



**Standing Committee on Canadian Heritage**

**Bill C-11**

An Act to amend the Broadcasting Act and to make related and consequential amendments to other Acts

**Remarks by Quebecor Media Inc.,  
speaking for itself and on behalf of its TVA Group Inc. and  
Videotron Ltd. subsidiaries**

**(Check against delivery)**

**May 31, 2022**

**Madam Chair,  
Committee members,**

**Good afternoon,**

**My name is Pierre Karl Péladeau and I am  
President and Chief Executive Officer of  
Quebecor. With me is Peggy Tabet, Vice  
President, Regulatory and Environmental Affairs.**

## **INTRODUCTION**

**Bill C-11, which amends an outdated law that dates back to 1991, is an opportunity for Parliament to redress the longstanding and increasingly dramatic inequity between foreign online broadcasting platforms and Canadian companies.**

**As you are no doubt aware, a CRTC licence was required to become a broadcaster or cable operator. Rules and conditions were attached to this license, and rightly so.**

**However, technology—such as the Internet, obviously—and globalization have made it possible to circumvent these licence requirements. Foreign giants with immense financial resources have been quick to take advantage of the inescapable new basic calculus. We believe that our Canadian companies must now be released from the plethora of regulations and conditions that constantly stifle them and threaten their viability.**

**In January 2022, the Académie de la transformation numérique at Université Laval published a study that showed that paid video**

**streaming services had passed home television services in Québec households for the first time. 71% of adult Quebecers now subscribe to paid online services while 66% subscribe to the services of a broadcasting distribution undertaking (BDU).**

**For years, Quebecor has repeatedly called the attention of authorities to the fact that conventional local broadcasters and BDUs such as TVA and Videotron, which showcase our culture and promote local talent and cultural workers, are facing fierce competition in an outdated and unfair regulatory environment.**

**Unbridled competition from online streaming platforms such as Netflix, Amazon and Disney Plus, which are subject to no constraints, and crushing CRTC regulation threaten the sustainability of our local businesses, and therefore our cultural sovereignty, as well as our ability to inform Canadians with professional rigour, something that requires resources.**

**It is time to restore fairness and lighten the regulatory burden.**

**For over-regulation has also been a factor in the weakening of local conventional broadcasters**

**and BDUs. It has become clear that this approach has been a monumental failure: our broadcasters have never been at a greater disadvantage and are struggling to survive. Between 2010 and 2020, the combined earnings before interest and taxes of the major private conventional networks fell by nearly \$216 million.<sup>1</sup>**

**TVA alone suffered a decline of nearly \$60 million. Aside from CBC / Radio-Canada, no company can survive without earnings.**

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<sup>1</sup> CRTC, Aggregate Annual Returns, Quebecor Media Inc, Canadian Broadcasting Corporation, BCE Inc, Remstar Diffusion inc, Rogers Communications Inc, Shaw Communications Inc, Corus Entertainment Inc, 2010, 2020.

**In this situation, Parliament must restore a level playing field between Canadian and foreign businesses and substantially reduce the regulatory and financial burden, such as the Part 2 fees. We are therefore very concerned that Bill C-11 no longer contains the principle that regulation should be “fair and equitable” between industry players, which was present in the previous bill.**

**To end the current two-tier system, Parliament should amend the bill to ensure that all broadcasting undertakings are treated fairly and equitably.**



**There is a simple solution. Instead of asking the CRTC for a new set of megaregulations packed with daunting requirements, Parliament should go to the root of the problem and establish a lighter regulatory system, one in which foreign online broadcasting platforms contribute financially to our ecosystem and to the various stakeholders in the industry in order to keep our Canadian broadcasting system strong and able to make a contribution.**

## **CBC / RADIO-CANADA'S MANDATE**

**Bill C-11 neglects, once again one of the major challenges in our industry: reforming CBC / Radio-Canada's mandate. For many years, the public broadcaster has not been playing its role but rather chasing ratings and engaging in anti-competitive practices.**

**Despite the \$1.4 billion it receives from taxpayers,<sup>2</sup> the public broadcaster is competing with other broadcasters for advertising and bidding up the price of audiovisual content.**

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<sup>2</sup> CBC/Radio-Canada website, Financial Highlights, "Government Funding, 2020-2021: \$1,394M." [Link](#)

**The government must keep its election promise and review the public broadcaster's mandate. And advertising should be eliminated on all of CBC / Radio-Canada's platforms.**

## **CONCLUSION**

**It is more urgent than ever for all relevant government bodies to take action, in the public interest, to ensure the survival of our Canadian broadcasting undertakings and the sustainability of our culture. According to Canadian Heritage, hundreds of newsrooms have already closed their doors.<sup>3</sup>**

**How many more must shut down before concrete action is taken? We must not wait for a precipitous decline in our broadcasting system before doing something.**

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<sup>3</sup> "Google details opposition to Ottawa's Online News Act", The Globe and Mail, May 16, 2022. [Link](#)

**We thank you for giving us the opportunity to speak on this matter. The brief we are submitting contains our recommendations for amendments to the bill.**