



Broadcasting Notice of Consultation CRTC 2015-318

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Ottawa, 20 July 2015

Notice of hearing

16 November 2015

Québec, Quebec

Review of the regulatory framework for French-language vocal music applicable to the French-language commercial radio sector

Deadline for submission of interventions/comments: 3 September 2015

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The Commission announces a public proceeding to review its regulatory framework for French-language vocal music (FVM) applicable to the French-language commercial radio sector, as well as to examine the possibility of implementing innovative measures that will allow this sector to better support French-language Canadian artists. This proceeding will include an appearing public hearing beginning on 16 November 2015. In this notice, the Commission seeks to:

- *discuss the listening sources and habits of French-language music consumers, trends in the French-language commercial radio and music industries, and their implications;*
- *evaluate the impact, effectiveness and relevance of the current FVM regulatory framework in the current and anticipated environment; and*
- *examine the possibility of implementing new, innovative measures to support the creation, discovery, promotion and consumption of FVM with a view to fostering the broadcast of quality FVM that meets the needs and interests of French-language commercial radio listeners.*

*The Commission calls for comments regarding the questions set out in this notice. The deadline for filing comments is **3 September 2015**. The public hearing will be followed by a written reply period. Complete information on how to file comments can be found at the end of this notice.*

Introduction

1. Over the past few years, the environment in which the music and radio industries operate has undergone rapid and significant change. The advent of digital technology has transformed the way Canadians, especially young Canadians, discover, buy and listen to music and audio content online. The new digital platforms allow music

consumers to play an active role: they can customize their listening experience and access the platform at any time and on any device of their choosing. The popularity of these new digital platforms explains, among other things, the decline in radio listenership among Canadians, particularly young Canadians.

2. While the proliferation of new distribution platforms for audio content offers new possibilities to the radio and music industries, it is also disrupting their traditional business models, creating significant new challenges for them. For example, French-language broadcasters must meet their obligation to support the French language while facing increased competition for listeners and advertising revenues. For its part, the music industry has faced decreasing sound recording sales for the past several years. Given these challenges, it is essential that the French-language radio and music industries adapt to this digital era to continue to reach and attract listeners and Canadian consumers.
3. To allow French-language Canadian private broadcasters to continue to contribute to the achievement of the political, social, economic and cultural objectives of the broadcasting system set out in the *Broadcasting Act* (the Act) while adapting to this changing environment, the Commission considers that they should be granted greater flexibility.
4. The Commission is holding a public proceeding to review its regulatory framework for French-language vocal music (FVM) applicable to the French-language commercial radio sector to ensure that it is flexible and up-to-date, and takes into account the current and future environment. The Commission will consider, among other things, the possibility of implementing innovative measures to support the creation, discovery, promotion and consumption of FVM to allow this sector to better support French-speaking Canadian artists, to in turn enrich the broadcasting system.
5. As part of this proceeding, the Commission will hold an appearing public hearing beginning on **16 November 2015 at 9 a.m. at TRYP Québec Hôtel PUR, room AB, 395 Rue de la Couronne, Québec, Quebec.**
6. In this notice, the Commission calls for comments on the questions listed in the following sections. Parties must copy the questions, providing their answers beneath, along with supporting evidence for their comments and proposals. The Commission also encourages interested persons and the parties to monitor the record of the proceeding, which can be found on the Commission's website, as information may be added to the public file which they may find useful when preparing their submissions. The Commission may also ask the parties to answer additional questions. These questions and the answers will form part of the public record. Public interest and consumer groups that require financial assistance to meet the cost of participating in this proceeding can apply to the Broadcasting Participation Fund. For more information on this Fund, please see www.bpf-fpr.ca.

7. The deadline for filing comments is **3 September 2015**. The public hearing will be followed by a written reply period. Complete information on how to file comments can be found at the end of this notice.

Objectives of this proceeding

8. In this notice, the Commission seeks to:
 - I. discuss the listening sources and habits of French-language music consumers, trends in the French-language commercial radio and music industries, and their implications;
 - II. evaluate the impact, effectiveness and relevance of the current FVM regulatory framework in the current and anticipated environment; and
 - III. examine the possibility of implementing new, innovative measures to support the creation, discovery, promotion and consumption of FVM with a view to fostering the broadcast of quality FVM that meets the needs and interests of French-language commercial radio listeners.

I – The current environment

Listening sources and habits of French-language music consumers

9. Digital platforms for listening to music have proliferated in the past ten years. Music consumers now have access to a wide variety of audio sources, including:
 - video-sharing sites (for example, YouTube);
 - AM/FM online radio, which gives listeners access to local and foreign stations;
 - customized audio services (for example, Songza and Spotify), which allow listeners to choose among different streams;
 - podcasts (a series of recorded audio files);
 - satellite radio; and
 - pay audio services.
10. The advent of digital technology has disrupted the music consumption habits of Canadians in recent years; listeners now play an active role and can use these platforms to customize their listening experience more than ever.
11. Not only are these new digital platforms diverse and plentiful, but Canadians can also access them using various devices (computer, smartphone, tablet, television with Internet access). These platforms are increasingly popular among French-language

music consumers. According to a recent study¹ conducted in Quebec, 57% of Francophones listened to audio content online and 49% of Francophones listened to music on YouTube in 2014.

