

The organizations set out in the following list have provided interventions/comments on:

- The Path Forward, Working towards a modernized regulatory framework regarding contributions to support Canadian and Indigenous content, announced in Broadcasting Notice of Consultation 2023-138.

Andrea Kokonis, of the Society of Composers, Authors and Music Publishers of Canada, on behalf of ACCORD, on July 11, 2023.

List of supporting organizations:

Association des professionnels de l'édition musicale (APEM)

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Attention: Jérôme Payette, Directeur général

Email: jpayette@apem.ca

Canadian Council of Music Industry Associations (CCMIA)

2169 Gottingen Street

Halifax, Nova Scotia

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Attention: Sean McManus, Chair

Email: sean@manitobamusic.com

Canadian Musical Reproduction Rights Agency (CMRRA)

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Toronto, ON

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Attention: Paul Shaver, President

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Music Publishers Canada (MPC)

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Attention: Margaret McGuffin, Chief Executive Officer

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Songwriters Association of Canada (SAC)

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Toronto, ON M3B 2S6

Attention: Arun Chaturvedi, President

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Screen Composers Guild of Canada (SCGC)

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Attention: John Welsman, President

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Society of Composers, Authors and Music Publishers of Canada (SOCAN)

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Toronto, ON M3B 2S6

Attention: Jennifer Brown, Chief Executive Officer

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Société professionnelle des auteurs et des compositeurs du Québec (SPACQ)

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July 11, 2023

Filed Electronically

Mr. Claude Doucet
Secretary General
Canadian Radio-television and Telecommunication Commission (CRTC)
Ottawa, Ontario
K1A 0N2

RE: Broadcasting Notice of Consultation 2023-138 –The Path Forward – Working towards a modernized regulatory framework regarding contributions to support Canadian and Indigenous content, Joint Intervention from ACCORD

1. This is a joint response to Broadcasting Notice of Consultation 2023-138 (“BNOC 2023-138”) reflecting the positions of Canada’s songwriters, composers, and music publishers as well as the organizations and collective management organizations that support them. Collectively, this includes: l’Association des professionnels de l’édition musicale; the Canadian Council of Music Industry Associations including Alberta Music, Cultural Industries Ontario North, Manitoba Music, Music BC, Music Nova Scotia, Music PEI, Music Yukon, Music/Musique NB, Music NL, MusicOntario, SaskMusic; the Canadian Musical Reproduction Rights Agency; Music Publishers Canada; the Songwriters Association of Canada, the Screen Composers Guild of Canada; the Society of Composers, Authors and Music Publishers of Canada; and la Société professionnelle des auteurs et des compositeurs du Québec, known collectively as “ACCORD”. Together, ACCORD represents over 185,000 English and French-Canadian songwriters, composers, and music publishers as our members. ACCORD requests to appear at the public hearing at the main location in Gatineau to elaborate on the issues addressed below and to provide the Commission with the opportunity to ask questions of this broad coalition of music industry stakeholders.
2. As recipients of Canadian Content Development (CCD) contributions, many of ACCORD’s members have a direct interest in the application of contribution obligations on online undertakings. The music industry depends on CCD to support the development, creation, and promotion of Canadian music, including a wide variety of activities integral to the functioning of the Canadian music sector, such as showcases at music festivals, professional development and training, award shows and conferences, as well as local, regional, and national music initiatives.
3. A strong and vibrant domestic audiovisual industry also benefits Canada’s songwriters, composers, and music publishers. Contributions made in support of audiovisual programs that are created, produced, and owned by Canadians provide ACCORD’s members with important opportunities to create and place music in Canadian programs, and provide additional benefits and compensation from the domestic and global exploitation of that music in those Canadian programs. As such, while ACCORD’s comments in this proceeding generally apply to music and online undertakings, we are broadly supportive of contributions that support Canadian owned-and-created audiovisual content.

4. ACCORD sets out its answers to the Commission's Step 1 questions and provides some overall comments on the Step 2 general objectives and specific elements below. ACCORD reserves the right to specifically respond to any additional questions or issues raised in this proceeding.

