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Chair: Lisa Hepfner



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• (1100)

[*English*]

The Chair (Lisa Hefpner (Hamilton Mountain, Lib.)): I call this meeting to order.

Welcome to meeting number 32 of the Standing Committee on Canadian Heritage.

Before we begin, I would ask all in-person participants to kindly read the guidelines written on these updated cards on the table in front of you. These measures are in place to help prevent feedback incidents and to protect the health and safety of all participants, including our interpreters. You will also notice a QR code on the card. It links to a short awareness video.

Pursuant to the routine motion adopted by the committee, I can confirm that the witnesses have completed the required connection tests in advance of this meeting.

Please wait until I recognize you by name before you speak. All comments should be addressed through the chair.

Pursuant to Standing Order 108(2) and the motion adopted by the committee on Monday, September 22, 2025, the committee is meeting to study the state of the journalism and media sectors.

With us today, we have, from Bell Media, Richard Gray and Jean-Philippe Pineault. From Cogeco Media, we have Caroline Jamet. From Gonez Media.... Do we have Brandon Gonez?

He is not in the room yet, but we have a name card for him.

[*Translation*]

From Groupe Radio Simard, we're joined by Martin Simard and Michel Lorrain. They're taking part in the meeting by video conference.

[*English*]

Finally, from Tri-Cities Community Television, we have here in the room Cathy Cena, executive director.

Each organization will have five minutes to present us with some opening comments, and we'll start with Bell Media.

Richard Gray and Jean-Philippe Pineault, you have five minutes—

[*Translation*]

Martin Champoux (Drummond, BQ): Madam Chair, I have a point of order.

Martin Champoux: I need clarification on the information that we received this morning from the clerk concerning the invitations sent to Minister Miller. We sent him two invitations, one for the supplementary estimates and another for the current study. We confirmed that the minister would be appearing on May 5, next week, but that he would be coming for only one hour. I gather that he's coming for the study on the supplementary estimates.

So, even if we can ask him all the questions that we want during his appearance, this means that we won't have met with him, as the motion specifies, for the media study. I find this hard to accept.

The Chair: Thank you.

Are there any other comments?

Mrs. Thomas, you have the floor.

[*English*]

Rachael Thomas (Lethbridge, CPC): Yes, I would like to seek further clarification. This is the first that I've heard of that.

My understanding was that the minister is coming, as per the motion, for the study on media fairness. That is the motion that was approved by this committee: that the minister would come for one of these meetings. Then the second motion that was also passed by this committee was that he needs to appear with regard to the main estimates, as is a custom of this House and an obligation of the minister.

Given that there are two motions that compel his appearance here for two separate meetings, I'd like to have some understanding as to why the minister would only appear for one.

The Chair: Perhaps the clerk has gotten something from his office.

All we were told was that he was available for one meeting. He's travelling for part of May.

Rachael Thomas: In that case, I would move a motion that we report to the House that the minister failed to appear according to the motions passed here.

David Myles (Fredericton—Oromocto, Lib.): I think we can give him a chance to respond. I don't think he's been deliberately uncommunicative to the committee. There were two invites. He has responded to one, but I think we can give him a chance to respond to what's been said here in the committee and to the second invite. It could be as simple as a miscommunication as to which one he's coming for. Let's give him a chance to respond accordingly.

[Translation]

Martin Champoux: I think that we could indeed remind the minister that we absolutely want to see him for this study. This was actually in the motion, and for good reason.

The budgets also fall under his responsibility. If this makes for an acceptable compromise based on his schedule, I'm open to the possibility of the minister appearing for two hours and spending an hour on each topic. I gather that he'll be travelling outside the country at the end of May.

The deadline for the budgets is May 31. So we can ask him to come in for two hours to discuss this. I'm open to that proposal.

• (1105)

[English]

The Chair: Mrs. Thomas, I think you were next.

Rachael Thomas: Thank you, Chair.

I appreciate Mr. Champoux's offer.

I think we could check back with the minister. If it's a matter of availability, he already has one day in his schedule booked off for this. Perhaps he could give us two hours in order to meet the requirements of the motions that have been passed here by the members of this committee.

The Chair: Perhaps the clerk can communicate with the minister what this committee has discussed this morning.

Rachael Thomas: Further to that, I would ask that we request of the minister that we be given an answer as to whether or not he will appear for those two hours within one week's time.

The Chair: We will put that request in the letter.

Thank you very much.

Is there anything further on this? All right, we'll get back to our witnesses.

I see we have Mr. Brandon Gonez in the room.

It's good to see you again, sir.

We will start with a five-minute opening statement from Bell Media.

Richard Gray and Jean-Philippe Pineault, collectively, you have five minutes, starting now.

Richard Gray (Vice-President, CTV News, Bell Media Inc.): Thank you, Madam Chair and members of the committee.

My name is Richard Gray. I'm vice-president of CTV News. I'm pleased to be here today alongside my colleague, Jean-Philippe Pineault, general manager of news and operations at Bell Media in Quebec.

We are here on behalf of Bell Media's news organizations, including CTV News and Noovo Info, which together form the largest private sector news-gathering operation in Canada.

Throughout my 35-year career in television news, I've been deeply connected to the realities of producing daily journalism for Canadian communities. I began my career as a local reporter and

weekend news anchor in Timmins, before moving into newsroom leadership roles in communities including Pembroke, Ottawa and Victoria. Today, I oversee CTV's national news operations, working closely with local news directors across the country.

CTV News produces local newscasts across Canada that deliver trusted, community-based journalism at a time when many local news outlets have closed or significantly reduced their operations. Each week, more than six million Canadians watch CTV local newscasts. Last year, we produced over 20,000 hours of local news. That level of production goes well beyond minimum regulatory requirements and reflects our strong commitment to serving communities. *CTV National News* provides Canadians with trusted reporting on national and international events. Together, this local and national structure ensures that stories from every region of Canada are reflected both in local newscasts and in national reporting.

Just as importantly, CTV News is Canada's number one digital news provider, reaching 15 million Canadians each month, while upholding the accuracy, credibility and public trust essential to professional journalism. As of last year, live local and national news is available to Canadians on Bell Media's Crave streaming service.

These significant investments in broadcast and digital journalism are being made in the face of significant structural challenges. Advertising revenues have migrated rapidly to global digital platforms. Viewing habits continue to shift. At the same time, Canadian broadcasters face far greater regulatory and financial obligations than foreign digital and streaming companies competing in the same market.

As a result, the economics of local journalism remain under serious strain. At Bell Media alone, news operations lose approximately \$40 million a year, despite continued investment and strong audience performance. These pressures are real, and they directly affect the long-term sustainability of local news.

From our perspective, there is a constructive path forward. Extending the Canadian journalism labour tax credit to broadcast news would recognize the role that television and digital newsrooms continue to play in communities across Canada. Ensuring a level regulatory playing field between Canadian broadcasters and global digital platforms is essential if local journalism is to remain viable.

I'll now turn to Jean-Philippe to speak about Noovo Info in Quebec.

[Translation]

Jean-Philippe Pineault (General Manager, News and Operations, Bell Media Inc.): Thank you, Mr. Gray.

I've built my over 23-year career in French-language media, first as a journalist and then as a manager. My experience includes working for both local and national print dailies. I also headed Canada's largest news agency and worked in talk radio. I now work in television and digital media.

Five years ago, Bell Media launched Noovo Info, a French-language newsroom, built from the ground up. The project took place at a time when many news organizations were scaling back. That investment expanded the range of French-language news available to Quebec audiences.

Along with newscasts, Noovo Info has made significant investments in digital platforms. These investments have grown Noovo Info's audience, particularly among younger viewers. Noovo Info also helps to ensure that French-language journalism remains relevant to the next generation of Quebecers.

Noovo Info also invests in widely praised investigative reporting, making a real difference for communities. Like our English-language colleagues, Noovo Info journalists are deeply rooted in their communities and committed to serving the public interest.

Noovo Info's activities are facing the same economic pressures affecting newsrooms across the country.

In closing, trusted and credible journalism is essential to Canadian democracy, especially in an era of growing misinformation. CTV News and Noovo Info remain committed to delivering fact-based reporting that helps Canadians stay informed and engaged in civic life.

• (1110)

The Chair: Thank you.

[*English*]

Next, we'll turn to Cogeco Media and Caroline Jamet.

You have five minutes, starting now. Go ahead.

[*Translation*]

Caroline Jamet (President, Cogeco Media inc.): Thank you, Madam Chair.

Honourable members of the Standing Committee on Canadian Heritage, thank you for this opportunity to speak to you today.

My name is Caroline Jamet. I'm the president of Cogeco Media. We manage a network of 21 radio stations across Quebec and eastern Ontario, reaching nearly 4.5 million listeners every week.

French-language commercial radio plays a key role in our society and democracy. Its role goes far beyond simply broadcasting news, current affairs and entertainment content. It also helps connect people with political, economic, social and cultural players. Radio brings our communities to life by nurturing their public spaces. For over 40 years, Cogeco Media stations have contributed to the free flow of ideas and information and helped shape the identity of the communities where they operate. We proudly invest in the production and distribution of information that affects local people. We're often the only bastion against the creation of media deserts.

Unfortunately, this role in promoting local content continues to decline as the Canadian media landscape undergoes major upheaval. The increasingly dominant foreign giants have transformed Canadians' consumption habits and diverted the advertising market outside our borders. To preserve our local voices, the government must act now. Furthermore, our industry's regulatory framework was established decades ago. This framework is excessive and largely out of step with today's reality. Not only are digital giants exempt from regulatory constraints, but they also benefit from tax advantages. Approximately 70% of advertising investments in Canada are currently captured by foreign platforms. In contrast, Canadian media outlets that produce local content account for barely 30% of this market, with radio claiming a meagre 4%.

If nothing is done, the news poverty will spread and more media deserts will emerge, particularly outside major urban centres. Urgent action is needed to ensure that our private radio stations can continue to serve our communities. Remember that, since 2008, over 600 Canadian media outlets have closed their doors. In this era of misinformation, now more than ever we need the journalistic content and local news provided by our radio stations. A recent SOM poll of Quebecers showed that 90% of respondents felt that media outlets, including private radio stations, play a vital role in democracy, and 85% believe that private radio stations provide credible news.

