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INSIGHT

Canada's Online Streaming Act: Background and Issues for Congress

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In April 2023, Canada enacted the Online Streaming Act, amending Canada's Broadcasting Act to allow the Canadian Radio-Television and Telecommunications Commission (CRTC) to regulate entities that broadcast video or music through social media (e.g., Meta's Facebook) or online streaming services (e.g., Amazon Prime, Disney+, Netflix, Spotify, YouTube). The CRTC is an independent quasi-judicial tribunal that regulates the Canadian communications sector.

Some Members of Congress have asserted that the Online Streaming Act imposes costs largely on U.S.-based companies while exempting Canadian competitors. Canadian officials maintain that the act is consistent with Canada's international trade obligations. Some Members have proposed legislation directing the Trump Administration to investigate the act (H.R. 8025). Congress may also consider the act's potential effects on U.S. companies and whether the United States should address concerns through changes to the U.S.-Mexico-Canada Agreement (USMCA), which is currently under review.

Background

The CRTC established its first Canadian content (sometimes abbreviated as CanCon) requirements in 1971 (for AM radio) to preserve Canada's "cultural sovereignty" amid concerns that Canadian culture would be dominated by cultural imports, particularly from the United States. Canadian radio and television stations must meet CanCon broadcast quotas. The Canadian government proposed the Online Streaming Act to ensure online platforms also contribute to the creation, production, and distribution of CanCon. Canada is not the only country with local content requirements for broadcasters. The U.S. Trade Representative (USTR) has noted concerns about regulations in Australia, Brazil, and various European countries.

Some observers previously argued that CanCon definitions were overly narrow. After the Online Streaming Act's passage, the CRTC held public consultations on the definitions of CanCon for television and online streaming services; the CRTC published revised CanCon definitions in November 2025.

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Implementation of the Act

In 2024, the CRTC issued regulations requiring online streaming services with more than C$25 million (about US$18 million) in annual Canadian broadcasting revenues to contribute at least 5% of their annual Canadian revenue to directly fund a certain percentage of content made by Canadians or to contribute to funds that support Canadian programming (e.g., the Canada Media Fund, which has provided funding for shows that have gained popularity with U.S. audiences, such as *Heated Rivalry*, *Letterkenny*, *North of North*, and *Schitt's Creek*). Some Members of Congress criticized the conditioning of access to the Canadian market on "making financial contributions into certain government-linked funds intended for" the Canadian domestic entertainment industry.

The first substantive payments were due in August 2025. After online streaming companies filed legal challenges, Canada's Federal Court of Appeal partially halted these payments pending the outcome of the lawsuit (see *Motion Picture Assoc.-Canada et al. v. Canadian Assoc. of Broadcasters et al.*). Canadian media producers reportedly have not received any funds paid under the act.

On May 21, 2026, the CRTC issued regulations increasing company contributions to 15% of annual Canadian revenues. The CRTC also issued requirements related specifically to French-language content (French and English are both official languages of Canada). Various U.S. stakeholders criticized the new regulations; some Canadian observers also criticized the action as potentially increasing trade tensions with the United States.

On June 3, 2026, the Minister of Canadian Identity and Culture and Minister responsible for Official Languages, Marc Miller, directed the CRTC to review the decision, arguing that the costs imposed by the new requirements "could ultimately fall on Canadian consumers through higher prices." The Canadian government stated it will develop "new policy directions" for the CRTC to "adjust the implementation" of the act. Some observers have noted that consultation procedures in the Broadcasting Act could result in a prolonged period of uncertainty.

Miller also announced a new federal investment of C$600 million (about US$426 million) annually to "provide stability and immediate support to Canada's audio and audiovisual sectors" and keep Canadian culture "accessible and affordable for all Canadians." Some observers noted that this amount would not fully replace projected revenues from the act, which one U.S. stakeholder group estimated at US$7 billion over five years.

Some Canadian stakeholders have expressed concerns, with one policymaker accusing Prime Minister Mark Carney of "surrendering" revenue and making concessions to the United States without obtaining anything in return. Some U.S. stakeholders have welcomed Canada's reassessment of the act's implementation and expressed their intention to continue engaging on this issue.

Cultural Industries in USMCA

Some Members of Congress have argued that the implementation of the Online Streaming Act largely targets U.S. firms and undermines USMCA. Previous free trade agreements involving Canada and the United States included exemptions for Canadian measures related to its cultural industries. During USMCA negotiations, the Canadian government asserted that maintaining a cultural industry exemption was essential. Then-USTR Robert Lighthizer argued that Canada was engaged in "cultural protectionism." In the final USMCA text, Article 32.6 states that Canada may adopt or maintain measures related to a cultural industry that would have been otherwise inconsistent with USMCA. The other parties are allowed to take "a measure of equivalent commercial effect" in response. Canada may dispute such a response under USMCA.

USTR has mentioned the Online Streaming Act as a potential discussion topic as part of the USMCA review and identified the act as a services trade barrier in a 2026 report.

Options for Congress

Congress may consider how the Online Streaming Act might affect U.S. companies' competitiveness in the Canadian media market. In its oversight of USMCA implementation and the joint review, Congress may consider whether to seek changes to USMCA to address concerns related to the act—for example, modifying Article 32.6. Congress could also contemplate whether the United States should respond with a "measure of equivalent commercial effect" and what such a measure might be.

Some Members have encouraged the Trump Administration to engage with Canada on the act. H.R. 8025 would direct USTR to investigate the Online Streaming Act under Section 301 of the Trade Act of 1974. Such an investigation could result in tariffs on Canadian goods. Members who oppose current or potential tariffs on Canadian goods, particularly goods traded under USMCA, could consider whether to issue directions to USTR or consider legislation to prevent such U.S. actions.

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