12. With the breakdown of barriers between markets and countries, traditional radio must face increased competition from these emerging platforms for the discovery, promotion, broadcast and consumption of music. Notwithstanding this breakdown of barriers, traditional radio still seems to be central to the music listening and discovery habits of French-language Canadian consumers. According to the same study, Francophones spend more time listening to the radio on a receiver than on the various online platforms. In 2012, traditional radio was the primary platform for discovering music among Canadians aged 18-34 years.²
13. In the digital sphere, HD Radio technology allows a station to broadcast multiple digital audio signals in addition to its main signal. In Broadcasting Regulatory Policy 2014-554, the Commission considered it too early to develop a policy for this technology, opting instead for a flexible approach to its implementation in Canada that will allow for innovation and experimentation. While this digital technology has yet to be solidly established in the listening habits of Canadians, the Commission notes its potential to increase the diversity of radio services offered.

Trends in Quebec's French-language music industry

Production and sale of sound recordings

14. Most Canadian FVM artists work in Quebec. Each year, Quebec artists release some 400 albums, approximately half of which are in French.³
15. While the production of new sound recordings in Quebec is going relatively well and there seems to be a sufficient supply of French-language albums, sales of physical (CDs) and digital (albums and tracks)⁴ products have been declining in the Quebec market, as in the rest of Canada and elsewhere in the world. In 2014, digital product sales dropped for the first time in Quebec (-7% compared with 2013). Among other things, the cause of this trend is the increasing adoption of new digital platforms by Canadian consumers.
16. In spite of this decline, the Quebec market share has been holding at 50% of CD (physical medium) sales for 10 years. In 2014, seven of the ten albums most sold in Quebec were produced there.

¹ *Audio en continu – Analyse du marché de langue française*, Media Technology Monitor, April 2015

² [Canadian Books, Film, Periodicals and Music Opinion Survey](#), report prepared for Canadian Heritage, September 2012

³ [État des lieux de l'industrie québécoise de la musique](#), ADISQ, February 2014 (French only)

⁴ The data in paragraphs 15 and 16 are from this study: [Les ventes d'enregistrements sonores au Québec en 2014](#), Observatoire de la culture et des communications du Québec, Optique Culture, No. 39, April 2015 (French only).

Growing popularity of streaming

17. The music and radio industries are dealing not only with the dematerialization of music, but also with a significant new challenge: music streaming. Spotify, Songza and, just recently, the service offered by Apple are but a few examples of streaming services available to Canadians. This trend is expected to grow significantly, as consumption will shift from purchasing music goods to purchasing a music streaming service providing access to millions of titles.

Interest in French-language Canadian music

18. French-language Canadian music continued to be in demand in 2014:⁵

- for the Quebec market as a whole (physical and digital products), the share of products in French was 32%; this result was higher than the average for the past five years (31%); and
- compared with 2013, the share of product sales in French in Quebec increased for CDs, digital albums and digital tracks.

Revenue decline for the entertainment industry

19. In a context of lower overall sales, the French music concert industry plays an essential role in the careers of Quebec artists. For example, since 2009, about 2,400 concerts featuring French-language Quebec artists have been held in Quebec each year.⁶ However, supply and demand for French music concerts are declining. This situation is partly explained by the growing popularity of foreign. Specifically, while the number of performances by foreign, English-language artists in small venues increased by 172.3% between 2004 and 2013, this increase was only 36.9% for the French-language sector.⁷

Trends in Quebec's French-language commercial radio industry

Decrease in commercial radio tuning

20. In the past three years,⁸ national radio listenership in the markets measured by listening logs (Numeris⁹) has decreased in all age groups, but especially among young listeners (ages 12-17 and 18-34). The same general downward trend can be seen in the French-language and bilingual radio markets analyzed by the Commission

⁵ [*Les ventes d'enregistrements sonores au Québec en 2014*](#), Observatoire de la culture et des communications du Québec, Optique Culture, No. 39, April 2015 (French only)

⁶ [*État des lieux de l'industrie québécoise de la musique*](#), ADISQ, November 2014 (French only)

⁷ Ibid.

⁸ The compound annual growth rate of the national PPM average listening time is based on 2011-2014 data.

⁹ Formerly BBM Canada.

(Ottawa/Gatineau, Montréal, Québec, Saguenay and Trois-Rivières).¹⁰ For example, in 2014, the number of listeners aged 25-34 dropped by 7.9% in the Montréal French-language market.

Listener shift

21. In addition to this general decrease, young listeners of French-language stations are gradually migrating toward English-language stations in bilingual markets.¹¹ In Montréal, the share of Francophones tuning in to English-language stations has increased among those aged 12-34, especially among those aged 18-24 (an increase of 11.3% from 2009 to 2014).
22. This Francophone audience shift toward Anglophone stations is even more pronounced in the bilingual market of Ottawa/Gatineau, where about three quarters of listeners aged 12-17 and two thirds of listeners aged 18-24 are migrating toward English-language radio.

Station profitability

23. In 2014, the profitability of stations in the Montréal, Ottawa/Gatineau, Québec and Saguenay markets was comparable with the Canadian average, which was 18.5%.¹²
24. While Quebec's French-language commercial radio industry seems to be resilient, station profitability varies greatly depending on the market. Thus, since 2005, the profitability of the Montréal market has been stable, the Québec and Saguenay markets posted gains of 10.5% and 8.2% respectively in their profit before interest and taxes (PBIT) margins, while the profitability of the Ottawa/Gatineau market has deteriorated. Nevertheless, since 2005, revenues for these markets have grown faster than inflation.