In 2019, the government introduced the Canadian journalism labour tax credit. However, radio stations, which also produce essential and quality journalism, aren't eligible for the credit.

As a democratic society, we need strong Canadian private media outlets to continue to play their role for local people. Meta or FOX News won't be heading to Saint-Jérôme to inform people about the impact of a new factory opening in their town, or to Saguenay to let residents know about the closure of their hospital's emergency room.

Canadian radio stations fund all their own content, without support; invest in local information; and adhere to strict regulations. Foreign platforms capture Canadian advertising revenue but aren't subject to equivalent obligations regarding content or contributions.

We're asking the government and the Canadian Radio-television and Telecommunications Commission, or CRTC, to step in and to acknowledge the seriousness of the structural disruptions affecting the radio industry. To do so, the federal government must pursue its national preference approach and take action in five areas.

First, the Income Tax Act contains a loophole in section 19. This loophole allows Canadian advertisers to deduct their advertising expenses when they purchase advertising on platforms such as Facebook. This makes no sense in light of the challenges facing Canadian media outlets. Section 19 must be extended to foreign online companies in order to eliminate this competitive advantage for digital giants.

Second, we're calling for the creation of a 20% tax credit for local advertising purchases.

Third, the federal government must lead by example and prioritize the purchase of advertising space in Canadian media. The public overwhelmingly supports a policy that prioritizes the purchase of advertising space in local media. According to SOM, this type of policy has the backing of 87% of French-speaking Quebecers.

Fourth, we're calling for the inclusion of the radio industry in the Canadian journalism labour tax credit. This would bring us in line with the model introduced by the Quebec government in its most recent budget. This injustice to the radio industry must end now.

Fifth, the CRTC must reduce any regulatory burden on our industry, especially since foreign platforms have no such obligations.

These measures aren't about protecting a business model of the past. They're about preserving Canadians' ability to receive information from local sources.

Thank you for your attention.

• (1115)

The Chair: Thank you.

[English]

Next, I will turn to Gonez Media.

Brandon Gonez, you now have the floor for five minutes. Go ahead.

Brandon Gonez (Chief Executive Officer, Gonez Media Inc.): Good morning, Madam Chair and members of the committee. Thank you for the invitation to appear today as part of this important study.

My name is Brandon Gonez. I am the founder and CEO of Gonez Media, a Canadian-owned, independent digital media company based in Toronto, and one of the fastest growing in the country.

Before founding Gonez Media, I spent seven years in Canadian broadcast journalism. I started, in 2014, in northern British Columbia—the second-smallest television market in this country. From there, I worked through Global News in Regina, CTV News in Barrie, CTV's national morning show *Your Morning* and, eventually, CP24 in Toronto.

That journey gave me a front-row seat to this country's media landscape, from the smallest local markets to national broadcasts. What I saw at every level was an industry filled with talented people and important institutions, but one struggling to keep pace with where Canadians were actually going, so in 2021 I left and I built something from scratch.

Today, Gonez Media produces original written, video and audio content, like *The BG Show*, which is Canada's number one digital current affairs and entertainment show, and publishes Now Toronto, one of this country's most followed and recognized independent media brands. Our team is just over 20 people strong. We are one of Canada's fastest growing independent digital media companies, and our content reaches over 50 million monthly viewers across our

brands. We are proof that independent Canadian media can compete, can grow and can build something sustainable.

That growth reflects a larger reality. Canadians still want trusted journalism and quality content, but they are consuming it differently. They are mobile first, and they expect speed, relevance and direct engagement. The audience has moved, but policy has not fully followed. Since 2008, more than 526 local news outlets have closed across Canada, while our population grew by roughly one-quarter. Today, 2.5 million Canadians live in a postal code with only one or no local news source. Meanwhile, digital media now outpaces traditional formats in Canada at a nearly 2:1 ratio. The platforms on which Canadians spend their time have changed dramatically. The policy frameworks governing Canadian media have not kept pace with that reality.

Bill C-18 was introduced with good intentions to address a real imbalance, but its outcomes revealed the need for a broader strategy. When trusted Canadian journalism becomes less visible in digital spaces, less reliable sources fill the gap. That is a public interest problem, and it tells us that the right approach is not only about regulating platforms but also about actively investing in the Canadian media ecosystem itself.

That brings me to what I would like this committee to consider. The existing programs are doing important work for outlets that have crossed certain thresholds, but there is a gap. There are independent digital media companies across this country past the start-up phase—producing journalism, serving communities and building meaningful audiences—yet they're hitting a ceiling because there is no policy infrastructure designed to help them scale.

Canada has the talent. We have the stories. That talent includes founders from all different communities, including Black, indigenous, immigrant and other under-represented communities, who deserve a fair opportunity to build lasting media businesses. We have audiences hungry for content that reflects who we actually are. What we need is a policy environment that rewards innovation and helps the next generation of Canadian media companies grow into something lasting.

I have three recommendations for this committee's consideration.

Number one, create a digital media innovation incentive—targeted growth support for Canadian-owned digital media companies that are producing original content, creating jobs and demonstrating sustainable operations. It's not a handout. We're talking about an investment into what is already working.

Number two, introduce advertiser incentives that encourage Canadian businesses to direct a meaningful portion of their advertising spend toward certified Canadian digital media. We want to keep private market dollars in the Canadian journalism ecosystem rather than defaulting entirely to foreign platforms.

Number three, ensure the next generation of Canadian media policy is built with digital-native, independently owned operators as core stakeholders, not afterthoughts.

This is not about saving the old model. It's about building the new one. What we've built at Gonez Media is proof that it is possible, but we should not be the exception. We should be the blueprint. I am here today because I believe this committee has a real opportunity to shape what Canadian media looks like for the next 20 years and beyond. I hope you will seize it.

Thank you.

• (1120)

The Chair: Thank you, sir.

[*Translation*]

I'll give the floor to Mr. Simard and Mr. Lorrain from Groupe Radio Simard.

You have the floor for five minutes.

Martin Simard (Vice-President, Groupe Radio Simard): Madam Chair and committee members, thank you for inviting me to participate in this consultation.

My name is Martin Simard. I'm the executive vice-president of Groupe Radio Simard. I'm joined today by Michel Lorrain, our broadcasting consultant. It's a privilege to speak to you about the challenges facing French-language commercial radio stations and to contribute to your work.

Groupe Radio Simard is a family-owned company that operates eight radio stations in Quebec, specifically in Rimouski, Baie-Comeau, Rivière-du-Loup, La Pocatière, Montmagny and Saint-Georges, Beauce. It also runs news sites featuring local and regional news. Our company was founded in 1947 by my grandfather, Luc Simard. Next year, we'll be celebrating 80 years of activities geared towards providing information, entertainment, a snapshot of our communities and a showcase of local culture.

Our contribution directly affects vitality [*Technical difficulty—Editor*]. Regional journalism isn't just a local variation of national news. It's the beating heart of our communities. It tells the story of our lives here at home. [*Technical difficulty—Editor*] to entrepreneurs, organizations and families. It creates a local connection that no other media can truly replace.

[*Technical difficulty—Editor*]

For a number of years, the media industry has been undergoing a massive shift. Fragmented audiences, the rise of global digital platforms and the migration of advertising revenue have upset the economic balance that supported journalism in the past. [*Technical difficulty—Editor*] smaller markets and more limited resources.

Yet the need for reliable and thorough local information has never been [*Technical difficulty—Editor*]. [*Technical difficulty—Editor*]

rumours, misinformation and unverified content, regional media outlets play a key role. They maintain a public space [*Technical difficulty—Editor*]. [*Technical difficulty—Editor*] misinformation and a pillar of local democracy.

The Chair: Mr. Simard, sorry to interrupt you, but you're cutting out from time to time. Your screen is freezing.

Martin Simard: Do you want me to turn off my camera?

The Chair: I'm told that the connection is good, so you can continue your remarks. I just wanted to let you know that your screen is freezing from time to time.

Martin Simard: The future of regional journalism rests on [*Technical difficulty—Editor*].

[*Technical difficulty—Editor*] innovation. The media must continue to evolve, adapt their formats and invest in digital technology in order to reach audiences wherever they are. [*Technical difficulty—Editor*] traditional formats, but rather enriching them. Radio, for example, remains a powerful medium in the regions. It can naturally integrate into new platforms.

Second, proximity is our greatest strength. No algorithm can replace the [*Technical difficulty—Editor*] relationship of trust built up over time with the public. The future belongs to media outlets that can remain deeply rooted in their communities.

[*Technical difficulty—Editor*] can't be built without a favourable environment. The public broadcaster, Radio-Canada, currently benefits from such considerable financial resources that it has become virtually impossible [*Technical difficulty—Editor*]. This poses an obstacle to the recruitment of journalists. For its part, independent television in our regions receives generous contributions for independent television news. Meanwhile, the new radio news fund remains unfunded, given the elimination of the digital services tax. In some regions, even subsidized community radio stations have more financial resources than private radio stations, leading to unfair competition.

Public policies have played a role in ensuring a level playing field among local players, subsidized players and large international platforms, which remain unregulated. The funding of journalism, access to digital revenue—including Canadian government revenue—and the recognition of the role of regional media must remain priorities. It isn't right that the Canadian government funds print media journalism through a tax credit, while electronic media such as radio stations must remain on the sidelines. [*Technical difficulty—Editor*] situation in its latest budget.

At Groupe Radio Simard, we firmly believe that the regions aren't on the fringe of the news business. They're at the heart of it. [Technical difficulty—Editor] our regions shape the Canada of the future. We can't let only national content reach people in the regions, nor can [Technical difficulty—Editor] source of local and regional references for our communities. Investing in regional journalism means investing in the democratic, economic and cultural vitality of our country.

In closing, remember that the future of the media won't be [Technical difficulty—Editor]. [Technical difficulty—Editor] will be determined by our collective desire to preserve quality information and a diversity of voices accessible to everyone, everywhere [Technical difficulty—Editor].

[Technical difficulty—Editor] is just as important.

Thank you for your attention. We're ready to answer your questions.

• (1125)

The Chair: Thank you.

