May 2026

Canada's New Local Spending Mandates for Online Music and Video Content Will Cost U.S. Industry $7 Billion by 2031

Executive Summary

In a May 21 decision,[1] Canada's Radio-Television and Telecommunications Commission (CRTC) finalized a key element of its new contribution regime for online streaming companies pursuant to the 2023 Online Streaming Act.[2] As a result, online streamers, predominantly American, will face a 15% contribution burden that will cost an estimated **US$7 billion by 2031**. In an implicit recognition of the burdensomeness of such intervention, traditional broadcasters (who benefit for significant regulatory advantages) will face reduced obligation, shifting the burden to U.S. suppliers.

Of particular concern is an obligation to allocate 30% of the mandated expenditure to "enhanced partnerships" where any intellectual property rights connected to the investment must be surrendered to the Canadian party.

This new contribution obligation combines with a fee set last year at 5% of online streamers' Canadian gross revenues to government-specified media and audio funds. This fee alone is expected to cost U.S. firms over $2 billion by 2030.[3] The key remaining decision will be a "discoverability" obligation designed to promote Canadian content on distribution platforms.

These figures illustrate the significance of the near-term forced funding of Canadian music and audiovisual content by U.S. companies, a burden that will grow in line with market growth, year on year, in perpetuity.

Although Canada asserts that the regime will be implemented in a non-discriminatory manner (*i.e.,* that Canadian-based streaming companies will be subject to the same obligations), this ignores two key elements:

1. Canadian companies, unlike their foreign counterparts, will be able to access funds generated through these contributions to produce Canadian content; thus, traditional broadcasters (by definition Canadian) who can both access these funds and do not face the new supplementary fees will gain a significant competitive advantage; and
2. The entire purpose of the regime is to create a preferential regime for Canadian content (which, by regulatory definition, a U.S. company cannot fully own or make), thereby discriminating against content classified as American or from a third country. =

These structural disadvantages are reinforced by CRTC 2025-299,[4] which requires at least 20% Canadian copyright ownership for a program to qualify as Canadian, categorically

[1] https://www.canada.ca/en/radio-television-telecommunications/news/2026/05/crtc-takes-action-to-support-the-creation-and-discoverability-of-canadian-and-indigenous-content.html
[2] https://www.parl.ca/DocumentViewer/en/44-1/bill/C-11/second-reading.
[3] The first payment, due August 31, 2025, has been stayed for some participants pending a Federal Court of Appeal ruling on the streamers' challenge to the order.
[4] https://crtc.gc.ca/eng/archive/2025/2025-299.htm

excluding U.S.-owned content, even if produced in Canada, from Cancon credit. This also compels public disclosure of foreign streamers' Canadian financial data in a form not symmetrically imposed on their Canadian-affiliated competitors. Accordingly, as detailed in a previous CCIA paper, the regime is inconsistent with three key rules negotiated as part of the U.S.-Canada-Mexico Agreement (USMCA). [5]

The Online Streaming Act has already drawn formal U.S. attention. USTR's 2026 Trade Policy Agenda[6] identified the Act by name as a discriminatory and restrictive digital measure, and the USMCA joint review scheduled for July 1, 2026 provides a near-term forum to raise the issue. In Congress, the Protecting American Streaming and Innovation Act[7] introduced by Rep. Lloyd Smucker would direct USTR to launch a Section 301 investigation of the Online Streaming Act within 30 days of enactment. Given the stakes, it is critical for U.S. policymakers to engage with Canadian officials to strongly push back on the implementation of this regime and lay the groundwork for more sustainable audiovisual policies to the benefit of both countries.

Scope

Canada's Online Streaming Act and CRTC's subsequent June 2024 decision[8] make clear that Canadian online services affiliated with a Canadian broadcaster are not subject to the obligation that online audio and video services fund Canadian music and content. Notably, Bell Media relaunched Crave in November 2025[9] with a free, ad-supported tier and integration of CTV and Noovo's FAST services, expanding the carved-out Canadian player into precisely the ad-supported segment where U.S. services like Tubi, Pluto TV, and Roku Channel compete.

In practice, this means the burden of the new scheme to fund Canadian music and video content falls on the myriad U.S. players operating online video or music services in Canada. Specifically, U.S. companies with more than CA$25 million in Canadian revenues must transfer a percentage of their gross Canadian revenues each year to fund local music and audiovisual cultural organizations. User-generated content (UGC) related revenues are excluded from the calculation, as is revenue from audiobooks, podcasts, and video game services. All other U.S. online audio and audiovisual-related gross revenues – subscription, advertising, and purchases or rentals of downloads ("transactional") – are included for Canada to calculate the amount of the forced annual funding.

The CRTC has already ordered the U.S. audio and audiovisual online industry players (unlike their competitors owned by Canadian licensed broadcasters) to contribute an "initial base contribution" of 5% of their Canadian gross revenues to government-specified cultural funds, with the first payment originally scheduled for August 31, 2025. In December 2024, however, the Federal Court of Appeal granted a stay of that order pending its review of the streamers' challenge; the court heard arguments in June 2025, and a decision remains outstanding as of May 2026. The CRTC has stated it intends to proceed with implementation regardless of the outcome, and in a March 2026 interview, CRTC Chair Vicky Eatrides signaled the base contribution could be raised once the court rules.

