



Broadcasting Notice of Consultation CRTC 2020-374

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Call for comments – Commercial radio policy framework review

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The Commission is initiating a public proceeding to review the regulatory framework for the commercial radio sector. The main objective of this proceeding is to assess the relevance and effectiveness of the regulatory tools governing commercial radio. The purpose is to update the regulatory framework to best serve the needs and interests of Canadians, while taking into account increased competition from online services. If necessary, some tools could be removed, changed or added to best achieve the following results in a balanced manner:

- *For Canadian listeners: Provide diverse, relevant and quality programming that serves their needs and interests;*
- *For Canadian artists: Ensure that artists (music and spoken word) are best supported by broadcasters in a balanced manner for the creation, presentation and discoverability of Canadian content;*
- *For broadcasters: Establish a flexible regulatory framework that enables both English- and French-language radio to remain competitive in the digital environment.*

The Commission hereby invites Canadians, including broadcasters, content creators, Canadian artists and all interested persons to share their observations on the issues relating to the regulatory framework for commercial radio set out in this notice.

*The deadline for receipt of interventions is **1 February 2021**, and the deadline for receipt of replies is **3 March 2021**. Only the parties who submit observations at the first intervention stage will be able submit replies. Replies must address only the issues raised during the intervention period. Useful information for submitting comments is included in the Procedures section of this notice.*

The Commission intends to conduct this review without holding an appearing public hearing. However, an appearing public hearing could still take place at a later date, if necessary.

Introduction

1. In Broadcasting Notice of Proceeding 2020-25, published on 28 January 2020, the Commission announced the procedures it planned to follow and identified possible issues to be covered by its commercial radio policy review. Phase 1 of this review, a conversation with Canadians through public opinion research was initiated in March 2020. To complete this research, the Commission is launching an [online survey on commercial radio](#) concurrently

with this notice of consultation. Canadians can participate until **26 November 2020**. The research report resulting will be added to the record of this proceeding. The Commission will inform all interested parties when it becomes available.

2. This notice of consultation begins Phase 2 of the review of the commercial radio policy framework. As indicated in Broadcasting Notice of Proceeding 2020-25, Phase 2 of this consultation will include additional steps: this step will gather comments (interventions and replies). The next step (or steps) could include additional questions addressed to certain (or all) parties, or any other pertinent means within the Commission's powers and jurisdiction to allow it to complete the public record efficiently. Any changes made to the procedure set out in the *Canadian Radio-television and Telecommunications Commission Rules of Practice and Procedure* for this proceeding will be announced as the proceeding progresses.
3. The current regulatory framework for commercial radio¹ includes applicable provisions from the *Radio Regulations, 1986* (the Regulations) and several policies published by the Commission over the years, most notably the Commercial Radio Policy 2006, set out in Broadcasting Public Notice 2006-158.
4. In 2014, the Commission conducted a partial review of the Commercial Radio Policy and published *A targeted policy review of the commercial radio sector*² (Broadcasting Regulatory Policy 2014-554).
5. In 2015, the Commission published Broadcasting Notice of Consultation 2015-318, in which it initiated the review of the regulatory framework for French-language vocal music (FVM) applicable to the French-language commercial radio sector (the FVM proceeding). Since the FVM proceeding could not be completed, the issues that would have been addressed will be addressed within the broader context of this commercial radio sector policy framework review. Therefore, the Commission is placing the content of the public record from the FVM proceeding on the public record of this proceeding. All parties to the FVM proceeding are now considered to be parties to this proceeding.
6. The regulatory framework for commercial radio serves to implement the objectives of the broadcasting policy for Canada, as set out in section 3(1) of the *Broadcasting Act*. Among other things, these objectives are intended to ensure that:
 - the Canadian broadcasting system, operating primarily in the English and French languages and comprising public, provides, through its programming, a public service essential to the maintenance and enhancement of national identity and cultural sovereignty and should be readily adaptable to scientific and technical change;

¹ According to the Regulations, commercial station means an AM, FM or digital radio station, other than one that is owned and operated by the Canadian Broadcasting Corporation/Société Radio-Canada or a not-for profit corporation or is a campus, community, Indigenous or ethnic station. Although ethnic radio stations are not considered to be commercial radio stations, they adhere to the Commercial Radio Policy.