Executive Summary

5. ACCORD agrees with the Commission that online undertakings must begin contributing to the Canadian broadcasting system as soon as possible and that establishing an initial base contribution requirement is an important early step.
6. While the contribution framework must be equitable between traditional and online broadcasting undertakings, and between foreign and domestic undertakings, ACCORD cautions the Commission from applying the same obligations to traditional and online broadcasting undertakings. These undertakings have different business models and service offerings, which will likely require customization to address these differences. A "one size fits all" contribution framework simply will not work.
7. As previously mentioned in ACCORD's submissions in BNO CRTC 2023-139 and BNO CRTC 2023-140, the \$10 million annual Canadian gross revenues threshold for contribution is not the appropriate threshold. First, we have no revenue (or other) information or data that would assist us in making this assessment. But additionally, revenues should not be the only consideration. Non-revenue-based thresholds, such as an online undertaking's number of subscribers, number of monthly active users, monthly listening or viewing hours, and market share, among other possible criteria, are more important indicators of the impact that an online undertaking may have on Canada's broadcasting policy. Using such additional criteria to take a broader view of the business models of online undertakings will help the Commission better understand the online broadcasting market to ensure that online undertakings contribute appropriately to the broadcasting system.
8. The Commission should consider different or staggered thresholds for the registration requirements and contribution obligations, provided that (a) the registration threshold is lowered; and (b) alternate criteria are included. Staggered thresholds will allow the Commission to obtain the most information about the sector from the largest number of online undertakings while only applying obligations that will contribute in a material manner to the achievement of Canada's broadcasting policy objectives.
9. Without revenue data, ACCORD cannot suggest a specific calculation methodology or level. The Commission should collect revenue data, follow an approach that examines the outcome of the contributions, and assess if those obligations are sufficient to meet Canada's broadcasting policy objectives.
10. For music, the initial base contribution from online undertakings should be directed to existing funds (namely, FACTOR and Musicaction) so that contributions are available immediately to support the creation of Canadian content and the Canadian companies who hold IP and invest in Canadian content. These funds are well-established, have a proven track-record of successful programs, have already gone through a modernization process, and can readily adapt to new objectives. The creation of new funds would do nothing more

than increase administrative costs (taking money away from Canadian content) and hamper the initial base contributions from reaching the Canadian music ecosystem. If any changes to the structure or administration of a fund may be required, it will be more efficient to make these changes within the existing system rather than starting from scratch with the creation of new funds. ACCORD members fully support the direction of the initial base contributions to FACTOR and Musicaction.

11. ACCORD's answers to the Commission's three main questions in this consultation are as follows:

Applicability: The \$10 million annual Canadian gross revenues threshold is too high. In addition, non-revenue-based criteria must also be considered to set the thresholds.

Initial Base Contributions: The Commission ought to apply a highest common denominator approach: the initial base contributions should be raised at a minimum to the level of 'traditional' undertakings. Without revenue data, ACCORD cannot propose a specific percentage of annual Canadian broadcasting revenues for the initial base contributions. The Commission should determine the projected and actual outcomes of the initial base contributions (being the total amount of money going to support Canadian music) and set the contribution obligations accordingly to achieve Canada's broadcasting policy objectives.

Funds: The initial base contributions from online undertakings should be directed to existing funds that are established, successful, and can readily adapt to achieve new objectives. The initial base contributions should be directed to Canadian-created and Canadian-owned music to ensure long-term sustainable funding and a healthy, domestic, and global market for Canadian music.

12. Finally, the general objectives of the proposed contribution framework must include: a levelling up of online undertakings' contributions to Canadian music, with a resulting increase in market share for Canadian music; more money and representation for Indigenous, Black, and other racialized groups in our broadcasting system; and support for Canadian-owned intellectual property (IP) and strong Canadian companies.

Step 1 Issues and Questions

A. Applicability: Broadcasting Undertakings (traditional and online) to which the framework should apply

i. Exemption Thresholds (Questions 1, 2, 3, and 4)

13. The Commission, in BNOC 2023-139 and BNOC 2023-140, proposed exemptions for four classes of online undertakings: (i) online undertakings whose single activity and purpose consists of providing video game services; (ii) online undertakings whose single activity and purpose consists of providing unique transactions; (iii) online undertakings affiliated with a broadcasting ownership group that has, after deducting any excluded revenue, annual Canadian gross revenues from broadcasting activities of less than \$10 million; and; (iv) online undertakings that have no affiliation whatsoever with a broadcasting ownership

group, if they have, after deducting any excluded revenue, annual Canadian gross revenues from broadcasting activities of less than \$10 million.