[5] https://ccianet.org/wp-content/uploads/2023/01/CCIA_Canada-Online-Streaming-Act_Bill-C-11_Whitepaper.pdf
[6] https://ustr.gov/sites/default/files/files/Press/Releases/2026/2026%20Trade%20Policy%20Agenda.pdf
[7] https://www.congress.gov/bill/119th-congress/house-bill/8025/text
[8] https://crtc.gc.ca/eng/archive/2024/2024-121.htm
[9] https://www.bellmedia.ca/the-lede/press/bigger-better-craves-expansion-is-here-more-leading-content-one-powerful-service/

The existing 5% requirement that U.S. players transfer revenues to government-specified funds is only the beginning. The CRTC will soon issue its final rulings on the total contributions U.S. audio and audiovisual companies will be required to make. These rulings are expected to combine mandatory payments into government-specified media funds, mirroring the existing 5% mandate, with direct investment requirements that compel U.S. players to dedicate a fixed percentage of their Canadian revenues to funding Canadian music and producing certified Canadian audiovisual content. In addition, services are expected to give this content preference over organically recommended U.S. content on their services in making it "discoverable." Given ongoing pressure by local industry and the CRTC's stated intent to raise the initial 5% base obligation, the burden on U.S. players to fund Canadian music and audiovisual content could climb to 20% or even 30% of their annual gross Canadian revenues.

While there is no publicly available list of U.S. companies that are above the CA$25 million revenue threshold, the revenues of the following U.S. players are likely caught for purposes of calculating the existing and future forced funding requirements.

Impact on U.S. Online Music and Video Content Companies

Assuming these markets continue to grow at a conservative CAGR of 10% for video services and 3% for music, the total annual Canadian revenues of the U.S. online players subject to CRTC's funding mandate will be **US$10.03 billion at the end of 2031**.

Under the CRTC's newly announced framework, large online streaming services operating in Canada will be required to devote 15% of their Canadian revenues towards Canadian and Indigenous audiovisual programming and related funding mechanisms. While companies may satisfy portions of this obligation either through direct expenditures on certified Canadian content or through contributions to government-designated funds, the economic effect will remain the same: U.S. streaming companies will be compelled to dedicate a substantial share of their Canadian revenues towards government-mandated cultural spending requirements.

Based on the existing revenue estimates above, the total forced Canadian spending burden imposed on U.S. online music and video companies over five years from 2027 to 2031 is estimated to be nearly **US$7 billion**.

The table below provides a year-by-year breakdown of this projected spending obligation. Neither of which Canada expects to sunset after 2031. **Rather, this regime appears to intend the forced funding requirement to continue year on year in perpetuity commensurate with revenues.**

Table 1: Estimated U.S. Funding of Canadian Music and Video Content Under the CRTC's Mandate (2025-2031)

Year	Estimated U.S. Industry Online Music and Video Revenues in Canada Subject to CRTC's Forced Funding Mandate in USD (billions)	Mandated %	Forced Funding of Canadian Music and Video Content by U.S. Companies in USD (billions)
2025	$5.73	5%	$0.287
2026	$6.29	5%	$0.315
2027	$6.90	15%	$1.035
2028	$7.57	15%	$1.136
2029	$8.31	15%	$1.247
2030	$9.13	15%	$1.370
2031	$10.03	15%	$1.505
			Total $6.895

U.S. Audiovisual Streaming and Transactional Video Players

- Amazon Prime Video
- Apple TV+
- Crunchyroll (based in Texas and owned by LA-based Sony Entertainment Television, the U.S. subsidiary of Japan's Sony Corporation)
- Disney+
- Netflix
- Paramount+
- Roku Channel
- Pluto TV (owned by Paramount, a Skydance Corporation)
- Tubi (owned by FOX)
- YouTube Premium Subscription Service

U.S. Streaming Music Players

- Amazon Music
- Apple Music
- YouTube Music

Notes on the structure of the measure:

- YouTube's UGC-related revenues are excluded per the CRTC's framework.
- HBO Max revenue is excluded from this analysis as they distribute in Canada only through Crave, a Canadian streaming service affiliated with Bell Canada, which the CRTC has carved out of the funding requirement.

- Spotify is clearly caught by Canada's new scheme, but its revenues are excluded from this U.S.-focused analysis, given that they are a Swedish company, albeit listed on the NYSE, and with significant U.S. ownership.
- SiriusXM / Pandora, Tidal, and iHeart Radio are U.S. companies operating in Canada, but their online audio revenues are excluded as they are possibly not yet over CRTC's CA$25 mil threshold.

Note on Data sources:

Since companies do not report Canada-specific numbers, these estimates were derived from publicly available specialized sources. including:

cultmtl.com:

https://cultmtl.com/2025/01/market-share-streaming-services-netflix-prime-video-disney-crave-paramount-apple-tv-svod-the-agency-series/

grandviewresearch.com:

https://www.grandviewresearch.com/horizon/outlook/video-streaming-market/canada#:~:text=Canada%20video%20streaming%20market%20highlights,video%20streaming%20market%20in%202023

www.bnnbloomberg.ca:

https://www.bnnbloomberg.ca/business/technology/2025/03/24/tv-is-becoming-niche-streaming-grows-in-canada-despite-rising-prices-report-says/

www.statista.com

https://www.statista.com/topics/9394/video-on-demand-in-canada/#topicOverview

madeinca.ca:

https://madeinca.ca/streaming-services-usage-statistics-canada/