² The changes made to the policy include a revised call for applications policy, a new process for some applications involving low-power stations, a flexible approach for implementing HD Radio technology in Canada and implementing new mechanisms to encourage radio stations to remain compliant with their regulatory obligations.

- the Canadian broadcasting system serves to safeguard, enrich and strengthen the cultural, political, social and economic fabric of Canada and encourages the development of Canadian expression by providing a wide range of programming that reflects Canadian attitudes, opinions, ideas, values and artistic creativity, by displaying Canadian talent in entertainment programming;
- through its programming and the employment opportunities arising out of its operations, serve the needs and interests, and reflect the circumstances and aspirations, of Canadian men, women and children, including equal rights, the linguistic duality and multicultural and multiracial nature of Canadian society, and the special place of Indigenous peoples within that society;
- each element of the Canadian broadcasting system shall contribute in an appropriate manner to the creation and presentation of Canadian programming;
- the programming provided by the Canadian broadcasting system should be varied and comprehensive, providing a balance of information, enlightenment and entertainment for everyone and should provide a reasonable opportunity for the public to be exposed to the expression of differing views on matters of public concern;
- each broadcasting undertaking shall make maximum use, and in no case less than predominant use, of Canadian creative and other resources;
- the programming originated by broadcasting undertakings should be of high standard.

Review of the Broadcasting Act

7. In 2018, the Government of Canada commissioned an independent panel of experts to review the *Broadcasting Act* and the *Telecommunications Act*. The review focused on various Canadian communications issues, including “how to strengthen the future of Canadian media and content creation.” The panel’s recommendations were published in January 2020 in a report entitled [*Canada’s Communications Future: Time to Act*](#). On 3 November 2020, the Government has introduced a new bill to update the *Broadcasting Act* to adapt it to the digital age. Before coming into force, the bill must be approved by Parliament and receive royal assent.
8. This proceeding will consider current objectives of the *Broadcasting Act*. If a change is made to the *Broadcasting Act* during this process, the Commission will notify the interested parties of how to proceed to take this into account.

Objectives of this proceeding

9. Due to recent advances in digital technologies, new business models and various possibilities for programming distribution provide the radio industry with new opportunities. However, they also create new challenges.
10. To support the development of strategies and policies, the Commission published the report [*Harnessing Change: The Future of Programming Distribution in Canada*](#) (the Harnessing Change report) on 31 May 2018. Among other things, this report provides information on trends in Canada’s communications industry, including audio media and traditional AM/FM

radio. In this report, the Commission concluded that a vibrant domestic market requires the development of innovative approaches and systems to create an environment where benefits to Canadians can be developed, creators can thrive and creative and knowledge-based job opportunities are maximized. The Commission must ensure that its policies and regulatory frameworks are consistent with current technological and social realities. The tools developed for the future must take into account that unexpected changes will be the norm, and they must be sufficiently flexible to continually adapt to new situations.

11. Therefore, the main objective of this proceeding is to assess the relevance and effectiveness of the regulatory tools governing commercial radio to update the regulatory framework to best serve the needs and interests of Canadians. If necessary, some tools could be removed, changed or added to obtain the following results in an optimal and balanced manner:
 - For Canadian listeners: Provide diverse, relevant and quality programming that serves their needs and interests;
 - For Canadian artists: Ensure that artists (music and spoken word) are best supported by broadcasters in a balanced manner for the creation, presentation and discoverability of Canadian content;
 - For broadcasters: Establish a flexible regulatory framework that enables both English- and French-language radio to remain competitive in the digital environment.

Current environment

12. Although the Commission acknowledges that this exceptional situation related to the COVID-19 pandemic may have a significant impact on commercial radio stations, it must develop its regulatory policies with a long term vision rather than in reaction to one-time events. Any party to the proceeding is free to raise issues and offer solutions with respect to the current crisis, and these will be considered in this proceeding, particularly if they consider that the changes caused by the crisis will have long term impact on the commercial radio market. The goal of this proceeding is to implement a strong regulatory framework that meets the objectives of the *Broadcasting Act* in the years ahead, while providing sufficient flexibility to respond to exceptional situations that could occur.