14. As noted in our comments filed in BNOB 2023-139 and BNOB 2023-140, the exemption for online undertakings under (i) and (ii) should not be a blanket exemption: if an online undertaking engages in broadcasting activities in addition to (or as part of) its video game services or unique transactions then the undertaking should not be exempt. As an example, some online video games have recently begun broadcasting virtual concerts from within their digital worlds. Those types of broadcasting activities should still be caught by the Commission's mandate, notwithstanding that they take place inside of a video game. There have also been advances in augmented and virtual reality technologies that have fundamentally altered the ways in which users engage with video game services. These new uses go beyond simply selecting and playing video games and are akin to "broadcasting" as defined under the Act. These exemptions need to be carefully monitored and adapted as these services and experiences continue to shift over time.
15. The \$10 million exemption for online undertakings under (iii) and (iv) is not an appropriate threshold to exempt online undertakings from the new contribution framework for audio services. It is simply too high. SOCAN licenses all the major online audio services operating in Canada, has reviewed its licensing data, and has identified that such a threshold would exempt the vast majority of its licensed online undertakings. This cannot be the Government's intent in passing the *Online Streaming Act*, nor the Commission's intent in launching this proceeding. We encourage the Commission to obtain revenue data from the online undertakings to reconsider and set this threshold.
16. In addition, as noted in our comments filed in BNOB 2023-139 and BNOB 2023-140, annual Canadian gross revenues from broadcasting activities may not be the most appropriate, and are certainly not the only threshold that should be considered.
17. Many online undertakings have substantial broadcasting activities that do not generate direct revenues but, instead, make money for the companies involved when they are bundled with non-broadcasting offerings that do generate substantial revenues. The online music subscriptions in these cases are offered for free, report little or no revenue but still have a substantial number of subscribers. These bundled services subsidize the cost of the service's broadcasting activities. In other cases, services are bundled for free with phones or are discounted as family or student plans. Revenue, once again, is not a key indicator of the size and importance of the service. In these cases, subscriber numbers and market share are better indicators of the importance of the service's broadcasting activities, its impact on the market, and the resulting ability of the service to contribute to the achievement of Canada's broadcasting policy.
18. A revenue-only threshold may also incentivize certain online undertakings with various business lines to preferentially allocate revenues to their non-broadcasting services to qualify for the exemption and/or to lower their contribution calculations. It is not unusual to see bundled services declaring little or no revenues attributed to their broadcasting activities, despite those services having a significant market share and using a significant amount of music in their broadcasting activities.

19. The proposed \$10 million Canadian gross revenue threshold fails to take into account an online undertaking's actual usage numbers, how its usage relates to its market share and impact on the Canadian broadcasting system, its business model (where it chooses an ad-supported service that has high engagement but limited revenues, and may be used as a "loss-leader" to funnel users to subscription services that may or may not offer broadcasting activities), or a "pre-revenue" phase where a service launches with significant investment capital behind it in order to establish a loyal customer base.
20. In this proceeding, the Commission states that its general objectives regarding contributions to Canadian programming and creators are, *inter alia*, the production of high-quality, original audio and video Canadian programming, increased support for French-language programming, Indigenous-created programming and programming that is reflective of Canada's diverse communities, and the establishment of long-term sustainable funding for content. To achieve these objectives, in many cases, it will be more appropriate to establish non-revenue-based thresholds, such as: the number of subscribers an online undertaking has, the online undertaking's number of monthly active users and/or the monthly listening or watching hours by visitors on the online undertaking, or the online undertaking's Canadian market share, among other possible criteria.
21. ACCORD asks that the Commission measure such additional criteria as part of the registration process, that is, by requesting annual or biannual updates from online undertakings on subscriber information, average monthly active users, and average monthly viewing or listening hours as part of their registration obligations. This will provide the Commission with a more holistic view of the online streaming market and the impact that these services have on the Canadian broadcasting system and the achievement of Canada's broadcasting policy.
22. With that data, the Commission can then establish a contribution framework that applies once one of the threshold milestones is achieved by an online undertaking: either \$X million Canadian gross revenues or Y# of subscribers/average monthly active users or Z# of monthly viewing or listening hours. This baseline threshold would be more flexible and account for business models that happen to prioritize engagement or a customer base over direct revenues from the broadcasting activity.
23. Establishing an appropriate exemption threshold is of paramount importance to meet the goals of the modernized *Broadcasting Act*, especially given that an online undertaking that falls under this threshold will not be subject to any requirements under the Commission's proposal. The proposed \$10 million exemption for online undertakings under (iii) and (iv) needs to be considered further before implementation particularly for online audio services, as an online undertaking falling under that threshold could certainly still contribute in a material manner to the implementation of Canada's broadcasting policy and should thus be obligated to contribute to the Canadian broadcasting system.

ii. Excluded Classes (Question 5)

24. In BNOC CRTC 2023-138, the Commission asks interested parties about the definition of "social media service" but notes that it "does not intend to regulate any aspect of a social media service...as part of this proceeding."