The most popular and profitable music formats

25. In the Quebec markets, stations that operate under the “talk,” “adult contemporary,” “hot adult contemporary” and “musical hits” formats are generally among the most popular, with the last three formats being those of the most profitable stations.¹³ While the “talk” format stations perform well in terms of tuning, they do not perform as well in terms of profitability.
26. The Commission does not regulate commercial radio station music formats, except for radio stations with a specialty format, as defined in Public Notice 1995-60. However, because the Commission wishes to evaluate the effect of the current regulatory framework for the broadcast of FVM on the diversity of musical

¹⁰ While the French-language commercial radio industry is concentrated in Quebec, a total of six French-language stations currently operate in Ontario and New Brunswick.

¹¹ Paragraphs 21 and 22 are based on Numeris data.

¹² Paragraphs 23 and 24 are based on Commission data.

¹³ [Communications Monitoring Report 2014](#), CRTC, 2014

programming offered by French-language commercial radio, it has commissioned a study to better assess the diversity of music programming offered by this sector. The study will be added to the public record for this proceeding as soon as available.

Questions

27. The Commission invites parties to respond to the following questions and provide supporting evidence.

28. In the previous section, the Commission established the following findings:

- the advent of digital platforms changes and customizes Canadians' consumption of music;
- with the current breakdown of barriers between markets and countries, traditional radio must face increased competition from emerging platforms for the discovery, promotion, broadcast and consumption of music;
- HD Radio technology has the potential to increase the diversity of radio services offered to Canadians;
- the Canadian production of sound recordings, including products in French, is relatively stable and going well;
- sound recording sales to Canadian French-language consumers have decreased in recent years for all media (physical and digital albums, and digital tracks);
- the Quebec market share and the demand for French-language sound recordings are stable;
- streaming is increasingly popular;
- commercial radio tuning is decreasing both nationwide and in the French-language markets;
- the decrease in tuning levels is most pronounced among young listeners;
- a listener shift from French-language commercial stations to English-language stations can be seen in the bilingual markets of Montréal and, to a greater extent, Ottawa/Gatineau;
- overall the French-language commercial radio sector is profitable, but this profitability varies depending on market and format; and
- in the Quebec markets, stations operating under the “talk,” “adult contemporary,” “hot adult contemporary” and “musical hits” formats are generally among the most popular, with the last three formats being those of the most profitable stations.

- Q1. Are the findings stated in paragraph 28 accurate and why?**
- Q2. What challenges and issues face the Canadian French-language music and commercial radio industries, given the new technologies and current environment? What tools and strategies help address these challenges and issues?**
- Q3. What benefits can the Canadian French-language music and commercial radio industries draw from these new technologies and the current environment? What tools and strategies can be used to optimize these benefits?**
- Q4. How can the French-language commercial radio sector harness the new tools of the current environment, such as online platforms or HD Radio technology, to enhance the offering, discovery and promotion of musical content?**
- Q5. Considering the contribution of the community and public radio sectors, how can the French-language commercial radio sector contribute to the continued support of Canadian French-language music artists?**
- Q6. In 2015, to what extent is the French-language commercial radio sector still a leading source for discovering and listening to French-language selections and artists? How important is this sector to the discovery of musical selections according to the various demographic groups, in particular young listeners (aged 18 to 34)?**
- Q7. What factors, in particular those relating to music programming, are responsible for the decrease in radio tuning levels among Canadians, especially among young listeners (aged 12 to 34)?**
- Q8. To what extent does the broadcast of FVM selections influence commercial radio tuning among the different demographic groups, in particular young people (aged 18 to 34)? How does the impact of broadcasting FVM selections vary depending on musical format?**
- Q9. What link can be made between FVM artist exposure on French-language commercial radio (broadcast of musical selections, promotional interviews, advertising, etc.) and the benefits to the music industry?**

II – Necessary changes to the current regulatory framework

Background

29. Pursuant to the objectives of the Act and as mentioned in the 2006 Commercial Radio Policy,¹⁴ the Canadian broadcasting system has an important role to play in

¹⁴ See Broadcasting Public Notice 2006-158.

encouraging the promotion of Canadian artists and showcasing their work. The ultimate goal of the regulatory framework for FVM applicable to the French-language commercial radio sector is to help achieve the objectives set out in the Act, including the following:

- each element of the Canadian broadcasting system shall contribute in an appropriate manner to the creation and presentation of Canadian programming (section 3(1)(e));
- each broadcasting undertaking shall make maximum use (...) of Canadian creative and other resources in the creation and presentation of programming (...) (section 3(1)(f));
- the broadcasting system must safeguard and enrich the cultural fabric of Canada; its programming should reflect Canada's linguistic duality. (sections 3(1)(b), (d), (k) and (m)); and
- private networks and programming undertakings should, to an extent consistent with the financial and other resources available to them, contribute significantly to the creation and presentation of Canadian programming, and be responsive to the evolving demands of the public (section 3(1)(s)).

30. Further, the Act stipulates that English- and French-language broadcasting, while sharing common aspects, operate under different conditions and may have different requirements.

31. The current regulatory framework relating to FVM provides that the French-language commercial radio sector helps attain the above objectives in two ways: first, by broadcasting French-language musical selections, including Canadian selections; and second, through investments in Canadian content development (CCD) contributions proportionate to its revenues. These measures help ensure the availability and promotion of high-quality Canadian and French-language musical selections and other creative resources to in turn enrich the broadcasting system.