[English]

Finally, all the way from Port Moody, we have Cathy Cena, with Tri Cities Community TV.

You have the floor for five minutes.

Cathy Cena (Executive Director, Tri Cities Community TV): Thank you, Madam Chair.

Good morning and thank you, committee, for the opportunity to speak today.

My name is Cathy Cena. I'm the executive director of Tri Cities Community Television in British Columbia. I've been involved in community television and local journalism for over 11 years as both a host and a community-based journalist.

I'd like to begin by offering an important distinction. While many organizations participating in the local journalism initiative are traditional broadcasters serving what are often called "media deserts", we represent a different but equally important gap. We are an access-based community television organization operating in what I would describe as a community television desert.

In many regions across British Columbia, such as Kelowna, Kamloops and Penticton, residents have access to community television through providers like Rogers, but here in the Lower Mainland, despite its being one of the most populated areas in the province, there are no equivalent opportunities for community-driven television. That gap matters, because community media is not just about broadcasting. It's about participation. It's about giving people a platform to share their stories, their perspectives and their voices.

At Tri-Cities Community Television, we serve Coquitlam, Port Moody and Port Coquitlam—communities where many important stories go unreported by larger media outlets. In many ways, our region has also become what is often referred to as a news desert. There is limited consistent coverage of local civic issues, municipal decision-making and the work of community organizations. These

are the stories that directly impact people's daily lives. Too often, they are missed.

Through our work, we will fill that gap. We amplify local voices. We highlight non-profits. We cover elections, and we create space for meaningful conversations that would not otherwise exist. Local journalism is not about delivering information. It's about connection, accountability and community identity. When people see themselves reflected in local media, they feel engaged. When local government is covered, there is greater transparency. When community organizations are highlighted, they are supported. Without this, communities become disconnected.

Despite the importance of this work, community media organizations like ours face significant and ongoing challenges. We operate with limited and unstable funding. We lack long-term sustainability models. We are meeting increasing demand with fewer resources, and we are navigating a rapidly changing media landscape.

Programs like the local journalism initiative have been incredibly valuable. They have allowed us to expand our journalism and better serve our community. We also recognize the support of broader federal programs, such as the Canada periodical fund and aid to publishers, which play an important role in sustaining Canada's journalism ecosystem.

However, these programs are not a complete solution for organizations like ours. In fact, our organization is currently facing a critical challenge. Just a few years ago, Telus acknowledged that we were exactly the type of community-based organization that they should be supporting: one that works with volunteers and produces programming about what is happening in our community. Since then, the funding has been cut, and that loss has had a real impact. It has placed pressure on our ability to sustain programming, support our team and continue participating fully in initiatives like the LJI.

We are now seeking additional funding, not just to grow but to maintain essential operations, including arts and culture programming and program management. Today, I would respectfully encourage the committee to consider a few key actions: continued and expanded support for community-based media; stable multi-year funding models that allow organizations to plan and grow; recognition of community media as essential infrastructure within Canada's media ecosystem; and investment in training and development for local journalists, particularly in underserved regions.

Community media is where stories begin. It's where people feel seen, heard and connected. In many cases, it's the only place where stories are told at all. We are not just reporting on our communities. We are part of them.

Thank you for the opportunity to share my perspective. I look forward to your questions.

• (1130)

The Chair: Thank you very much.

We will go to questions from MPs now, starting with MP Waugh.

You have the floor, sir, for six minutes.

Kevin Waugh (Saskatoon South, CPC): Thank you, Madam Chair.

Welcome to all.

Mr. Gonez, welcome back. Should we save old media?

You mentioned that the traditional legacy media is dying slowly now. We just heard from Bell Media that they're losing \$40 million a year in their newsrooms across the country. I'd like your thoughts on that.

Brandon Gonez: The difficulty with organizations like Bell and other traditional broadcasters and legacy players is that they're tied to an old model of doing things. The advertising market has shifted. How they're spending dollars has shifted. What I witnessed was that there was an opportunity to create an example of what innovation looks like in this country. Unfortunately, what happens a lot in Canada is that our systems and our industries end up being monopolized with a few key players and innovation gets pushed to the side.

I wanted to give something a try and it worked. It worked really well, but regulation like Bill C-18 came into play and caused a huge roadblock to that innovation. Again, the intention was good. We want a strong journalism industry in this country that is reflected at all sides of the ecosystem—traditional, digital, all the things—but what Bill C-18 did was inadvertently put more harm on digital players who took that risk to innovate and safeguarded legacy players who didn't innovate fast enough.

Kevin Waugh: You have 20 people hired. What's your advertising budget per year? What do you get in advertising?

Brandon Gonez: In terms of revenue, we are anywhere between \$1.5 million to \$3 million.

Kevin Waugh: I'm going to move to Bell, if you don't mind.

Full disclosure: I did work for CTV, as Mr. Gray knows. We were there forever, but I decided to move on. I saw the landscape changing, and I have to be honest with you, Mr. Gray, I don't recognize CTV Saskatoon anymore. We don't have weekend news out of Saskatoon anymore. The noon was cancelled. You cancelled that in February 2024, other than in Toronto, for the country.

You're right. We've seen a major shift in Bell Media. You claim you're losing \$40 million a year, and if that is the number you're still losing I see your cuts are still coming. I do see you're promoting news on Crave. I'm going to throw this out. Are you going to go to digital and get rid of cable?

Is Bell Media now, because you are bleeding so bad in all the newsrooms across this country, going to go digital and leave the cable subscription out of it now?

Richard Gray: That's a great question you ask and it's a very difficult one to answer because the movement of audience has been very gradual. The movement of advertising dollars has been very gradual. We have had to endeavour to meet the audience where it wants to see our product, when it wants to see our product. We have been pivoting resources to digital over the course of the last number of years. Quite proudly, I think we've been doing it very successfully. As I said in our opening statement, we are the number one digital publisher in this country. That was not the case two years ago at all. We weren't even close.

News continues to be a very labour-intensive business. It's labour-intensive on the broadcast side because of continued exhibition requirements that we must make as a result of conditions of licence. The hidden component of its labour intensity on the digital side is that every digital platform requires the manipulation of the product so that it fits from a display standpoint. It's not as simple a process as creating a single news story and firing it out on multiple platforms. Every step of the way, every individual platform requires some degree of customization.

• (1135)

Kevin Waugh: I would agree with that. I see you got rid of a lot of your radio stations. I see NFL football now, an American product, on CTV stations on Thursday and Sundays. I'm not sure.... I even asked the CRTC if that was allowed. I have a subscription to TSN; I pay for that. CTV is free. Now you're putting American football on Thursday nights, which eliminates the local newscast in many regions across this country. We have no newscast now at all locally on the weekends.

I see you're trying to get out of local news. I really do. When you bleed \$40 million—I'm right—you're going to make more changes like those you made in February 2024. The staff across the country are really down because they're looking over their shoulders the next day, fearing that you're going to make more cuts at Bell Media.

Richard Gray: There is no question that fear exists in our operations, and it's not just our operations. It is in broadcast and conventional media as a whole. Even the digital players and platforms, both here and south of the border, have had to make substantive staffing cuts in recent years.

With respect to our commitment to local, we remain very dedicated to it. As I said in our opening remarks, we create 20,000 hours of local news across the country every year. Yes, we have eliminated weekend newscasts. We did that because the audience had dropped off. Over a five-year period of time, we had seen a 38% drop in our weekend news audience. You mentioned noon news. The drop there was even larger, at 43% for adults 25 to 54 over a five-year period. As I said earlier, we have pivoted resources to digital. We're trying to meet people where they're looking to consume news.

The last thing I want to add relates to staffing numbers. We continue to have a very healthy staff complement at our local news operations across the country. Our local English-language news operations employ almost 700 people from coast to coast. In Quebec, it's an additional 235 people. Those remain sizable numbers. As I said, we remain deeply committed to covering local news.

The Chair: Thank you.

Mr. Al Soud, you have the floor now for six minutes.

Fares Al Soud (Mississauga Centre, Lib.): Thank you all for joining us today.

Mr. Gonez, I'll admit that you've completely shifted my round of questions with your opening remarks.

I represent the beautiful and growing riding of Mississauga Centre. It sits in one of the fastest-growing and most diverse regions in the country. It is not a small city by any metric. That said, much of its coverage is unfortunately subsumed under Toronto. There is quite a bit in what you've said that I think speaks to the differing perspectives that define exactly why we're doing this study.

Traditional media is struggling to keep pace with where Canadians are actually going. The audience has moved, but policy has not fully followed. There is no policy infrastructure to help start-up media businesses scale.

These are all really interesting pieces. It speaks to something I've brought up in the context of committee on several occasions, which is that younger audiences increasingly consume news differently. It's less tied to geography and more to platforms and personalities. A previous study I was quite keen on was on the parasocial relationship between social media influencers and those who consume or watch.

How does your model reflect that reality better than traditional outlets?

Brandon Gonez: Our model is built off of a lean cycle that allows for speed, authenticity and the democratization of access. Before the digital transformation and the rise of digital platforms, in terms of being able to access information or to be purveyors of information, you had to either have a licence from the CRTC or buy a cable package. Today, all you need is what we all have in this room, which is a cellphone. It allows anyone with that device—whether you're on dial-up or high speed—to access information.

My only goal, and it's why I got into this industry, was to be a steward of good information. That is it. I wanted to see the most number of people receive information in the ways that they need to receive it, and I wanted to do it in the most authentic ways. That's part of the DNA of Gonez Media. We actively reflect our audiences, whether they look different or whether they have different political views. We don't stray away from that. We believe that a healthy democracy should incentivize a healthy debate and a healthy ecosystem.

• (1140)

Fares Al Soud: On this idea of being a steward of good information, independent outlets often succeed in engagement, but there's often an assumption that they struggle to sustain resource-intensive journalism, like investigations, without scale. Do you find that is

accurate? Do you find that is a reflection of what we do see on the ground from a journalistic standpoint?

Brandon Gonez: I would say that in the start-up phase, it doesn't matter if you're a digital start-up or any new business in any industry, you're going to have your challenges finding the resources to scale. Yes, there is some truth to that, but there are many examples of digital innovators who have the ability to still do investigative journalism. They've built their business model being able to monetize off of platforms.