25. ACCORD does not have a definitive answer for what constitutes a “social media service”. We note that the use of the term in the *Broadcasting Act* generally refers to “social media service” as a subset of the offerings available from an online undertaking (“an online undertaking that offers a social media service”) but not a category of online undertaking itself.
26. The difficulty presented by this question is that almost every online undertaking that offers a “social media service” also offers audio and audiovisual services with content that meets the definition of “broadcasting” in the *Broadcasting Act*. As a result, the mere determination of whether an online undertaking offers a “social media service” is not a determinative factor for that online undertaking to unambiguously fall outside the Commission’s jurisdiction.
27. Rather than trying to define “social media service”, the focus should be on the undertaking’s activity and the type of content used by it, as opposed to the nature of the service as a “social media service”. The Commission should consider whether the online undertaking that happens to offer a social media service is engaging in “broadcasting” and whether obligations placed upon it will contribute in a material manner to the implementation of Canada’s broadcasting policy, as per section 5(2)(h) of the *Broadcasting Act*. If it is, the online undertaking should not be exempted from regulations, and certainly not as a starting point. Services that ordinarily use music in their broadcasting activities must be captured by the regulations, irrespective of whether part of their offering is a social media service. The *Broadcasting Act* provides for specific services to claim an exemption or exclusion from regulation, and those services can make their claim for special treatment at the appropriate time.

B. Initial Base Contribution (Questions 6 - 8)

28. CCD contributions are important sources of funding for many organizations, companies, initiatives, and artists across the music industry. In 2019, Canada’s radio broadcasters contributed a total of \$46 million in CCD contributions across all types of CCD. Through basic contributions, over-and-above contributions and tangible benefits, CCD funding is allocated to important music industry organizations like FACTOR and Musicaction, as well as directly to national, provincial, and territorial music industry associations engaging in eligible activities. In short, this funding is significant to the Canadian music industry ecosystem. CCD funding is also very important at the regional and local levels, as it allows broadcaster contributions to fund activities that directly benefit their local communities.
29. The Commission’s definition of “Annual Revenues” at Question 7 appears sufficient and broad enough to capture all the revenues received by an online undertaking from the Canadian broadcasting system, however we wish to highlight two points of clarification. First, when calculating the annual gross revenues to determine an undertaking’s contribution to Canadian music, one must include the totality of the revenues generated by the service that include music and not just the revenues generated by a subscription music streaming feature offered within the service. In other words, if music is used in any way to monetize an audience, the entire gross revenue generated by that audience must be included in the definition of “annual revenues”. Second, an online undertaking’s annual revenues must include all royalties that an online undertaking generates from the

exploitation of its own music. We believe the current definition captures these two points but wanted to highlight them for clarity.

30. As noted by the Commission in this proceeding, “Many of the Commission’s existing policy and regulatory tools have become less effective in supporting the policy objectives of the former *Broadcasting Act*”. When determining the initial base contribution then, the Commission ought to take a global look at all the historical contributions to music, including base CCD contributions, over-and-above contributions, as well as the tangible benefits that flowed to the sector. In addition, as noted above, revenues may not be the most appropriate, or only, factor that should be considered when considering how to calculate the contribution obligations of online undertakings. Because many online undertakings may be bundled for free with non-broadcasting offerings, launch in a “pre-revenue” phase (which can be an extended years-long process to establish a loyal customer base), or operate as “loss leaders” to funnel users to purchase subscription packages, the Commission needs to look at contribution requirements holistically when it decides the initial base contribution.