32. The elements of the current regulatory framework were adopted several years ago, at a time when today's digital technology and platforms for listening to audio content were almost nonexistent. The Commission therefore considers it necessary to modernize the current regulatory framework and to develop where necessary innovative measures falling within its scope to ensure that the French-language commercial radio sector reaches its full potential as it relates to optimizing the creation and presentation of Canadian programming, including the discovery and promotion of Canadian FVM artists.

Issues

33. The review of the regulatory framework for the broadcast of FVM applicable to the commercial radio sector will address the following issues:

- current FVM broadcast quotas, the broadcast of bilingual musical selections and the broadcast of musical montages;
- the Commission's policy regarding the broadcast of hits and competition in bilingual markets; and
- the broadcast of musical selections by emerging artists.

Current FVM broadcast quotas, the broadcast of bilingual selections and the broadcast of musical montages

34. The purpose of the Commission's regulations is to implement the Act's political, social, economic and cultural objectives in a balanced manner. As regards the regulatory framework for FVM, the rules for the broadcast of musical selections seek to ensure that French is present in music programming and to give Canadian Francophone listeners access to programming that reflects their needs, interests and culture.

FVM: Definition and requirements

35. Section 2.2(5) of the *Radio Regulations, 1986* (the Regulations) requires, among other things, that at least 65% of the vocal musical selections from category 2 (Popular Music) broadcast by French-language commercial radio stations each broadcast week be French-language musical selections broadcast in their entirety.

36. To ensure that these selections are not broadcast in relatively low listening periods, section 2.2(10) of the Regulations requires that at least 55% of the category 2 vocal musical selections aired by French-language commercial radio stations during any broadcast week between 6 a.m. and 6 p.m., Monday through Friday, be French-language musical selections broadcast in their entirety.

37. Some Canadian Francophone artists produce audio recordings in English or in a mix of French and English to cater, among other things, to the demand for English-language musical content as one way to promote themselves in the English-language markets at home and abroad.

38. However, although the Regulations define a musical selection, they do not define a French-language musical selection. The Commission's practice has always been to consider a musical selection as FVM if more than 50% of the duration of the selection's vocal portion is in French. The Commission is considering the need to codify this practice in the Regulations given the growing levels of bilingual musical selections in the programming of French-language commercial stations.

39. French-language commercial radio stations must also comply with sections 2.2(8) and 2.2(9) regarding the broadcast of Canadian musical selections in any language, which require that at least 35% of category 2 musical selections aired each broadcast week between 6 a.m. and 6 p.m., Monday to Friday, be Canadian musical selections broadcast in their entirety.

40. Although non-Canadian French-language selections can be included in the calculation of current FVM quotas, the Commission notes that the majority of FVM selections currently broadcast by French-language commercial radio stations are Canadian.

Musical montages

41. The issue of montages has been examined several times by the Commission. The 2006 Commercial Radio Policy states that a montage should not be used to circumvent the regulatory requirements related to FVM. In the policy, the Commission noted that it would closely monitor the use of montages and would deal with any problems on a case-by-case basis by taking necessary measures where appropriate.
42. In May 2011, following a complaint filed by the Association québécoise de l'industrie du disque, du spectacle et de la vidéo (ADISQ), the Commission held a public hearing¹⁵ to consider the use of montages by CKTF-FM Gatineau, CKOI-FM Montréal and CFTX-FM Gatineau, respectively operated by Astral Media (now Bell), Cogeco and RNC. Following the hearing, the Commission concluded that the practice of Cogeco and Astral of broadcasting a large percentage of montages made of excerpts of foreign English-language musical selections constituted an inappropriate use of montages and in effect circumvented the regulatory requirements for FVM.¹⁶ Accordingly, the Commission imposed a condition of licence on Astral and Cogeco limiting the use of montages to 10% of their overall programming in each broadcast week.
43. In Broadcasting Information Bulletin 2011-728, the Commission reiterated its aims and expectations for the broadcast of montages by radio licensees. It stated that a framework to govern the broadcast of montages was necessary to ensure that broadcasters comply with the regulatory objectives relating to FVM and Canadian content. According to that bulletin, any broadcaster that would devote more than 10% of its programming over the broadcast week to montages would appear to have failed to meet the objectives of the regulatory framework and the intent of the policy on montages. Accordingly, if the Commission finds that a broadcaster is making an inappropriate use of montages, it could decide to impose measures deemed necessary.
44. In that bulletin, the Commission announced that it would re-examine the regulatory requirements with respect to FVM and montages when it conducted a more comprehensive review of policies affecting the French-language commercial radio sector.
45. Currently, the Commission notes that several French-language commercial radio stations broadcast montages comprised mainly of long excerpts of the non-Canadian, English-language Category 2 musical selections most requested by listeners.

¹⁵ See Broadcasting Notice of Consultation 2011-188.

¹⁶ See Broadcasting Decisions 2011-726 and 2011-727.