However, as I mentioned, legislation like Bill C-18 basically pushed Meta—which owns two of the platforms that Canadians utilize the most—out of the room. That put up a major roadblock in terms of monetization. That impacted digital media companies, which are the future of this ecosystem, and put them more at risk. It has impacted the ability for growth, the ability to tell more stories, the ability to expand and the ability to reflect more Canadians. It's had a whole negative impact on the industry.

Fares Al Soud: That's interesting.

Back in January, on Now Toronto, you said, “there was something missing.... For the community...for more authentic stories.” Could you expand on this? Are we not finding people where they are? Are stories not localized enough? What is missing from local stories?

Brandon Gonez: One of the reasons I started Gonez Media was that the traditional media industry was contracting, so there were fewer opportunities. That means there were fewer opportunities visually, fewer opportunities of thought and fewer perspectives in the room. There was more concentration.

As Canada continues to grow in population and continues to diversify, I wanted to see a difference of thought and experience, not just based on your location in the country but also based on perhaps different income brackets that you may have grown up in. That is all-important to having a healthy democracy, a healthy media ecosystem. When we look at the platforms and the ability to access those platforms, whether as a consumer or as a producer of content, it democratized that.

I have to go back to Bill C-18. It has placed a major roadblock. I also want to make sure this committee is fully aware that for three years now, with Bill C-18 in place, credible news sources, however you think about them, whatever part of the political spectrum they are on, have lost the ability to connect with Canadians on the two biggest platforms they use every single day. Less credible voices, which have no news ethics and no journalism ethics, have filled that void. We have basically ceded our responsibility. All of the outlets, whether legacy or not, have lost three years of building relationships with 40 million Canadians.

Fares Al Soud: Thank you.

[Translation]

The Chair: Mr. Champoux, you have the floor for six minutes.

Martin Champoux: Thank you, Madam Chair.

I would like to thank the witnesses for joining us today.

I'll follow my friend Mr. Waugh's earlier example of transparency. I worked for Cogeco and Bell Media. Over 35 years ago, I worked with Mr. Lorrain. At the time, he was the morning host at the radio station where we worked, CH Le Nouvelliste in Trois-Rivières.

Good morning, everyone. Welcome to the meeting on this important study.

I'll start with you, Ms. Jamet. You spoke earlier, in your opening remarks, about a topic that we haven't talked about enough in this study. We've talked a great deal about the measures proposed, such as the Canadian journalism labour tax credit—we'll come back to this—but not about media deserts. You touched on this issue. The regions of Quebec are particularly concerned about this matter.

Last week, we met with people from the television industry, specifically RNC Media Inc. and Télé Inter-Rives ltée, to talk about the independent local news fund. This fund has an easily solvable problem. I think that the minister should take action in the coming days. At least, I hope so.

That said, I would like to talk about the disappearance of regional newsrooms. The situation is critical. I think that Mr. Pineault will also agree, because you manage regional radio and television stations with newsrooms.

I would like to hear a bit about the potential impact of the disappearance of even the smallest newsroom in Quebec, where few remain.

Ms. Jamet, what are your observations on this topic?

• (1145)

Caroline Jamet: Thank you for your excellent question, Mr. Champoux.

As you rightly pointed out, media deserts are certainly a growing phenomenon.

We can see the impact on society in terms of civic engagement and voting. The evidence confirmed that, in cities where the media outlets have disappeared, people show less interest in politics, vote less and become more polarized. We can also see that these constitute cities where, even on an economic level, the impact is felt.

This trend towards media deserts is certainly a serious problem. I can tell you that Quebecers are taking notice. We commissioned an SOM study, which I spoke about earlier. This survey revealed that 60% of respondents noticed the decline in local news, that they consider this news important and that radio stations play a major role in this area. They're the only ones providing this news.

In Chibougamau, for example, we're on our own. The same goes for Alma and Roberval. Radio stations and media outlets are involved in society. They not only provide news, they also rally the community. This helps boost all communities on an economic, cul-

tural and political level. These are key roles. Here in Gatineau, we have a French-language talk radio station that also plays its part.

As a society, we must take an interest in these things. As Mr. Gonez said a few moments ago, given the current misinformation out there, foreign platforms are taking up more and more space. In particular, their algorithms make this information, which is often misinformation, more visible.

As a society and as a democracy, we need to address this and make changes to support the private media industry.

Martin Champoux: We know that nature abhors a vacuum. The disappearance of quality information leaves room for all kinds of disinformation and misinformation, which are clearly abundant.

Mr. Pineault, do you have anything to say about this? You also have the challenge of providing a great deal of regional news on television, perhaps even more so now.

Jean-Philippe Pineault: I agree with Ms. Jamet.

I would even add that studies have shown that the cost of public services rises in regions with media deserts. The media outlets are no longer in a position to play their watchdog role when it comes to questioning political decisions.

I would even say that, in some ways, it's a matter of public safety. I remember that, during the forest fires in recent years, it was difficult to provide in-depth information on how to escape a fire, for example, or on how people should behave in order to stay safe during these events. The news media couldn't post information on Facebook or Instagram, for example.

So, in some ways, it's even a matter of public safety.

Martin Champoux: We've been talking a great deal about the infamous regulatory burden. You touched on it too. Representatives from Cogeco, Bell and Quebecor have spoken at length to this committee and to other committees about the heavy red tape imposed on traditional media.

As you said earlier, Ms. Jamet, the regulations were drawn up decades ago. They need to be rethought in order to reflect the current realities.

What does this burden mean for broadcasters in terms of the money or resources needed just to manage the constraints imposed by the licence conditions?

• (1150)

Caroline Jamet: There are dozens and hundreds of pages and forms to fill in. This takes up resources that could be used for other things. It's incredible what we need to report. Of course, there are also financial contributions.

All this is happening in an environment where foreign platforms remain free of any obligations. We're not only facing a hit to our advertising revenue and audiences, but also an extremely competitive environment. We must grapple with this competitive environment and also contend with a two-tier regulatory system. On the one hand, some platforms have no regulations to follow. On the other hand, we ourselves are in a "hyper-regulated" environment.

We also sense a desire to add even more regulations. The Canadian system can, in principle, be regulated. However, the regulations keep piling up. At a certain point, we can see that the situation is real. Things need to change. Adjustments need to be made. A significant reduction in regulations is necessary so that we can thrive in our environment and play our role. Foreign platforms won't be the ones talking to Canadians and Quebecers about local issues by broadcasting local content created by local people.

As a country, we really need to protect this.

Martin Champoux: Thank you.

The Chair: Thank you.

Mr. Généreux, you have the floor for five minutes.

Bernard Généreux (Côte-du-Sud—Rivière-du-Loup—Kataskomiq—Témiscouata, CPC): Thank you, Madam Chair.

I would like to thank all the witnesses.

Mr. Simard and Mr. Lorrain, can you tell me approximately how much advertising space the Government of Canada has bought from your radio stations in recent years?

Martin Simard: The last time we checked, it was zero.

Bernard Généreux: Did I understand you correctly? Did you say "zero"?

Martin Simard: Yes.

Bernard Généreux: Okay.

Martin Simard: To my knowledge, it's extremely rare.

Bernard Généreux: Ms. Jamet, does the same apply to Cogeco Media's private radio stations?

Caroline Jamet: We noticed that it isn't zero.

The government invested \$76 million in advertising, but only \$2 million was allocated to radio stations across the country. On our end, major cuts were made in advertising. Just give me a moment. I'll try to find the figure.

Bernard Généreux: My point is more along the following lines.

The Government of Canada has made significant cuts to the funding allocated to media outlets. Hebdo Québec told us the same thing last week. In fact, it's almost peanuts.

When it comes to fairness, we can see that the government uses a variety of media to send messages to Canadians. Everyone needs a piece of the pie. However, we can now see that 75% of contracts end up in the United States. That's really the case. By the way, I imagine that the same applies to Bell.

Do you have any comments on this?

Jean-Philippe Pineault: I believe that the Canadian news media should be the preferred way to communicate with Canadians.

Bernard Généreux: Ms. Jamet spoke about a tax credit. Other witnesses previously spoke about the possibility of both the Canadian government and also companies obtaining a tax credit for advertising purchased in Canada.

Should the Canadian news media receive preferential treatment in terms of numbers or financial support?

Jean-Philippe Pineault: At the very least, it's necessary to rectify the current irregularity whereby advertisements placed on foreign platforms can qualify as tax deductible.

Bernard Généreux: Up until now, we've repeatedly heard that radio stations face a tax disadvantage. The Quebec government has just corrected an anomaly considered quite significant by this media sector.

Mr. Simard and Ms. Jamet, do you think that the federal government should do the same thing?

Martin Simard: Yes. Fixing this anomaly would be a priority. This would make things easier for our private radio stations at this time.

Caroline Jamet: Absolutely. These days, it feels as if we have two-tier journalism. It isn't right that radio journalism lacks the full recognition given to print journalism. We play the same role and the current situation is completely unfair.

• (1155)

Bernard Généreux: I'll ask a question that the witnesses can answer in turn.

Mr. Simard, Ms. Jamet, the Bell representatives, Ms. Cena and Mr. Gonez, are you receiving money from the Google fund currently in place for journalism?

Martin Simard: Yes. Two of our markets are eligible for it. The criteria are quite strict, especially for small radio stations in the regions, where often only one journalist does the work of [*Technical difficulty—Editor*] and our radio. We can't get much more than this. We've managed to obtain small amounts only in Rivière-du-Loup and Saint-Georges.

Michel Lorrain (President and broadcasting consultant, MLorrain Conseils, Groupe Radio Simard): Let me clarify something.

In the case of Groupe Radio Simard, [*Technical difficulty—Editor*] dollars a year on news operating costs, which total around \$750,000 for an organization such as Groupe Radio Simard. This amounts to a small contribution. We're light-years away from making some of these radio stations profitable.

We were just talking about media deserts. I can tell you about the La Pocatière region. Actually, I think that you know this market quite well, Mr. Généreux. The Kamouraska RCM has 20,000 residents, including around 10,000 residents in La Pocatière. This station remains in operation as a result of an equalization system, so to speak, established by Groupe Radio Simard.