Audio content sources and listening habits

13. The Harnessing Change report indicates that radio remains the leading audio distribution platform for music, news and spoken word content across Canada in both official languages despite competitive challenges from new platforms and a strong dependence on advertising revenue. However, the report concludes that, while traditional radio will continue to evolve and play an important role in the future, this role will be less significant than in the past as online services become more popular.
14. In fact, Canadians are increasingly using online audio services to access audio content. These online audio services fall within two main business models:
 - Audio services distributed through downloads, where users download audio files for a one-time fee (e.g., iTunes); and

- Audio content streaming services, where users stream audio content and either advertisement or a paid subscription is required (e.g., Spotify).
15. Some data are available in the appendix to this notice of consultation for interested parties to obtain the necessary information to provide their comments in this proceeding. The data related to the communications monitoring report will be available at a later date through the open data portal.
 16. According to the 2019 data, online audio services generated an estimated revenue of \$482.5 million in 2019, which is a significant increase of approximately 14% compared with the previous year. The revenue growth of online audio services was more pronounced in the English-language market (see Figure 33 of the Harnessing Change report). Since 2015, Canadians have given up downloading audio content for profit in favour of streaming. However, traditional radio still receives most of the total audio revenue: in 2019, the estimated revenue of online audio services amounted to 27.1% of the total revenue of commercial radio stations and the Canadian Broadcasting Corporation/Société Radio-Canada (CBC/SRC).
 17. According to the data collected for the 2020 Communications Monitoring Report, Canadian listeners have not abandoned traditional AM/FM radio. However, the time they spend listening is gradually decreasing, with 2019 being an outlier. In 2019, Canadians aged 18 and older listened to traditional radio for an average of 14.7 hours per week. This represents a slight increase (less than one percent) compared with the previous year. The increase in tuning in 2019, albeit very minor, is the first such increase in overall tuning in at least 7 years. Moreover, Canadians spent an average of 8 hours listening to streamed audio content, for a total of 22.7 hours per week of listening to audio content. This number of hours is identical to that of the previous year, with only slight variations between traditional radio and streamed audio content listening.
 18. In recent years, the general trend for traditional radio has been decreasing and that for online audio services has been increasing. Average weekly tuning has decreased most significantly among Canadians aged 12 to 17, having declined by an average of 9% per year since 2015. Among Canadians aged 12 and older, it declined by only 3%. However, the vast majority of Canadians still tune in to traditional radio. When asked about their use of radio and audio services, 88% of Canadians aged 18 and older reported having listened to radio every month. The benefits of traditional radio are still its ubiquity, ease of use in vehicles, local and regional news coverage, the creation and distribution of spoken programming and the fact that it is free.
 19. In the French-language market, three main formats made up approximately 71% of the listening shares: talk radio (news/talk and ICI Radio-Canada Première combined) led with 37%, followed by “Hot Adult” Contemporary with 19% and Adult Contemporary with 15%.
 20. The English-language market was more fragmented because its three main formats made up approximately 45% of the listening shares: talk radio (news/talk and CBC Radio One) led with 23%, followed by Adult Contemporary and Country with approximately 12% and 10%, respectively.

Commercial radio

21. The private commercial radio sector accounts for approximately 62% of all stations in Canada. In 2019, 693 commercial radio stations³ (586 FM radio stations and 107 AM radio stations) across the country submitted financial returns. Of those stations, 97 were French-language and the other stations were English-language. These commercial radio stations reported a combined revenue of \$1.4 billion, a slight decrease from 2018. Their overall profitability also slightly decreased.
22. Commercial FM stations generated the equivalent of 81% of total commercial radio revenues in 2019 and surpassed AM stations in terms of profitability. Most commercial FM stations relied less on local advertising revenues and more on national advertising revenues than AM stations. Although the vast majority of revenues were generated by English-language radio stations, the profitability of English- and French-language stations was rather similar.
23. In 2019, the five largest radio ownership groups in Canada (BCE Inc., Cogeco Media Inc., Corus Entertainment Inc., Rogers Media Inc. and Stingray Radio Inc.) garnered over 64% of total commercial radio revenues. The two largest groups, BCE Inc. (109 stations) and Rogers Media Inc. (57 stations) garnered nearly 40% of total revenues. These five ownership groups also had the highest tuning share in French- and English-language markets. In the French-language market, Cogeco Media Inc. and BCE Inc. together held 55% of weekly average tuning hours. In the English-language market, BCE Inc., Rogers Media Inc., Corus Entertainment Inc. and Stingray Radio Inc. together held 52% of the tuning share.