46. Since each montage is considered as one musical selection under the Regulations¹⁷ regardless of the number of excerpts it contains, the broadcast of English-language montages as part of the programming of certain French-language commercial radio stations may have the effect of maintaining the regulatory levels for FVM while considerably reducing the broadcast of French-language selections.
47. That said, the use of montages of English-language excerpts may be an indicator of the difficulty licensees are experiencing in reaching the current required levels for the broadcast of FVM selection (65%/55%). The Commission therefore considers it necessary to review the issue of montages broadcast by French-language stations together with the current required levels of FVM to ensure that the objectives of the Act are being implemented in a balanced manner.
48. The predominant broadcast of montages composed of excerpts of English-language (and predominantly non-Canadian) musical selections creates a discrepancy between regulatory levels and how much French-language music is actually played. As regards the French-language commercial radio sector, given the impact of the predominant use of montages comprised of English-language musical selections on required FVM broadcast levels, the Commission questions the relevance of considering a montage as a single musical selection under the Regulations.
49. Therefore, the Commission is contemplating amending its regulatory framework for the French-language commercial radio sector so that each excerpt in a montage consisting in “any live or recorded music of one minute or more that is broadcast uninterrupted” is recognized as a musical selection. The Commission emphasizes that for a musical selection to be considered Canadian or French-language, it must be played in its entirety. However, the Commission proposes to maintain the provisions set out in sections 2.2(11) and 2.2(12) of the Regulations stating that a montage will be deemed a single Canadian musical selection, a French-language musical selection or both if 50% of its total duration consists of excerpts of Canadian or French-language selections and its duration is at least four minutes.
50. The Commission would therefore no longer have to limit the broadcast of montages to 10% of the broadcast week and specify the objectives and the nature of the montages to be broadcast. This new calculation method would better reflect the actual time FVM selections take up in musical programming and ensure compliance with the rules for FVM, while giving broadcasters more flexibility in their musical programming choices.

¹⁷ The Regulations define a musical selection as follows: “any live or recorded music of one minute or more in duration that is broadcast uninterrupted... includ[ing] a medley and a montage.”

Questions

51. The Commission invites parties to respond to the following questions and provide supporting evidence:

- Q10.** Do the current requirements regarding the broadcast of FVM selections effectively meet the demand of listeners in the various formats offered by the French-language commercial radio stations?
- Q11.** Is the current supply of French-language sound recordings sufficient to allow French-language commercial radio stations with different formats to respect the current requirements for the broadcast of FVM selections?
- Q12.** The French-language commercial radio sector broadcasts FVM selections to respond to the needs and interests of listeners (demand). To what extent must these stations also reflect the overall musical offering (genres, artists and selections) produced by Canadian artists in the French-language music industry?
- Q13.** In today's digital environment, where market barriers are breaking down, and given the proliferation of sources available for listening to music, are the current regulatory category 2 FVM broadcast quotas (65% per broadcast week and 55% in peak listening periods), still an appropriate measure to meet the needs and interests of listeners, reflect their culture and Canada's linguistic duality and support French-language Canadian artists? Why?
- Q14.** What should be the required FVM broadcast levels for category 2 in the following two scenarios and why?
- the Commission decides to count each musical excerpt broadcast in a montage by a French-language commercial station individually if this montage is not considered a single musical selection under sections 2.2(11) and 2.2(12) of the Regulations; and
 - the Commission decides to maintain its calculation method for excerpts in montages.
- Q15.** Since a large majority of FVM selections currently broadcast by French-language commercial radio stations are Canadian, would it be more appropriate to impose quotas on this sector for the broadcast of French-language *Canadian* vocal music? If so, what should be the required broadcast levels for category 2 FVM and why?
- Q16.** Does the broadcast of a minimum percentage of FVM selections during peak listening periods (currently 55% from Monday to Friday between 6 a.m. to 6 p.m.) maximize access to and the promotion of Canadian FVM

and why? If not, should peak listening periods be redefined for FVM selections and in what way?

Q17. Is the Commission's practice of considering a musical selection as FVM if more than 50% of the duration of the vocal portion is in the French language appropriate for French-language stations? If so, should it be codified by the Regulations?

Q18. Could changing the quotas for FVM affect the level of bilingual versus wholly French-language musical selections found in the programming of French-language commercial stations and to what extent?

Q19. The Commission is considering counting montage excerpts individually for French-language stations instead of counting the montage itself as a single musical selection. What would the impact be on:

- **the popularity and performance of the French-language commercial radio industry, particularly in the bilingual markets?**
- **the popularity and performance of the French-language music industry?**

Q20. Should the Commission maintain the provisions set out in sections 2.2(11) and 2.2(12) of the Regulations relating to the calculation of Canadian montages and FVM and why?

Q21. Are there music formats, markets and groups of listeners that are more likely to be influenced or affected by changes in the regulatory framework regarding FVM? If so, which ones and why?

Commission's policy on the broadcast of hits and competition in bilingual markets

52. To better support French-language radio stations in the bilingual markets of Montréal and Ottawa/Gatineau, the Commission decided in 2009 to maintain its policy on the broadcast of hits by English-language FM radio stations¹⁸ because it continued to have a positive effect on linguistic duality in those markets.

53. Under this policy, a hit is a musical selection which, at one time or another, was in one of the top 40 positions in the charts used by the Commission to determine hits.¹⁹ Licensees of English-language commercial FM stations operating in the

¹⁸ See Broadcasting Regulatory Policy 2009-61.

¹⁹ It should be noted that musical selections performed and broadcast live are not counted as hits. However, previously recorded live concert recordings broadcast by radio stations may qualify, as do the original versions, under the definition of hit.

bilingual markets of Montréal and Ottawa/Gatineau must broadcast, by condition of licence, less than 50% of hits in any broadcast week.

54. In 2012, the Commission published a study²⁰ on the quotas for music broadcast, in which the author stresses that “what makes the Canada and Quebec situation even more remarkable and worthy of reflection is the fact that the system of quotas in place insofar as they apply to the broadcast of French-language music by French-language radio stations is not mirrored by the same conditions that the English-language broadcasters face within the same market.”