Unless we find ways to provide more support to these small markets, such as the Chibougamau market that Ms. Jamet referred to earlier, these radio stations will inevitably end up facing abandonment, closure or the need to cut even more services to the community. It's mathematical.

Bernard Généreux: I completely agree with you.

The Chair: Mr. Généreux, your time is up.

Bernard Généreux: Is it already up?

The Chair: It has already been five and a half minutes. You'll have a number of other opportunities to speak.

[English]

Ms. Royer, I'll give you the floor now for five minutes.

Zoe Royer (Port Moody—Coquitlam, Lib.): Thank you so much, Madam Chair.

I'm delighted to hear testimony from so many extraordinary witnesses. Given that there is a member from my own community here today, I will focus my questions on Ms. Cena from Tri-Cities Community Television.

I want to say thank you, as well, because Tri-Cities Community Television provides an extraordinary voice in the community. You inform and entertain us. As you said in your own words, Ms. Cena, your goal is to make sure the community is seen, heard and connected. You and the team do an incredible job.

There is no question that community media like Tri-Cities Community Television plays a unique role in Canada's journalism and media landscape, telling meaningful local stories, training new voices and reflecting community life in ways that larger outlets often cannot.

Ms. Cena, from your perspective, what do you see as the most important successes of community media in Canada over the past decade, and perhaps even more specifically of Tri-Cities Community Television?

Cathy Cena: Community media has kept local stories alive. We've trained new voices. We've reflected the communities that larger outlets often miss. As I mentioned, its biggest strength is the trust of and local connection with the people who surround us. When we are reaching out to non-profits, for example, that don't get to voice what they're doing in the community, it matters. When we are doing stories on local events like our very own ribfest or May Day parade, or on things that are always happening in Port Moody, like the summer Sunday concerts.... These are all very important things our community of 300,000 needs to hear and know about.

The landscape has changed in so many different ways, some good and some not so good. At the end of the day, we are there and thriving. We have been there for decades, and we continue to bring community news and journalism to the people of the tri-cities.

Thank you for your question.

Zoe Royer: That's amazing.

Tri-Cities Community Television was founded in response to the decline of cable-based community TV and the withdrawal of private broadcasters from local production.

Looking back, how do you think changes in technology, market forces and policy decisions have contributed to the current state of local journalism and community media in Canada?

• (1200)

Cathy Cena: Technology opened doors, but it also disrupted revenue. Market consolidation and reduced local coverage and policy supports did not keep with the pace it's at now. I think we struggle, ourselves, with technology. Our demographic is 35 to 65. We don't have a young base like Mr. Gonez does, for example.

Every day, we are working on growing our own base of the people who watch us. With regard to technology, I feel we could keep better pace with that if funding allowed for it. With the funding we are getting, we are able to employ the two journalists and camerapeople we have. We have a group of volunteers who help us daily as well. We're moving that forward.

Thank you.

Zoe Royer: One of your suggestions was multi-year support so that you can, in fact, plan ahead. Local media is facing serious financial and capacity pressures, as you rightly pointed out.

How does Tri-Cities Community Television experience the contrast between opportunity and vulnerability at a local level? What does that look like on a day-to-day and week-to-week basis?

Cathy Cena: Thank you for the question.

I mentioned that funding from Telus was cut a few years ago. There is a need for local media. There is a need for financial help among organizations like ours. We work with limited resources.

You've been an amazing advocate for us. Thank you for that. You know that we are working out of libraries that donate their space. We don't have our own space where we can go and leave our things. We're often setting up and taking down. It's very difficult. Just last week, I did eight interviews in three hours because the library was busy and we had to get those out there.

We work with limited resources. It's hard to staff. It's hard to fund. The impact is strong, but the stability is not.

Zoe Royer: Thank you very much.

[Translation]

The Chair: Mr. Champoux, you have the floor for two and a half minutes.

Martin Champoux: Thank you, Madam Chair.

I'll come back to you, Mr. Pineault and Ms. Jamet.

For years, media organizations have been asking the federal government to consider purchasing advertising in traditional media rather than focusing on foreign platforms. It seems to me, and to many people, that we've been asking for this for years. The fact that this is a flagrant injustice has been documented for many years.

How do you explain this refusal to understand that traditional radio and television are also extremely effective vehicles for advertising? Why do you think the government is being so stubborn?

Caroline Jamet: It's incomprehensible. Honestly, I don't understand, especially since the federal government has also just announced a strategy to buy Canadian to support Canadian sovereignty, to take care of Canadian companies. We feel that it's inconsistent.

Martin Champoux: Do you think the government feels that Quebecers no longer like radio and television media?

However, the studies are quite clear. I reread one recently. You provided us with some figures. Quebecers and Canadians are still very attached to traditional media, despite spending a lot of time on the platforms.

What should we tell the government? I've been a member of Parliament for seven years. For seven years, we've been hammering home to the government that the money needs to be distributed better. We're not saying to stop investing in advertising on platforms. Obviously, they want to reach as many people as possible.

Considering as well that this would be a way to help many regional media outlets survive, what in the message is not getting through?

Caroline Jamet: That's a good question. What I can tell you is that we reach the public every day. A station like 98.5, which has the biggest audience, reaches 1.7 million people a week. We are still a high-performing media. The problem today is the business model.

When it comes to influence in society, our media clearly plays a unique role. According to the survey I mentioned, this is a recognized fact.

Perhaps we need to take a close look at what is happening and how people are getting their news. These media outlets provide credible content. They are important, and Canadians recognize that. If the government wants to reach people effectively, it should know that the Quebec media, the local media, is doing a great job.

Advertising purchasers need to review their strategy to—

• (1205)

Martin Champoux: The message has to get through, in any case, because it seems to me that we've been sending it for a long time.

Thank you, Ms. Jamet.

[English]

The Chair: Mr. Diotte, you now have the floor for five minutes.

Kerry Diotte (Edmonton Griesbach, CPC): Mr. Gray, I'm told that CTV's national news is the most watched newscast in the country and that it has been so for more than three decades. Your competitor, CBC, gets \$1.5 billion in tax money.

How do you manage to outperform CBC, given their huge financial advantage?

Richard Gray: Hard work and dedication—that's probably the short and simple answer. Our team works very hard on a nightly basis to cover this country from coast to coast. We draw upon the resources of our local market stations to help with that process. We have dedicated newsgathering teams, from a national news standpoint, in every Canadian province.

We make it our goal, from a populist point of view, to reflect this country back to itself on a nightly basis. What I mean by this is that we recognize and acknowledge that not everything, from a news coverage standpoint, needs to be about destruction or death. It is critically important for us as a news organization to celebrate the unique things that make this country great—the people, places and things that are truly different in Canada.

Kerry Diotte: Can I just interrupt you there?

Richard Gray: Go ahead.

Kerry Diotte: I myself was a journalist, actually, for three decades. I spent most of that time in the newsroom of the Edmonton Sun. Editorially, we were a conservative-leaning paper. That said, when it came to politics, we spent most of our time holding the government of the day to account, particularly in the province of Alberta, which has had conservative governments forever. Today I notice that CTV and other organizations seem more fixated, at least federally, on attacking opposition Conservatives.

Why do you think that is, and what do you think can be done to stop that?

Richard Gray: I disagree with that characterization.

From the standpoint of our news organization, what we seek to do is provide coverage that is balanced and fair to all participants in the political system. I consider us to be doing our job when both sides are complaining equally loudly about the work we're doing. I consider us to be doing our job when we are going right up the middle.

Kerry Diotte: Okay. Fair enough.

In 2024, CTV News was caught altering a video clip of Conservative leader Pierre Poilievre. It maliciously misrepresented his words, and two people were fired over this. What's being done to ensure this kind of travesty never happens again?

Richard Gray: We took considerable and great steps in light of what transpired. We apologized for what transpired, and we did an immediate investigation. That ultimately, as you said, led to the termination of two staff members.

I am on record with other House of Commons committees on this matter as saying that it is the first and only time in my career that I have ever seen anything like that happen. I stand by that.

• (1210)

Kerry Diotte: Peter Menzies, former CRTC vice-chair, told this committee last week that he believes objectivity is gone from newsrooms. He said that objectivity is “an enormous challenge” for public broadcasters”. He also said that most newsroom reporters are on the centre-left politically. I experienced that myself at a conservative newspaper years ago.

What do you make of that and what is CTV doing to ensure its journalists are objective?

Richard Gray: We have a number of guardrails in place at CTV.

We have a news policy that has requirements with respect to our creation of content. We adhere to the Canadian Association of Broadcasters' code of ethics. We adhere to the RTDNA Canada code of ethics. In addition, in the digital space, we are part of what is called the Trust Project.

All of those spell out very clearly what is expected of journalism organizations and how journalists conduct themselves.

I can say this. In any newsroom that I have ever been a part of, there has never been a conversation about the adoption of a particular political point of view—in fact, quite the contrary. The conversation is always about how we ensure that all voices are heard, all perspectives are reflected.

The Chair: Thank you.

[*Translation*]

Mr. Ntumba, you now have the floor for five minutes.

Bienvenu-Olivier Ntumba (Mont-Saint-Bruno—L'Acadie, Lib.): Thank you, Madam Chair.

Witnesses, thank you all for being with us today for this study, whether you're here in person or online.

Mr. Gonez, you often talked in your remarks about Bill C-18 and what you think it will prevent in the media.

I'll give you a bit of background.

Before this happened, I think most of us would often go on Facebook and watch media summaries. Sometimes it was even to follow election nights. Back then, I went on Facebook to watch Radio-Canada, which posted them live. I think that generated a lot of traffic for media like Facebook. It fed their algorithms. A lot of people have subscribed to follow their media on these platforms.

Since Bill C-18 was passed, we have had regulations in place that, thanks to the strength of the government and teamwork, provided some media outlets with \$100 million, which they are benefiting from today.

Isn't this approach beneficial for the media community in Canada?

Should we really set that aside and give people free rein to go on Meta?