Financial support for Canadian artists

24. Commercial radio stations contribute to Canadian content development (CCD) initiatives to support the development and promotion of musical and spoken word content for broadcast. CCD contributions ensure the support, promotion, training and development of Canadian musical and spoken word talent and contribute to increasing the supply of and demand for high-quality Canadian music and spoken word content in a variety of genres. CCD contributions break down into three components: basic contributions, over-and-above contributions, and tangible benefits.⁴ They are divided among various funds, including FACTOR and Musicaction,⁵ the Community Radio Fund of Canada (CRFC),⁶ the Radio Starmaker Fund and Fonds Radiostar.⁷

³ The station count and revenue figures presented in this paragraph do not include ethnic stations.

⁴ Tangible benefits are paid over a set period following changes in ownership or effective control of broadcasting undertakings. Therefore, they are not a stable source of long-term funding.

⁵ FACTOR and Musicaction are public-private partnerships that contribute to the development of Canadian music by supporting the production and marketing of audio recordings as well as collective promotional activities. They administer funds from the Department of Canadian Heritage through the Canada Music Fund, and contributions made by commercial radio broadcasters. English-language stations usually contribute to FACTOR and French-language stations to Musicaction.

⁶ The CRFC is an independent organization that was created to provide additional financial support for campus and community radio. It distributes CCD contributions paid by commercial broadcasters.

⁷ The Radio Starmaker Fund and Fonds Radiostar act as music marketing and promotion funds.

25. In 2018–2019 broadcast year, CCD contributions, including tangible benefits, totalled \$46 million. The table below provides an overview of CCD contributions (by component) made by broadcasters and includes contributions by pay audio services and satellite radio services which are included in basic contributions.

CCD Contributions

	2015-2016	2016-2017	2017-2018	2018-2019
Basic contributions	\$18,780,102	\$20,028,088	\$19,167,868	\$19,329,764
Over-and-above contributions	\$7,868,000	\$3,304,000	\$2,371,000	\$2,456,000
Tangible benefits	\$19,972,166	\$20,172,244	\$22,257,810	\$24,177,621
Total	\$46,620,268	\$43,504,332	\$43,796,678	\$45,963,385

26. Because of the decline of the commercial radio market, CCD contributions are expected to decrease in the coming years, at a different rate depending on the component. Since basic contributions are based on the previous year's annual revenues, they should decrease at a consistent rate, reflecting the decreasing revenues of commercial radio stations. Over-and-above contributions and tangible benefits will decrease significantly because of the decrease in new radio stations and ownership transactions.

Issues

27. The radio industry's contribution to the Canadian broadcasting system can be broken down into two fundamental aspects: programming (music programming and spoken word, including news) and funding (CCD contributions). Further, the ownership structure of broadcasters has a direct impact on programming and funding.
28. In the following sections, the Commission will discuss the regulatory tools related to these three aspects.

Programming

Overview of the Canadian music industry

29. According to the [Canadian Heritage Departmental Results Report 2018-2019](#), the Canada Music Fund (CMF) provides album production support, which resulted in the production and release of 532 albums, an increase of nearly 7% compared with the average number of recordings supported in the previous five years.
30. According to the [Evaluation of the Canada Music Fund 2012–2013 to 2017-2018](#), the market share of Canadian artists on domestic music charts (albums and streaming) decreased slightly between 2016 and 2017 (from 21.8% to 19% for albums; from 12.3% to 10.4% for streaming). However, domestic and international royalties steadily increased from 2012-2013

to 2016-2017. Canadian artists are finding success not just in Canada, but also internationally. Canada was the third largest music exporter in 2017. As indicated in the report, “the increase in performance royalties coincided with the Society of Composers, Authors and Music Publishers of Canada beginning collecting from additional foreign performance royalty organizations late in 2014.”

31. While the Canadian music industry as a whole appears to be showing some resilience in this new and challenging digital environment, Canadians’ interest in Canadian music remains relatively high. According to research conducted by EKOS for the Harnessing Change report, the vast majority of Canadians (78%) value Canadian-made content, and some view Canadian content as helping to strengthen unity and shared identity.

Canadian music

32. One of the methods used by the Commission to achieve the objectives of Canadian broadcasting policy is to showcase Canadian artists on the airwaves through regulated Canadian content quotas.

