

# The CRTC and 21<sup>st</sup> century expectations of openness, transparency and accountability: a month of comments on how Parliament's delegate performs its responsibilities

## 7: Openness means disclosing relevant evidence

#### 7 March 2023

This is the sixth of a series of comments by FRPC about the openness, transparency and accountability of the Canadian Radio-television and Telecommunications Commission (CRTC). Parliament established the CRTC on 1 April 1968 and delegated responsibility to it for implementing Parliament's broadcasting and telecommunications policies for Canada.

The Ministers of Canadian Heritage and Innovation, Science and Economic Development wrote Chairperson Eatrides in early February 2023 to offer congratulations on her appointment to the Commission<sup>1</sup> and also to "inform her of the Government's vision and priorities with respect to Canada's broadcasting and telecommunications system". <sup>2</sup> The Ministers referred to "a perception among many that access to CRTC processes is unequal" for the public and civil-society organizations. Among other things the Ministers expressed confidence in the new Chairperson's ability to see to the CRTC's "to being more open …".

While the CRTC welcomes participation by the public in most of its proceedings<sup>3</sup> it bases its decisions on the evidence on the record in these proceedings. The general rule, according to the Federal Court of Appeal in 2016, "is that only the evidence that was before the administrative decision-maker is admissible" when it comes to court challenges of such decisions. The CRTC said in 2019 that it requires "evidence of serious, recurring, deliberate or material non-compliance" with its regulations to take regulatory action in broadcasting matters, and in 2015 said it needed evidence before initiating certain telecom proceedings, including in 2011 evidence of inadequate market forces or market failure. It said in 2016 that it needed evidence to expedite its consideration of certain broadcasting matters such as the cancellation of all local news by an ethnic programming service, and in 2019 denied one telecom application because of eight failures to provide evidence the CRTC wanted.

So while the Commission welcomes public participation in its proceedings, members of the public and civil-society organizations must deal with several difficulties in obtaining the evidence the CRTC may want them to place on the record of those proceedings.

The first difficulty is that Parliament has empowered one tribunal to obtain evidence from broadcasters and telecommunications companies: the CRTC itself.<sup>4</sup> The CRTC is empowered to enact regulations that require licensed broadcasters to submit programming and financial information<sup>5</sup> and may require Canadian telecommunications carriers to submit "any information the Commission considers necessary" to administer the *Telecommunications Act*. The Commission is also empowered to research and determine questions of fact about

CRTC, "Meet Vicky" (accessed 1 March 2023).

Department of Canadian Heritage, "New CRTC Chair's Leadership Will Help Shape the Future of Canada's Communication System", News release (Gatineau, 6 February 2023)

The CRTC currently publishes some applications on the same date it issues decisions about those applications, making any public comment filed about the applications irrelevant to its decision-making. For example, its <u>decision approving a change in ownership and effective control of Peace Radio Network Ltd.</u> and <u>Peace River Broadcasting Corporation Ltd.</u> was decided on 16 November 2022 in decision 2022-56, and the related application was posted 22 November 2022.

<sup>&</sup>lt;sup>4</sup> Under the 1991 *Broadcasting Act* Parliament declared that regulating and supervising Canada's broadcasting system is best achieved through "a single independent public authority" (s. 3(2)).

<sup>5</sup> Broadcasting Act, section 9(1)(i).



any matter within its broadcasting jurisdiction;<sup>6</sup> its determinations on questions of fact under the *Telecommunications Act* are "binding and conclusive".<sup>7</sup>

Another difficulty is that if the CRTC decides not to place relevant evidence on the public record of its proceedings, members of the public and civil-society organizations may not know whether the CRTC has, or does not already have, that evidence, and therefore cannot request its disclosure. For example, while the CRTC's *Rules of Practice and Procedure* require licensed broadcasters to provide its audiences with notifications about any CRTC hearings involving their services, few know that the CRTC formerly included documentation about these notifications in its public files. Yet when FRPC (being familiar with these older files) asked the CRTC to add the CBC's broadcast notifications to the record of the CRTC's hearing of CBC's licence renewal applications, the CRTC declined the request because FRPC did not "provide any evidence of non-compliance" by CBC. As the broadcast notifications document is the evidence needed to determine compliance, the CRTC's demand for evidence about CBC's non-compliance created a 'Catch-22'. (And, in fact, when the CBC disclosed the broadcast notifications following an access-to-information request, these showed among other things that CBC had broadcast notifications about the CRTC hearing before the CRTC had issued the notice announcing the hearing and that the broadcasts it claimed it had made did not appear in CBC's own television programming logs.)