[*English*]

Brandon Gonez: To your question on Bill C-18, I think what the government at the time may not have understood was that Meta-owned platforms like Facebook and Instagram were driving huge referral traffic back to legacy publishers and digital publishers. That, in turn, allowed traffic to increase natively, which then allowed publishers—again, whether they were traditional or digital—to sell off that traffic to garner advertising revenue. Everybody lost that traffic. The \$100 million, when I look at it in the grand scheme of things, is a drop in the bucket of what it put at risk.

On the digital innovation side, it stopped a whole industry that was booming. I know of digital publishers that are smaller in scale than my organization that have gone out of business or are at risk of going out of business, despite the \$100 million from Google. At the end of the day, that money is tied to how many people you employ, not to your impact.

What does that then foster? It fosters organizations that probably weren't on the right trajectory in terms of impact, but now have bloated operations and are still not reaching the number of Canadians they should be reaching, whereas the organizations that were building business models actually reaching those Canadians are not offered any incentive to continue doing that.

It all goes back to what type of country we are trying to foster and what type of business ecosystem we are trying to foster. I'm not here to say we should forget the legacy players and push them to the wayside. It's none of that. What I am saying is that we can't protect an industry that is dying at the expense of a group of organizations in a new industry that is being fostered. That is what we have essentially done over the last three years.

We've protected the old guard at the expense of a new generation of media companies and organizers that took a risk, put their livelihoods on the line, started employing Canadians in different regions across this country and brought diversity of thought to people's screens. It may not have been the big screen—it was a smaller screen—but it was the screen Canadians were consuming content on. We've hindered and stifled that growth.

Is that money good? I look at it as a stopgap. It's holding organizations together that have to do that hard work to essentially reinvent themselves. We may lose some of those organizations. On the flip side, there were organizations that could have potentially grown bigger to replace those organizations or complement the loss that those organizations were dealing with.

• (1215)

[*Translation*]

Bienvenu-Olivier Ntumba: Thank you.

Mr. Pineault, can you also answer my question?

Jean-Philippe Pineault: In terms of Bill C-18, the problem is actually mainly that Meta is not compensating the news media. Anyway, it has been excluded from platforms like Facebook and Instagram.

However, there is unfortunately still a lot of news content, which is sometimes even stolen from our own media and reused by other people. There's a lot of misinformation out there.

In addition, I think we have to be careful when we talk about impact, because the purpose of the program is to reward journalists who do journalistic work. The impact of our published stories, which cover remote communities, for example, and are the result of months of investigative work, is also not simply measured by the number of clicks on a story.

I think that what we were trying to do in this program was to reward the quality journalism carried out by journalists in the field.

The Chair: Thank you, Mr. Ntumba.

Your time is up.

[*English*]

Mrs. Thomas, you have the floor now for five minutes.

Rachael Thomas: Thank you very much.

Mr. Gonez, you've made some interesting points here today.

With regard to Bill C-18, it seems that the government perhaps made a few mistakes. We want to make sure that Canadians have access to local news. We want to make sure that there is a thriving ecosystem within our country. Certainly, that is the case. However, in order to do that, the news needs to be where people are, which is largely digital nowadays, not in these antiquated systems.

When \$8 million goes to a place like Bell to prop up an already existing system, no money goes to Tri-Cities Community TV and about \$100,000 goes to you, I see an incredible imbalance. At the end of the day, you're actually meeting the audience where they are and giving them more of what they want.

Bill C-18 had an opportunity to make sure that Canadians were, in fact, getting what they needed and to make sure that the ecosystem was strengthened, but based on the testimony I've heard here today, it hasn't hit the mark. What could be done better to make sure that we're actually providing for the needs of Canadians in terms of their access to news?

Brandon Gonez: It's a great question.

My thought process is always "let's incentivize." We should be incentivizing Canadian businesses and advertisers to spend money on digital media companies that, again, have taken that risk and built business models that are now ready to scale. That's the opportunity before us right now. We have digital media companies that, if we didn't have Bill C-18 and weren't being hindered by the two biggest platforms Canadians utilize, would be scaling at an exponential rate right now, but right now, we're dealing with that roadblock.

What I would love to see, if we are going to utilize funds, is the creation of an incentive program so that if advertisers are working directly with these digital media companies, they get an incentive,

whether that's a tax write-off or whatever. When an advertiser wants to spend money on Canadian media, there's a pipeline of all of these people in the middle. That's where it gets siphoned off. That infrastructure in the middle, whether it's ad agencies, DSPs, SSPs or ad exchanges, is all owned by Americans. That's why most of the money ends up south of the border and doesn't end up in the hands of legacy publishers or digital-first publishers. There needs to be an incentive for Canadian organizations to work directly with Canadian-owned digital media companies. That will, in turn, see more of that money stay here in Canada and create more opportunities and jobs and so forth.

There also needs to be a special program for digital media companies that have taken that risk so that they can continue to grow. I look at some of the funds that are out there, like the Canadian periodical fund, for example. A lot of those programs are based on and help solely legacy players that do print. I'm not saying don't do print, but when I look at the numbers, the number of people buying and reading a newspaper continues to dwindle every single day. The organizations creating content for people where they are don't have access to these programs and those funds. They're never part of the conversation. They're always looked at as an afterthought.

What I'm saying is that we now need to be central in this conversation. We need to be key stakeholders in revolutionizing and creating the framework for how our media ecosystem looks in the future.

Again, the intention of Bill C-18 was good. I think everybody here can agree that we need a solid media ecosystem, and that includes all of the players here at this table. Bill C-18 inadvertently impacted new innovators and digital media start-ups more heavily than the traditional players. All we did was safeguard an industry and players that were already struggling. Those that were actually doing well and on the precipice of becoming big national media companies at scale to compete with the likes of those in the U.S. were harmed in the process.

• (1220)

Rachael Thomas: May I summarize quickly? Did I hear you correctly that if we're going to think about policy changes in this country and fairness toward media, we need to think about incentivizing innovation and creativity, rather than trying to prop up an old model that isn't working for Canadians?

Brandon Gonez: That should be the first thought. What would work well is if we could have a combination of the two, because some players will need some time to adjust. Again, it cannot be at the expense of those that have done the hard work already and are now being sacrificed in the process.

The Chair: Mr. Myles, you have five minutes.

David Myles: Thank you very much, Madam Chair.

[Translation]

Ms. Jamet, you talked about the tax credit, about how it works now and how it could work in the future.

In fact, we sometimes tend to say that the government doesn't spend, but we know full well that, when we say that, we mean that it doesn't spend on advertising in Canada's media companies. However, this is also a trend in the private sector. It is pretty widespread, if I understand correctly.

How could we support these investments with tax credits in Canada?

Caroline Jamet: Thank you for your question.

I can say that, when it comes to advertising, not all advertisers focus on foreign platforms. Across our markets, we have customers who choose to support local media. I could give many, many examples. It is therefore inaccurate to say that all companies focus on foreign media for their advertising.

Local advertising is actually the bread and butter of stations across our network.

Second, we believe that the proposed measure would be foundational for the media industry. A tax credit for advertising would be a significant incentive to encourage advertisers to focus on local media.

Third, I need to clarify something about subsection 19(1) of the Income Tax Act. This subsection was originally included in the act to protect Canadian media and encourage investment in Canada.

Unfortunately, it has not been updated over time. Today, there is a loophole that allows platforms such as Meta and Facebook to be considered Canadian media. As a result, advertising expenses incurred on these platforms can be deducted.

All we're asking for is that this provision be adjusted to bring it back to its original spirit, which was to support Canadian media, because right now there's a loophole.

• (1225)

David Myles: That's very interesting. It's exactly the point I wanted to clarify.

How was the decision made to put Meta and Google in the same category as Canadian companies?

In what year did that happen, and how did it happen?

Caroline Jamet: I can't specify the exact year, but the provision dates back to a time when the media was basically traditional. Digital media didn't exist yet.

The objective was to ensure that, when a Canadian company purchased advertising in a foreign media outlet like The New York Times, the expenses incurred could not be deducted like they could if it had been in a Canadian media outlet like La Presse.

The measure was designed before the advent of digital platforms. That is precisely why an update is needed. The Income Tax Act, as it is currently written, focuses on traditional media and doesn't take into account digital media. It's that disconnect that is now creating a loophole.

David Myles: Thank you. That's very interesting.

I would like to ask a question about the rules in Quebec, particularly the change related to the category of radio stations, separate from journalistic funds. This is another suggestion that broadens the scope of the measure.

Could you explain that in more detail?

Caroline Jamet: The provincial budget was tabled a few weeks ago. It hasn't been passed yet, but the Quebec government added a measure to make radio and television eligible for the journalism tax credit. That way, the fund would be extended to other media outlets to address the current unfairness of two classes of journalists receiving support through programs.

Currently, the federal program's rules still exclude radio. What we're asking for, similar to the approach taken by the provincial government, is a recognition of radio's journalistic contribution.

We therefore hope that there will be parity and that the program will be applied in a way similar to what is proposed in Quebec.

The provincial budget has not passed yet, but that should happen in the next few days.

David Myles: Is it specifically for the journalism that radio stations do?

Caroline Jamet: Exactly, it's that program.

David Myles: Great, thank you.

The Chair: Mr. Champoux, you have the floor for two and a half minutes.

Martin Champoux: Thank you, Madam Chair.

Earlier, Mr. Gonez said that the measures were put in place to save a dying industry on its last legs. I just wanted to correct that. Radio, television and traditional media cannot be described as a dying industry at all. Radio and television are still the preferred media for Quebecers and Canadians.

I think it's more that the industry has been crushed by regulations from another era at a time when it was being invaded by digital media, which was not regulated in time.

I remember back in the early 2000s, when we were talking about regulating platforms, new players in the music broadcasting industry. At the time, the CRTC said they didn't see a day when we were going to watch news on our phones. We had no kind of vision of what the technology was going to become.

If we had regulated this industry on time, the world in which digital companies and new players operate today would probably be regulated. They would have had access to that world in a regulated environment rather than in the wild west that was created by a lack of regulation. It's a bit like saying that there could never be flying cars, and then when flying cars arrive, we let them zoom around in the sky and crash all over the place without any regulations because we claim we didn't see it coming. I think this lack of vision is reflected in a number of broadcasting decisions made by successive governments, and I find that quite worrisome.

