtc.gc.ca/ListeInterventionList/Documents.aspx?ID=298473&en=2021-281&dt=i&lang=e&S=C&PA=b&PT=nc&PST=a>).