55. This situation raises a number of issues in terms of competition in bilingual markets such as Montréal and Ottawa/Gatineau since, as mentioned earlier in this notice, there has been a slight shift of audiences from French-language popular music stations to English-language stations in these markets.

Questions

56. The Commission invites parties to respond to the following questions and provide supporting evidence.

Q22. There is a shift of young French-language listeners to English-language stations in the bilingual markets of Montréal and, in particular, Ottawa/Gatineau.

- a) **To what degree is this trend attributable to the music content offered and, in particular, to FVM?**
- b) **Are there musical formats that are more affected by competition in bilingual markets? If so, which ones and why?**
- c) **How could the Commission change its regulatory framework to ensure a better competitive balance between English- and French-language radio stations in bilingual markets?**

Broadcast of selections by emerging artists

57. In Broadcasting Regulatory Policy 2011-316, the Commission determined that it was not necessary to impose a minimum regulatory threshold for the broadcast of musical selections produced by emerging Canadian artists and adopted definitions of English- and French-language emerging Canadian artists. In French-language markets, an emerging artist must meet the following criteria:

²⁰ [*On Quotas as they are Found in Broadcasting Music \(2012\)*](#), Shelley Stein-Sacks, Brock + Chaloux Group Inc., February 2012

- less than 6 months must have passed since sales of one of the artist's albums reached Gold Record status according to Soundscan; and
- less than 48 months must have passed since the release of the artist's first commercially marketed album.

58. In the French-language market, stations operating under the “adult contemporary” format are those likely to broadcast the fewest selections by emerging artists. As stated in that policy, about one Canadian selection out of every seven or eight aired by this type of station in 2008 was by an emerging artist, which the Commission considered reasonable at that time.

59. As mentioned in the 2006 Commercial Radio Policy, the Commission does not consider that all music formats lend themselves equally to the broadcast of emerging Canadian artists. For example, stations offering “adult contemporary” or “oldies” formats likely do not lend themselves as well to the broadcast of this type of selection.

60. The issue of emerging artists has been raised in several Commission proceedings in recent years, including in the 2014 targeted review of policies for the commercial radio sector, following which it concluded that it was unnecessary to require for the time being that radio stations play a minimum number of musical selections by emerging artists.²¹

61. Further, the Commission is of the view that adding new rules for the airplay of emerging Canadian artists could have adverse effects at a time when consumers have an increasingly attractive and wide-ranging choice of audio distribution methods other than commercial radio.

Questions

62. The Commission invites parties to respond to the following questions and provide supporting evidence.

Q23. In the current environment, how do emerging French-language Canadian artists make use of the various media to ensure their promotion and career development? Is French-language commercial radio a coveted media outlet for this purpose and why?

²¹ See Broadcasting Regulatory Policy 2014-554.

Q24. In addition to broadcasting musical selections, the French-language commercial radio sector contributes to developing the careers of emerging artists through promotional interviews and some CCD contributions. Overall, does this sector provide adequate support to emerging French-language Canadian artists?

Q25. What would be the impact and benefits for emerging French-language Canadian artists and the French-language commercial radio sector of imposing a minimum regulatory threshold for the broadcast of musical selections by emerging Canadian artists?

III – New measures

Context

63. The Commission's goal is to ensure that Canadians have access to a world-class communication system. To that end, it asks that interested parties submit proposals for innovative measures that would allow the French-language commercial radio sector to more effectively support French-language Canadian artists, better meet the needs and interests of their listeners and reflect their culture, particularly in terms of linguistic duality.
64. These innovative measures may or may not affect elements of the current regulatory framework for FVM as long as that they fall within the jurisdiction of the Commission. That said, the Commission invites interested parties to provide proposals that fall outside the requirements of the current regulatory framework for FVM, namely, the broadcast of FVM selections and CCD contribution.
65. To facilitate reflection on how to maximize the ability of the French-language commercial radio sector in supporting Canadian FVM artists, the Commission wishes to reiterate some of the strengths of the sector that enable it to remain competitive, some of which were highlighted in the 2006 Commercial Radio Policy:
- Commercial radio is a local and regional medium. By focusing on issues affecting the community, radio reaches a significant target audience in a personalized manner and generates revenue from local companies.
 - Commercial production and media costs are lower than those for television, making radio an advertising medium more attractive to advertisers.
 - The peak morning and afternoon periods provide a captive audience for radio advertisers.
 - Advertising over the radio can target a specific demographic corresponding to the station's format and the region served.

- Unlike television viewing levels, which decline during the summer, those of radio remain high in the summer.
- Radio is an accessible and free medium that requires little interaction between the listener and the transmission device.

Avenues for reflection and questions

66. In light of the above, the Commission proposes four avenues for reflection to spark discussion on possible innovative measures to be explored in the context of this review. **The Commission invites parties to respond to the following questions and provide supporting evidence.**

Avenue 1: Contributions to CCD and musical discovery

67. CCD contributions aim in particular to support Canadian artists, including FVM artists, in the creation of quality music content that will eventually be broadcast by radio stations. With respect to Canadian FVM, audio recording production seems to be faring relatively well. The challenge for FVM artists seems rather to lie in being discovered by the right consumer segments.

Q26. Would setting up a fund or a funding mechanism similar to the CCD policy, but geared specifically to music discovery, be desirable? What might be its components?