Particularly since the measures you are proposing are easy to implement. Extending the tax credit to radio and television stations, particularly newsrooms, is an easy measure to implement. We don't need to vote on a bill for that.

When it comes to buying advertising on traditional media, we're not talking about stopping advertising investment or purchases on the platforms. We know that it's 2026 and that it's part of today's reality. Devoting a portion of an advertising budget to traditional media is not hard to do.

Furthermore, in terms of the programs in place, the media have to reapply year after year, whereas it would be preferable to have a little predictability and spread the programs out over two, three, even five years in some cases. These are not hard things to do.

I find it hard to understand why this government is letting radio stations die. The loss will be felt in the regions first, where it hurts the most. Montreal is not the place where news will stop airing first. It will be in Chibougamau or in the regions served by the Groupe Radio Simard. It will be small regional TV and radio stations. That's where it's going to hurt the most. I don't understand this inaction.

Some programs work well. The Independent Local News Fund, which we were talking about earlier, works well. The local journalism initiative for regional weeklies works well.

We want predictability, we want commitment and we want to save this industry.

This has to be said. It's so easy to put measures in place that I can't explain why it hasn't been done for such a long time.

Since I only had two and a half minutes of speaking time, I won't ask you any questions right away. I'll come back to this later.

Thank you, Madam Chair.

• (1230)

The Chair: Thank you, Mr. Champoux.

[English]

Mr. Diotte, you have the floor now for five minutes.

Kerry Diotte: This is for Mr. Gray.

I'm going to share my time with Bernard as well.

Mr. Gray, Scott Reid, Paul Martin's former communications director, is a vocal detractor and critic of our Conservative leader, Pierre Poilievre, and a regular CTV commentator on Vassy Kapeles' show. I'm told that recently, his son Jack Reid was named a se-

nior advertising adviser in Carney's PMO. That seems to me to be a bit of a conflict of interest.

Do you think Scott Reid should be featured on CTV, given this conflict of interest? At the very least, shouldn't this be disclosed to your audience?

Richard Gray: Every time Scott Reid appears on air, we identify him as a Liberal. We do that with all of our political analysts. We do that when Lisa Raitt appears as a Conservative analyst. We do that when Thomas Mulcair appears as an NDP analyst.

Kerry Diotte: Do you mention that his son works for the Prime Minister?

Richard Gray: No, we don't.

Kerry Diotte: Isn't that fairly pertinent?

Richard Gray: I don't believe so, no.

Kerry Diotte: When Justin Trudeau won in 2015, Bruce Anderson, whose daughter worked in the PMO, recused himself from the *At Issue* panel when commenting on the CBC. Does the CBC have higher ethics than CTV?

Richard Gray: No, not at all.

I'm not familiar with what you just shared. However, based on what you said, he chose to recuse himself.

Kerry Diotte: Is that not the journalistic and ethical thing to do when you have a direct conflict of interest—for instance, the conflict of this person on your panel who has somebody who works for the Prime Minister of Canada?

Richard Gray: We do not misrepresent the point of view that Scott Reid offers. We label him as a Liberal every time he appears on air.

Kerry Diotte: He's more than just a Liberal, however. His son works, I'm told, for the Prime Minister of Canada. You don't disclose that.

Richard Gray: No.

Kerry Diotte: That's unfortunate.

[Translation]

Bernard G n reux: It appears I'm about the only one who hasn't worked in the media.

I use the media a lot, as probably all members do in their respective ridings. The Groupe Radio Simard operates three radio stations in my riding. I'll take this opportunity to thank it for the important work it does.

Mr. Lorrain, earlier you briefly mentioned the tax credit.

Has the radio industry ever estimated what the loss of revenue from the Government of Canada would cost if a tax credit were put in place for radio, as has just been done in Quebec?

• (1235)

Michel Lorrain: To the best of my recollection, I don't think such a study has been done across the country.

Having said that, this is a question of fairness. Two categories of journalists have been created in Canada: those who work for print media and those who work for electronic media.

As you know, companies that employ print journalists are entitled to a tax credit of 35%, up to a cap of, I think, about \$85,000.

If for no other reason than fairness, this measure should be extended to the entire electronic media sector, whether radio or television.

To answer your question, no, the calculation hasn't been done.

Bernard Généreux: That's why the committee is conducting this study on fairness to the media.

Ms. Jamet, Mr. Gray or Mr. Pineault, are you able to tell us how much funding you currently receive from Google?

Caroline Jamet: Yes, we get a little less than \$800,000.

I want to mention something, though. Our company is at a disadvantage compared to large, vertically integrated groups. Groups that operate multiple media outlets, such as television, radio and digital, receive significant amounts of money.

As for us, we operate in a single segment of the industry, namely, radio and audio. I would like to point out that we are active in the digital sector as well. Radio delivered through mobile apps on cell-phones is still radio. Everyone carries a radio with them at all times.

That said, the amounts we receive are much lower. In fact, they are insufficient.

Bernard Généreux: Do you want to add anything, Mr. Pineault?

Jean-Philippe Pineault: For Bell Media as a whole, we're talking about \$8 million.

Bernard Généreux: Do I have any time left?

The Chair: You have 10 seconds.

[English]

I will turn the floor over to Mr. Myles again for five minutes.

David Myles: Thank you very much.

I'm just taking this opportunity to get some clarification on how we've arrived here and how best to move forward. We've heard a little bit in the House about more organizations being able to access some of these support funds, notably Corus Entertainment. Maybe there's someone here who can speak to what has happened to the fund, obviously, as more people have been able to apply to it and what that means for the reality of your organizations now—if I'm making any sense. I think this is a pertinent issue because it has come up in the House a couple of times. I just wonder if there are any thoughts on that.

[Translation]

Caroline Jamet: I would say that the radio industry is particularly disadvantaged.

Let's look at the media industry as a whole. Newspapers have been receiving funding for several years. As for the television model, it was established a long time ago, and that sector benefits from tax credits. In television production, there is essentially no financial risk, because all of the funding is predetermined. In radio, we produce all of our content, and that production is not financially supported.

The programs introduced in recent years have favoured print media and television. As for radio, aside from the Google fund and the small regional news fund, which, I should note, is temporary and excludes major urban centres, we don't have access to comparable programs.

I think this deserves serious consideration, because the radio industry is fundamental. This medium has existed for a long time, and it remains very strong. The radio industry needs to be examined specifically. This inequity vis-à-vis other platforms and media, which have been supported for many years, must come to an end.

[English]

David Myles: Is there anyone else?

Great. Go ahead.

Brandon Gonez: I also want to make reference to the fact that for a lot of the media companies here, and the one that you just referenced, for example, it's not just news that they do. It's also content creation. Outside of the programs that we've been talking about today, there are other programs with that type of content creation, whether it's television programs or whatever, that are able to touch into resources like CMF, the Canada Media Fund.

My organization creates similar types of content that get distributed on platforms like YouTube, for example, or on digital platforms like TikTok, and we don't have any access to CMF funding because we don't get a broadcast letter from any of the broadcasters. However, we pour extensive resources into creating this content. It's watched by hundreds of thousands of Canadians every single week, and we do so without the advantages that some of our bigger competitors are able to tap into.

As we're talking about this, I want to also mention that we're looking not just at the few programs that we've been talking about—the tax credits, LJI, the Google money—but there are other public funds that taxpayers are pouring into that digital start-ups are still not able to tap into. We still have to talk about the gates that are still being closed on digital start-ups in this country.

• (1240)

David Myles: I appreciate that. I'm glad you brought it up. Of course, we're focusing on the journalism part, but that's been a conversation that I've had for sure on the content creation side, on the YouTube side.

Specifically, just to go back a little bit, Mr. Gonez, in terms of what you mentioned at the intro, in terms of some of the incentives that could be there for innovation, what do you think specifically that might look like?

Brandon Gonez: I think it could look a plethora of ways. There could be a tax incentive where digital media companies get a portion of what they spend on innovation written off, for example, or back as a subsidy. There could be a special fund that's created potentially by advertisers who spend on digital platforms—like Meta, for example—for advertising. Maybe there's a percentage that goes into a fund that can be deployed just to digital media companies because, again, that's what our model is based on. We can't tap into other programs because we don't own infrastructure on the airwaves, for example, or licences, like radio licences or TV licences.

It is an opportunity to think of different ways, but I would start off with an incentive program. Again, I also don't want to create an industry where we're solely reliant on these government programs to survive. I would rather an industry where it's so robust that advertisers and companies are inclined to spend money with Canadian digital media companies because it just makes sense. Actually, we want it to make dollars, not cents. You know what I mean.

Again, I want us to think about this as a full multipronged approach.

David Myles: I appreciate that.

I was wondering about when you say innovation “incentives” or even a “fund”. It's helpful sometimes to think about what that might look like. What incentives would be helpful to provide support, specifically, in terms of technological incentives and those kinds of things for your business?

Brandon Gonez: When I look at tax credits, for instance the journalism tax credit, which was originally 25% and now it's 35%, it would be great if there was a digital innovation incentive—maybe it's a 25% tax credit—to help offset the losses that we've experienced over the last three years. At the time, Canada's heritage minister did say that he would make sure that we were made whole. That has never happened—and I don't know if it ever will—but I do believe that there is a way that the government can do this. I think that this committee is open to doing that, so there should be, potentially, an additional 25% tax credit for digital media companies who are innovating at scale. Again, it's to inspire and motivate these companies to become bigger, because we are the ones creating jobs.

You hear about these job losses every single quarter or at certain times of year in particular companies. A lot of times when we're hiring, we're getting these people. We're retraining them. We're doing that grunt work to make sure that they are now equipped to succeed in the industry that we are in now. I can't tell you how many colleges have reached out to my company asking for us to consult on how to rebrand their programs and how to make their broadcasting programs relatable but relevant for the 21st century. The de-

mand is so much that I don't have time—my team doesn't have time—but the amount of colleges across—

The Chair: You need to hire more people, clearly.

• (1245)

Brandon Gonez: If I were still on those platforms, my revenue would be three times what it is, so this is the impact.

The Chair: Thank you.

Mr. Waugh, you have the floor for five minutes.

Kevin Waugh: Thank you, Madam Chair. I'll probably share my time with Mrs. Thomas.