C. Funds (Questions 9-15)

31. The initial base contribution from online undertakings should be directed to existing funds so they can immediately support the creation and promotion of Canadian content. These funds are well-established, run successful programs, and regularly modernize and adapt to new objectives. New funds are not required and would simply delay the receipt of initial base contributions from reaching the Canadian broadcasting system. If any changes to the structure or administration of funds are required, it will be more efficient to make these changes within the existing system rather than starting from scratch with the creation of new funds. Moreover, any opportunities for improvement, or to better support diversity, inclusion, and accessibility, is more efficiently accomplished by working within the existing funds for music where new objectives and mandates can be established, rather than creating new funds which could be administratively duplicative and inefficient.
32. The existing funds for music, like FACTOR and Musicaction, have operated for decades and have successfully supported and contributed to the creation of new Canadian songs and recordings. These are established funds, with competent management in place, that have a track record of delivering results for the Canadian music industry. Contributions to these funds should be split in an equitable manner, being mindful of the need to provide adequate funding to both Anglophone and Francophone creators and artists, as well as creators and artists working in Indigenous and other languages.
33. When considering where the new contributions should go, a determining factor must be that the contributions are used to fund Canadian-owned and created music. To build and sustain strong Canadian companies that can scale up and leverage their intellectual property, the music funded by the system must be created by Canadians and the copyright in the music owned by Canadians. Canadian-owned and created music is the backbone of a healthy domestic and global market for Canadian music and what will ensure the future success of the industry.
34. ACCORD does not support online undertakings directing their contributions to their own independent funds. Contributions are best leveraged when allocated to music industry

programs that are developed by the industry itself. These programs deliver direct benefits through programs and services to the Canadian-owned music sector. These are programs best identified and administered by the music industry itself, not the radio stations or tech companies that broadcast the music.

35. When considering where the initial base contributions should go, one must also examine the Commission's CCD Contributions policy, which currently allows up to 40% of commercial radio broadcasters' basic annual contributions to flow to discretionary initiatives. As highlighted in music industry submissions in the Commission's Commercial Radio Policy review, there are significant issues with this discretionary funding: (i) CCD contributions are often pooled and an event in a major market is sponsored without funds being distributed in the station's local region; (ii) the star of an event may not be a Canadian artist; (iii) the broadcaster spends all the funds on promotion without spending any on production or other artist expenses; (iv) the broadcaster manages all aspects of the promotion in a manner that primarily promotes the broadcaster; (v) broadcasters do not support emerging artists and many events are headlined by established and well-known Canadian acts; or (vi) broadcasters purchase advertising time and advertisements in print and social media to promote the event, but do not provide quantifiable evidence to demonstrate the benefit to Canadian artists.
36. In the recent Commercial Radio Policy decision (BRP CRTC 2022-332), the Commission has suggested an 80% non-discretionary/20% discretionary spending split. ACCORD agrees with this split.
37. In conclusion on Step 1, ACCORD submits that:
 - The Commission's proposed \$10 million threshold is too high. In addition, non-revenue-based criteria must be considered to set the threshold.
 - Initial base contributions must be set at a minimum of the level of 'traditional' undertakings. Without revenue data, ACCORD cannot propose a specific percentage for the initial base contributions. The Commission should set the contribution obligations at a level that best achieves Canada's broadcasting policy objectives.
 - The initial base contributions should be directed to existing funds.

Step 2 Issues and Questions

38. To help inform the Step 2 public process, ACCORD provides its general views on the Commission's general objectives and some of the specific elements of the proposed new contribution framework as follows.

General Objectives of the Contribution Framework

39. ACCORD generally agrees with the Commission's focus on a customized contribution framework to ensure the achievement of the stated objectives. We support the Commission's general objectives regarding Canadian programming and creators as set out in paragraph 59 of BNOC CRTC 2023-138, namely the production of high-quality, original audio Canadian music, increased support for French-language music, Indigenous-created

music and music that is reflective of and relevant to Canada's diverse communities, the establishment of long-term sustainable funding and the ability for Canadians to make informed choices about their audio services. Instead of "the prominence and discoverability of Canadian music", the objectives must be to "clearly promote and recommend" Canadian music, and "ensure that any means of control of the programming generates results allowing its discovery", in accordance with the objectives set out in section 3(1)(r) of the *Broadcasting Act*.