Avenue 2: Promoting artists beyond the broadcast of musical selections

68. The Commission considers that the ability of the French-language commercial radio sector to effectively support French-language Canadian artists and meet the needs and interests of the listening audience is not limited to the broadcast of musical selections. Spoken word programs, such as interviews, artist contests, news bulletins and coverage of musical and cultural events, also contributes to the promotion and discovery of Canadian artists and FVM.

Q27. a) How important are spoken word programs to the support of FVM artists relative to the broadcast of FVM?

b) What are or could be the most effective programming elements to ensure that the French-language commercial radio sector sufficiently contributes to the promotion and discovery of FVM artists?

Avenue 3: Rallying the French-language music and commercial radio industries

69. The Commission considers that the French-language commercial radio and music industries are to a certain extent interdependent. Thus, effective and ongoing

communication and collaboration between the two sectors would likely contribute to their sustainability.

Q28.

- a) How can the French-language music and commercial radio sectors adapt to the proliferation of competing sources for music consumption and work together to attract and keep their listeners and consumers, particularly the younger generation?**
- b) How can the French-language music and commercial radio sectors work together to allow French-language Canadian music to have a stronger presence on the various digital broadcasting platforms?**
- c) Is it feasible and desirable to consider creating a working group that would meet regularly to discuss the needs of representatives, topical issues and measures for addressing them in an effective manner?**

Avenue 4: A more flexible regulatory framework better adapted to market realities and the needs of listeners

70. Stations in the French-language commercial radio sector are distributed over a range of markets that have different cultural, social, political and economic realities. Moreover, these stations operate under different musical formats to meet the interests of their target audience and set themselves apart from their competitors. Thus, the ability of each player to implement the various elements of the current regulatory framework for FVM (broadcast of FVM selections, peak FVM broadcast periods, financial contributions, etc.) and other non-regulated support measures (emerging artists, interviews, artist contests, Web visibility, etc.) varies depending on the above factors.

71. Following this public proceeding, the Commission will have updated its current regulatory tools and identified any new measures needed to support the creation, discovery, promotion and consumption of FVM so as to foster the broadcast of quality FVM that meets the needs and interests of French-language commercial radio listeners. To make the best use of the strengths of each French-language commercial radio station and provide broadcasters with some flexibility to achieve these objectives more effectively, the Commission is seeking comments on the possibility of establishing an “à la carte” system of regulations and measures. Thus, while some of the regulatory tools for FVM could be applied to the entire French-language commercial radio sector, broadcasters could propose a choice of requirements and new regulatory measures better suited to their reality. Some of these individualized requirements and measures could be imposed by condition of licence. Although the

Commission is seeking a regulatory framework that is more flexible and adapted to the various realities of the French-language commercial radio sector, it will ensure that all commercial radio stations continue to contribute in an equitable manner to the achievement of the objectives of the Act.

Q29. The Commission is prepared to consider shifting from a regulatory framework that is the same across the entire French-language commercial radio sector to an equitable regulatory framework that takes into account the different realities of licensees of French-language commercial radio stations.

- a) **What are the elements of the regulatory framework for FVM that should apply unvaryingly to the entire French-language commercial radio sector and why?**
- b) **Which elements of the current regulatory framework for FVM could be part of the *à la carte* regulatory system described above and why?**
- c) **What criteria (e.g., economic reality, target audience, music format) should the Commission use as a basis for varying the requirements of an *à la carte* system?**
- d) **If such an *à la carte* system were adopted, how would the Commission ensure that each station in the sector continues to contribute equitably to the support and promotion of French-language Canadian artists?**

Q30. Aside from the measures proposed in this notice, what other innovative measures falling within the Commission's jurisdiction should be examined to allow the French-language commercial radio sector to support more effectively Canadian French-language artists, better meet the needs and interests of their listeners and reflect their culture, particularly in terms of linguistic duality.

Procedure

72. The Commission will hold a public hearing commencing on **16 November 2015 at 9 a.m. at the TRYP Québec Hôtel PUR, AB room, 395 de la Couronne Street, Québec, Quebec**, to address the matters set out in this notice.

73. The *Canadian Radio-television and Telecommunications Commission Rules of Practice and Procedure* (the Rules of Procedure) apply to the present proceeding. The Rules of Procedure set out, among other things, the rules for content, format, filing and service of interventions, replies, answers of respondents and requests for information; the procedure for filing confidential information and requesting its

disclosure; and the conduct of public hearings. Accordingly, the procedure set out below must be read in conjunction with the Rules of Procedure and its accompanying documents, which can be found on the Commission's website under "Statutes and Regulations." The *Guidelines on the CRTC Rules of Practice and Procedure*, set out in Broadcasting and Telecom Information Bulletin 2010-959, provide information to help interested persons and parties understand the Rules of Procedure so that they can more effectively participate in Commission proceedings.