Mr. Gray, on Sunday, *Question Period* aired the Prime Minister's full 10-minute video, unedited and with no criticism, no fact-checking and no opposition voice, when the Prime Minister talked about weakness with the United States.

As vice-president of CTV News, were you informed before that this platform, which is YouTube, would be used on CTV's *Question Period* on Sunday?

Richard Gray: We were aware that the Prime Minister was making an address to the nation that was pre-recorded. We did reach out to the opposition Conservatives to get their point of view. As soon as it was provided to us, we did use it on air. In fact, we aired the opposition leader's rebuttal in its entirety yesterday.

Kevin Waugh: I saw that.

Are you concerned that an American platform, like YouTube, is being used today to give the message to Canadians?

Richard Gray: It's an interesting question you ask, and I'm going to make a general statement. I have been very concerned, in recent years, that politicians of all political stripes have chosen to do more interviews with American news outlets, as it relates to the trade issue in this country, than with Canadian news outlets. I remain concerned that politicians seem to be more reluctant than in the past to speak directly to broadcast and traditional media outlets.

That said, I do recognize and acknowledge that no one has an obligation to speak to us. However, I think that all politicians should want to because, as I said, we reach a huge number of Canadians, more than 11 million, with our local and national newscasts on a weekly basis. From a digital standpoint, we reach 46% of Canadians every month.

Kevin Waugh: As Mr. Gonez said, it's shifting from legacy media to digital outlets in this country. I think that's what you saw on Sunday with YouTube, an American platform, being used here in Canada to give the message of the Prime Minister. Good on you, I will say. Yesterday, you had the opposition leader.

I'll move over to Mrs. Thomas now, who will conclude our comments for the day.

Rachael Thomas: Thank you.

Mr. Gray, you said earlier that you produce 20,000 hours of local news per year, or that Bell does. Is that correct?

Richard Gray: Yes.

Rachael Thomas: I'm just wondering: How does this compare to previous years? Is this number going up or down?

Richard Gray: That number would be roughly the same as last year.

Rachael Thomas: Okay, and the year before that...?

Richard Gray: The year before that, there would have been some reduction as a result of our cancellation of weekend and noon newscasts.

Rachael Thomas: Okay. As you know, part of the mandate of Bill C-18 is that \$100 million, which has now become the Google fund, is given out by the Canadian Journalism Collective. You were given \$8 million. As part of that, the requirement is that local news is supposed to be increasing. We're supposed to be reaching more Canadians.

In your estimation, then, should you continue to receive those Google dollars to the tune of \$8 million?

Richard Gray: I'm glad you've asked this question. I think there are a couple of critical points that need to be made about the \$8 million we receive. We, and all recipients of the Google dollars, don't necessarily receive that to prop up legacy media. We receive that as compensation for those particular platforms utilizing content we produce.

The other key component or part to my responding to your question is that we don't receive \$8 million because we're Bell. We don't receive \$8 million because we asked for \$8 million—

Rachael Thomas: No. I'm sorry, but I'm going to interrupt you for a minute. Mr. Gray, respectfully—

Richard Gray: —we receive \$8 million because of the number of journalists we employ.

Rachael Thomas: —I'll take back my time. Thank you, Mr. Gray.

The point of the Google dollars, the Bill C-18 dollars, if you will, is to further local news. You just stated today that Bell Media has failed to do that, and that the number of hours being produced year over year has actually declined since receiving those Google dollars. In my estimation, then, Bill C-18 is either not doing its job or has some alternative effort in mind. I think that is very sad for Canadians because, at the end of the day, they need access to local news, and that's certainly not where the dollars are going, as you just admitted.

• (1250)

Richard Gray: We receive \$8 million in funding from Google because of the number of journalists we employ.

The Chair: Thank you.

Mr. Al Soud, you have the floor for five minutes.

Fares Al Soud: Thank you, Madam Chair.

I started my last round by highlighting my slight frustration with the beautiful city of Toronto. My next question will be for our friends from Bell Media, Mr. Gray and Mr. Pineault.

What would it take financially or structurally for a market like Mississauga to sustain deeper dedicated coverage?

Richard Gray: That's not an easy question to answer, but I will say this. We actually have taken strides of late, through our 24-hour local service, CP24, in the GTHA to expand our coverage into all communities in that region. We have just launched a weekly feature where mayors from all of the GTHA communities are provided with an opportunity to showcase their favourite event happening in their community on a weekly basis. We are endeavouring every two weeks to get out and do broadcasts live on location from various areas inside the GTHA. We do have plans to double down on broader coverage.

Fares Al Soud: From your experience from a newsroom economic standpoint, does proximity to a major hub like Toronto crowd out investment in distinct local reporting capacity in adjacent cities?

Richard Gray: No, not necessarily. I mean, a good story is a good story. Our news organizations in Toronto, be they CTV Toronto or CP24, have long held the point of view that their responsibility is to cover not just the city of Toronto but also the broader greater Toronto-Hamilton area.

Fares Al Soud: Fantastic. Thank you, Mr. Gray.

[*Translation*]

Mr. Simard, regional broadcasters operate under very different market conditions. In some regions, local news production is no longer commercially viable at all, while in other regions it is.

What distinguishes those markets from the ones that are still operating?

Martin Simard: It is clear that the size of markets has a significant impact on that. We rely primarily on local advertisers, so the healthier the local market, the better positioned we are to remain viable. Generally speaking, radio stations in our markets are still effective. As Ms. Jamet mentioned earlier, radio continues to reach and engage with the public.

As a result, when investment is made in our media through advertising, advertisers are still able to achieve results. That is one of the key features of small markets. That said, competition in these markets is extremely fierce. We are not alone in any of our markets, and our competitors are facing the same challenges we are when it comes to labour and efficiency.

We are sharing a pie that is shrinking year after year. Consequently, we have to compete increasingly aggressively, despite a sharp rise in operating costs, many of which are beyond our control. The cost of equipment, for example, has increased dramatically in recent years. At the moment, this makes the business model difficult to sustain.

Fares Al Soud: When resources decline, what tends to be cut first, in practice? Is it the number of journalists, the extent of coverage or the depth of reporting?

Martin Simard: In our region, journalism hasn't been affected, at least not in recent years. In fact, it's the cornerstone of our local stations. We want to continue playing our role and offering a high-quality service. As a result, we didn't have to make that agonizing choice. As a group, we were able to restructure our operations, adapt our approach and avoid reducing the number of journalists. To date, we have maintained that staffing level, and we intend to continue doing so.

• (1255)

Fares Al Soud: Thank you, Mr. Simard.

[English]

Ms. Cena, community television often fills gaps left by larger players. From the feedback you've received, where are those gaps most prominent?

Cathy Cena: Thank you for the question.

For our organization, the gaps are in equipment. Our funding only goes so far. We split the LJI funding between two journalists, who do a great job. We always have them working by the seat of their pants—interviews here and interviews there. Having said that, we struggle with equipment. We try to keep our journalists happy. The LJI funding, though, is only for the people who are creating the stories. It isn't for me, someone who interviews. It isn't for equipment. Eighty thousand dollars only goes so far. That's what we are getting. I'll just be fully transparent. We were surprised to get that, but the Canada Media Fund has been excellent in providing us with that, and we hope the program continues. I know it goes until 2027.

As you heard earlier, multi-year funding would really help us out. A lot of newspapers have gone by the wayside, like our Tri-City News. A few weeks ago, or maybe a month ago, Freshet News was here supporting their stance. There are outlets, but they are few and far between. I feel that a connection—what we're doing—is really important.

I know everyone is here to talk about everything on a global level. I feel like a small fish in a big pond, but I'm here to be in the pond. As big or as small as it is, I'm really grateful, so thank you for the question.

Fares Al Soud: Thank you, Ms. Cena.

[Translation]

The Chair: Mr. Champoux, you have the floor for two and a half minutes.

Martin Champoux: Madam Chair, with your permission, we're going to take a little trip down memory lane.

I'd like to address Michel Lorrain.

When we worked together, Michel, back in 1990–1991, you were the morning host at CHLN. I was there as well. I hosted on weekends, and I was the producer of the program *Omnibus* with Michel Charland at noon. We had news programming throughout the day. At the time, we called it talk radio, and there was another AM station competing with us, as well as two FM stations. It was a radio market that was fairly representative of markets in similar-sized cities. But above all, there was that strong connection between radio and its community. There was a real relationship with listeners, with the local population. Radio stations like the one we worked at were deeply involved in their communities at the time.

Does that very close, almost fiercely loyal, connection between citizens and their local radio station still exist?

Does that sense of magic still exist in the relationship people have with regional radio stations?

Michel Lorrain: First, there is still a desire to do so, although to a lesser extent than 40 years ago, obviously, for many good reasons—first and foremost economic reasons. Even so, I've witnessed a deep rooting of certain radio stations in their communities. A good example can be found in the Groupe Radio Simard stations in Rivière-du-Loup, where a significant amount of money is still invested in news and public affairs, precisely to maintain that connection with the community.

I would add that there are even activities that, from an external perspective, could be described as unprofitable. Broadcasting the finals of the Bas-Saint-Laurent senior baseball league is one such example. It's not an activity that generates revenue, but it does reinforce the bond between the radio station and the community.

In Roberval, when the first three or four swimmers finish crossing the lake, all the other media leave, except radio. I've seen it myself. The radio stays on site to cover the event until the very last swimmer emerges from Lac Saint-Jean. This is not a profitable activity, but it's one that creates a lasting connection with the community.

• (1300)

Martin Champoux: There's been a lot of talk about the financial or economic challenges facing the sector, but I felt it was important, in closing, to highlight this close relationship between radio stations and their communities.

Michel Lorrain: Radio is an old medium, as was mentioned earlier, but it is still listened to by 85% of the population every week. We should never forget that.

Martin Champoux: Thank you very much, Michel.

The Chair: Thank you, everyone.

Thank you to all the witnesses.

[*English*]

Thank you very much for your time.

If there's something you've forgotten to mention today or something that occurs to you later, or if you come across more data that you think this committee should have, please submit it to us

through the clerk. We can include that information as we develop a report at the end of this study.

Thank you again for your time today.

The meeting is adjourned.

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