A related difficulty concerning evidence is that even if members of the public and civil-society organizations may know that relevant evidence exists, they may be unable to convince the CRTC to request it from applicants. In 2006 the CRTC suggested on four separate occasions that ADISQ evaluate radio licensees' programming itself, in decisions 2006-388, -390, -392 and -597. When CBC's 2019 licence-renewal applications referred to and relied on a two-page PDF document that it described as the Corporation's "new three-year strategy" and FRPC asked the CRTC to ask CBC for a complete version of this document, the Commission declined. After FRPC obtained a redacted, 106-page long powerpoint presentation made to CBC's Board of Directors (on 20 March 2019) of the *Your stories, taken to heart: Our strategic plan*, the CRTC declined to place the document on the public record because it did "not contain any new pertinent information for the process". (Though heavily redacted, incidentally, this presentation arguably was relevant to Parliament's requirement under the *Broadcasting Act* that CBC "be made available throughout Canada by the most appropriate and efficient means ...." (section 3(1)(m)(vii)) because this presentation stated CBC's priority to re-imagine "our local/regional offerings across multiple platforms to better meet each community's needs" (p. 12), said that its priorities "will guide the operational budgets for [CBC's] digital and linear services" (p. 19) and considered the need to "preserve", "optimize" and "transform" its technology (p. 30).)

A fourth difficulty confronting members of the public and civil-society organizations involves the CRTC's decisions to publish evidence from applicants – but with a level of redaction that for the most part makes the 'evidence' unusable. For example, roughly a year after Bell, Eastlink (Bragg), Cogeco and Sasktel asked the CRTC to change its regulation increasing the maximum rate they may charge subscribers for "basic service" from \$25 to \$28 per month, the CRTC asked these and four other distribution companies for more information. The question asked by the CRTC is shown below, along with the answers from Bell and Bragg that were made available to the public:

In order to quantify the potential impact on the Canadian broadcasting distribution undertaking (BDU) subscribership, please indicate the number of BDU subscribers that could be subjected to an increase of any kind in their monthly bill should the Commission approve the proposed increase to the maximum price of the basic package. Please provide your underlying assumptions and implementation scope(s) by <u>listing the types of subscribers</u> (e.g. those who only subscribe to the small basic

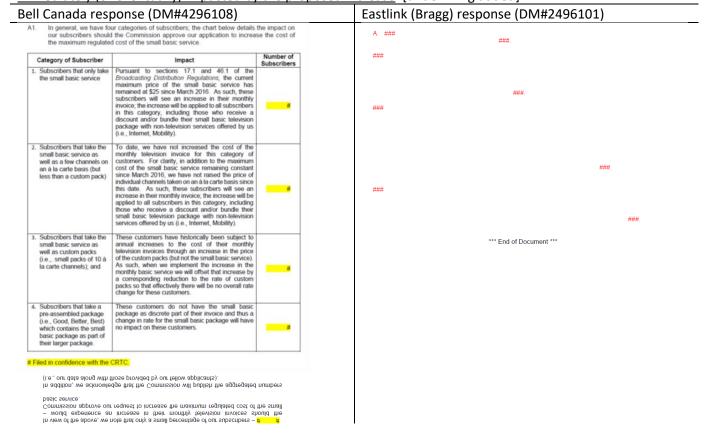
<sup>&</sup>lt;sup>6</sup> Broadcasting Act, sections 14(1) and 17.

<sup>&</sup>lt;sup>7</sup> Telecommunications Act, section 52(1).

<sup>8</sup> CBC, Supplementary Brief (BNoC 2019-379), (Ottawa, 9 October 2019), DM#3733727, page 6.



service without any discount, those who subscribe to other packaging options alongside the small basic service, those who subscribe to a different package altogether, those who bundle their services, etc.) who will be immediately (or eventually) impacted by the proposed increase. [underlining added]



The fact that Bell's reply, above on the left, is nearly complete except for five small portions of material (presumably numbers) while Eastlink's reply, on the right, is completely redacted, suggests that the CRTC simply granted the respondents the level of redaction they requested without actually considering whether, say, words such as "the" or "subscriber" or "service" or "small basic service package" ought <u>not</u> be redacted since they are relevant to the CRTC's proceeding and their disclosure could not in any way harm Eastlink. Equally problematic is that when the Commission initiated this proceeding in <u>September 2022</u> it granted a similarly high level of confidentiality to the applicants and apparently <u>did not consider aggregating their responses to the CRTC's questions</u> (so as to protect each from the harms of disclosing their business strategies) until FRPC suggested this approach.

#### Recommendation

The CRTC should require applicants to disclose more information unless they provide clear and incontrovertible evidence of harm from that disclosure as well as evidence that they do not otherwise disclose the information. If the CRTC accepts the applicants' arguments and evidence about the harm from disclosure, the CRTC should routinely disclose evidence aggregated across applicants, or in the case of individual applicants, disclose evidence related to past and projected financial performance based on an index (where the current year, for instance, is used as a base to represent past and future years).

Maintaining the *status quo* – continuing its years-old practice of demanding that members of the public or civil-society organizations provide the Commission with evidence that it has or that it is legally empowered to obtain – would surely contradict the concern raised by the Ministers to whom the CRTC reports.



~ Forum for Research and Policy in Communications (FRPC)

### Other comments in this series

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