74. The Commission invites interventions that address the issues and questions set out above. The Commission will accept interventions that it receives on or before **3 September 2015**. The public hearing will be followed by a written reply period.
75. Parties are permitted to coordinate, organize, and file, in a single submission, interventions by other interested persons who share their position but do not wish to appear at the hearing. Information on how to file this type of submission, known as a joint supporting intervention, as well as a template for the covering letter to be filed by the parties, can be found in Broadcasting Information Bulletin 2010-28-1.
76. Parties wishing to appear at the public hearing, either in person or by video conference from one of the Commission's regional offices, and parties requiring communications support must state their request on the first page of their intervention. Parties requesting appearance must provide clear reasons, on the first page of their intervention, as to why the written intervention is not sufficient and why an appearance is necessary. Only those parties whose requests to appear have been granted will be contacted by the Commission and invited to appear at the public hearing.
77. Persons requiring communications support such as assistance listening devices and sign language interpretation are requested to inform the Commission at least twenty (20) days before the commencement of the public hearing so that the necessary arrangements can be made.
78. The Commission encourages interested persons and parties to monitor the record of the proceeding, available on the Commission's website, for additional information that they may find useful when preparing their submissions.
79. Submissions longer than five pages should include a summary. Each paragraph of all submissions should be numbered, and the line *****End of document***** should follow the last paragraph. This will help the Commission verify that the document has not been damaged during electronic transmission.

80. Pursuant to Broadcasting and Telecom Information Bulletin 2015-242, the Commission expects incorporated entities and associations and encourages all Canadians to file submissions for Commission proceedings in accessible formats (for example, text-based file formats that allow text to be enlarged or modified or read by screen readers). To provide assistance in this regard, the Commission has posted on its website [guidelines](#) for preparing documents in accessible formats.
81. Submissions must be filed by sending them to the Secretary General of the Commission using **only one** of the following means:

by completing the
[\[Intervention/comment/answer form\]](#)

or

by mail to
CRTC, Ottawa, Ontario K1A 0N2

or

by fax at
819-994-0218

82. Parties who send documents electronically must ensure that they will be able to prove, upon Commission request, that service/filing of a particular document was completed. Accordingly, parties must keep proof of the sending and receipt of each document for 180 days after the date on which the document is filed. The Commission advises parties who file and serve documents by electronic means to exercise caution when using email for the service of documents, as it may be difficult to establish that service has occurred.
83. In accordance with the Rules of Procedure, a document must be received by the Commission and all relevant parties by 5 p.m. Vancouver time (8 p.m. Ottawa time) on the date it is due. Parties are responsible for ensuring the timely delivery of their submissions and will not be notified if their submissions are received after the deadline. Late submissions, including those due to postal delays, will not be considered by the Commission and will not be made part of the public record.
84. The Commission will not formally acknowledge submissions. It will, however, fully consider all submissions, which will form part of the public record of the proceeding, provided that the procedure for filing set out above has been followed.

Important notice

85. All information that parties provide as part of this public process, except information designated confidential, whether sent by postal mail, facsimile, email or through the Commission's website at www.crtc.gc.ca, becomes part of a publicly accessible file and will be posted on the Commission's website. This information includes personal information, such as full names, email addresses, postal/street addresses, telephone and facsimile numbers, etc.
86. The personal information that parties provide will be used and may be disclosed for the purpose for which the information was obtained or compiled by the Commission, or for a use consistent with that purpose.
87. Documents received electronically or otherwise will be put on the Commission's website in their entirety exactly as received, including any personal information contained therein, in the official language and format in which they are received. Documents not received electronically will be available in PDF format.
88. The information that parties provide to the Commission as part of this public process is entered into an unsearchable database dedicated to this specific public process. This database is accessible only from the web page of this particular public process. As a result, a general search of the Commission's website with the help of either its own search engine or a third-party search engine will not provide access to the information that was provided as part of this public process.

Availability of documents

89. Electronic versions of the interventions and of other documents referred to in this notice, are available on the Commission's website at www.crtc.gc.ca by visiting the "Participate" section, selecting "Submit Ideas and Comments," and then selecting "our open processes." Documents can then be accessed by clicking on the links in the "Subject" and "Related Documents" columns associated with this particular notice.
90. Documents are also available from Commission offices, upon request, during normal business hours.

Location of Commission offices

Toll-free telephone: 1-877-249-2782

Toll-free TDD: 1-877-909-2782

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Fax: 604-666-8322

Secretary General

Related documents

- *Filing submissions for Commission proceedings in accessible formats*, Broadcasting and Telecom Information Bulletin CRTC 2015-242, 8 June 2015
- *A targeted policy review of the commercial radio sector*, Broadcasting Regulatory Policy CRTC 2014-554, 28 October 2014
- *Requirements for the broadcast of radio montages*, Broadcasting Information Bulletin CRTC 2011-728, 24 November 2011
- *CFTX-FM Gatineau – Licence renewal*, Broadcasting Decision CRTC 2011-727, 24 November 2011
- *Complaint regarding the broadcast of French-language vocal music by CKOI-FM Montréal*, Broadcasting Decision CRTC 2011-726, 24 November 2011
- *Definition of emerging Canadian artists on commercial radio*, Broadcasting Regulatory Policy CRTC 2011-316, 12 May 2011
- *Notice of hearing*, Broadcasting Notice of Consultation CRTC 2011-188, 16 March 2011
- *Guidelines on the CRTC Rules of Practice and Procedure*, Broadcasting and Telecom Information Bulletin CRTC 2010-959, 23 December 2010

- *Changes to certain practices for filing interventions – Expansion of filing practices to include the filing of joint supporting comments for broadcasting policy proceedings*, Broadcasting Information Bulletin CRTC 2010-28-1, 10 December 2010
- *Policy regarding the broadcast of hits by English-language FM radio stations*, Broadcasting Regulatory Policy CRTC 2009-61, 11 February 2009
- *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006
- *A Review of Certain Matters Concerning Radio*, Public Notice CRTC 1995-60, 21 April 1995