40. We are concerned about the Commission's intent to design a new contribution framework that focuses on regulatory objectives "without specifying precisely how those objectives must be achieved", including by allowing "regulated undertakings greater control over how they will meet their regulatory obligations". There is no evidence that online undertakings, which have been operating unregulated for years in Canada, have in any way helped achieve the goals of Canada's broadcasting policy by their own volition. They have operated in the free market and made their own choices without any consideration of the impact of their businesses on the Canadian market and Canadian music and programming. Legislative change (in addition to this proceeding) has proven to be necessary to ensure that online undertakings contribute to Canadian culture. As such, it is incongruous to suggest that the Commission ought to put *more* decision-making power in the hands of these online undertakings. While an outcomes-based approach may work to establish broad policy goals (such as the system shall generate \$X million for Canadian music and Canadian programming), ultimately it will be important for the Commission to set specific obligations on online undertakings, just as it has historically for 'traditional' undertakings to achieve a desired regulatory outcome.
41. In addition to the objectives set out in paragraph 59, the goal of the Commission should be to bring the online undertakings' contributions levels up to those of traditional broadcasters, rather than deregulating the traditional broadcasters' obligations to the lowest common denominator.
42. Finally, the contribution framework must be focused on supporting Canadian-owned companies and Canadian-owned intellectual property. It is only through Canadian-owned IP that we can ensure long-term sustainable funding and a healthy, domestic, and global market for Canadian music.
43. ACCORD notes that special considerations are necessary for the English- and French-language markets. We look forward to providing further comments on those matters in subsequent steps in these proceedings.

Specific Elements of the Contribution Framework

44. **Support for Canadian programs.** ACCORD fully supports the implementation of tools that support Canadian programs.
45. In specific response to Question 24, rights payments should not be recognized as any form of contribution to the Canadian broadcasting system. As noted in ACCORD's comments filed in BNO CRTC 2023-139 and 140, royalty payments are required from all broadcasting undertakings who use the works of rightsholders. Royalties are part of the cost of doing

business for companies that make use of copyright-protected content and are treated the same as any other business-related expenses.

46. The payment of copyright royalties and contributions in support of the Canadian broadcasting system serve two completely different purposes. Audio (and audio-visual) services make royalty payments to rightsholders (or their collective societies) in exchange for a licence to use, and compensate, rightsholders for the copyright-protected uses of their existing works. In comparison, the contribution framework is intended to, in part, support the creation of new works and aid in the development and promotion of Canadian music content for broadcast. One must not conflate royalties and contributions: broadcasting undertakings that use music must obtain licences, and pay the corresponding royalties, for their use of music as a matter of copyright law.
47. **Indigenous broadcasting.** ACCORD fully supports the imposition of obligations on online undertakings to ensure Indigenous music and stories are heard and told and accessible on multiple platforms, and to increase the number of Indigenous artists, creators, musicians, songwriters, composers, and companies.
48. **Diversity and Inclusion.** ACCORD fully supports the imposition of obligations on online undertakings to better enable and incent the creation and distribution of Canadian content by communities that are underrepresented in the broadcasting system, including Black and other racialized groups.
49. **Promotion and Recommendation.** For the music sector, Canadian music is widely available but the issue is finding an audience. According to SOCAN numbers from 2020, for every dollar in music licenses from Canadian TV and radio broadcasters collected by SOCAN, 33 cents are distributed by SOCAN directly to Canadian songwriters and composers. But for every dollar in music licenses from streaming services, less than 10 cents are distributed by SOCAN directly to Canadian songwriters and composers.
50. The best indicator to measure “the discovery” of Canadian programming as set out in 3(1)(r) of the *Broadcasting Act*, is a demonstrated increase of the use of Canadian music in online media and an increase in the Canadian music market share. The promotion and recommendation of Canadian programming should be not just to increase the discoverability of Canadian music, but the actual discovery – and use – of Canadian music, as set out in the broadcasting policy.
51. Platforms use various promotion and recommendation tools, which can be editorial, algorithmic and “algotorial”, described by one online undertaking as a combination of algorithmically personalized playlists powered by human curators. Not all recommendations are equal. Online undertakings have the means to achieve results and the metrics to measure those results.
52. The CRTC must have access to a wide range of information, conduct proactive monitoring of online broadcasting activities, and better understand its impact on the music sector. It needs to gather detailed information from online undertakings, including the percentage of Canadian music recommendations on the total of music recommendations made to Canadians in both official languages. As the most important indicator of the discovery of

Canadian music, the Commission must also gather the market share held by Canadian music in both official languages.

53. **Incentives.** ACCORD cautions the use of incentives by the Commission. First, they have not historically been used in the music sector, so we are unaware of what those incentives might be. Moreover, if incentives are used to decrease obligations on undertakings (for example, by providing additional credit for specific content that lowers an undertaking's overall exhibition requirement) this would be a detrimental policy decision. ACCORD is interested in understanding the incentives proposed by the Commission and expressly reserves the right to comment on them further as this proceeding progresses.

Conclusion

54. ACCORD thanks the Commission for its consideration of ACCORD's intervention and reply in this important consultation. We would be pleased to answer any questions the Commission may have.

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