Definition – MAPL system

33. The Regulations define a musical selection as any live or recorded music of one minute or more in duration that is broadcast uninterrupted. A musical selection can also be a medley or a montage.⁸ Within the Regulations, four elements are used to qualify songs as being Canadian: Music, Artist, Performance and Lyrics, which constitute the MAPL system.⁹ Specifically, under section 2.2(2) of the Regulations, a musical selection must meet two of the following four conditions to qualify as being Canadian:

- M (music) – the music is composed entirely by a Canadian.
- A (artist) – the music is, or the lyrics are, performed principally by a Canadian.
- P (performance) – the musical selection consists of a live performance that is recorded wholly in Canada or performed wholly in Canada and broadcast live in Canada.
- L (lyrics) – the lyrics are written entirely by a Canadian.

34. The MAPL system is primarily designed to help Canadian audiences discover Canadian musical performers, lyricists and composers. It also strives to strengthen every component of the Canadian music industry, including the creative and production components, while also being simple for the industry to implement.

⁸ According to the Regulations, a montage is a compilation containing excerpts from several musical selections, while a medley is a compilation in which artists interpret excerpts from several musical selections within a single performance. Both must be one minute or more in duration.

⁹ See [The MAPL system - defining a Canadian song on the Commission's website](#) for more information on the MAPL system.

35. Producing and recording music are easier than ever since production costs have decreased considerably due to technological advances, while creation and distribution opportunities have increased. In addition, Canadian performers, creators, producers, composers and lyricists are increasingly working internationally. Collaborations with non-Canadian artists and professionals are increasingly common. Therefore, the Commission cannot always easily determine the extent to which a musical selection is Canadian, using the current definition of a Canadian musical selection and the current MAPL conditions.
36. The mixing of pre-recorded vocals and electronic sounds to create a musical selection, as well as crossovers between various music genres, have gained in popularity. This trend presents some challenges in identifying the contribution of Canadian musicians to a musical selection consistently across all broadcasters. Accordingly, the traceability¹⁰ of Canadian content, which allows for, among other things, the identification of a musical selection's origin and contributors, poses a sizeable challenge for the Commission, which tries to maximize the broadcasting of content that is in full compliance with MAPL requirements.
37. Given the challenges and changes in the Canadian communications industry, as well as the current challenges with the MAPL system, the Commission considers it appropriate to assess the application and relevance of the MAPL system to meet the objectives of identifying, discovering, tracing and promoting Canadian artists in an environment where the number of platforms, as well as collaborations between various artists, is growing.

Questions

38. In light of the above, the Commission is calling for comments on the following issues:

Q1 In light of the new trends in music production:

- a) Is the current definition of a Canadian music selection adequate in the digital era? If not, how would you amend it or what would you replace it with?
- b) Do the four conditions of the MAPL system remain appropriate to contribute to the discoverability and promotion of performers, lyricists and composers by Canadian audiences? If not, how should they be modified?

Q2 Does the broadcasting and music industry allow for an effective traceability of Canadian performers, lyricists and composers? Explain how the industry allows for (or does not allow for) effective traceability and how traceability could be enhanced, if applicable.

Q3 Does the broadcasting and music industry promote the discoverability of performers, lyricists and composers by Canadian audiences? Explain how the system promotes (or does not promote) discoverability and how discoverability could be enhanced, if applicable.

¹⁰ Traceability is the extent to which cultural audio content can be observed or followed using metadata-driven standards (ISRC ISWC IPI ISNI). This process is used primarily by copyright societies.

Q4 Should the definition of a Canadian musical selection be extended to compilations of pre-recorded vocals and musical sounds? If so, how could the MAPL system be applied to determine whether this type of content qualifies as a Canadian musical selection?

Q5 If the MAPL system stays the same, should the points awarded to the different conditions be reviewed? If so, how?

Rules for certain types of music and stations

Canadian content rules

39. Various rules surrounding Canadian content differ according to:

- genre (Popular Music and Special Interest Music);¹¹
- broadcast period;
 - broadcast week (seven consecutive broadcast days, beginning on Sunday; the broadcast day begins at 6:00 a.m. and ends at midnight the same day);
 - peak time (6:00 a.m. to 6:00 p.m., Monday to Friday).

40. Commission regulations related to music programming¹² on the radio are usually based on the number of musical selections broadcast rather than the duration of time devoted to the broadcast of a specific type of musical selection.

Rules applicable to Popular Music (content category 2)

41. Popular Music (content category 2) encompasses musical selections in the following genres: pop, rock and dance; country and country-oriented; acoustic; and easy listening.

42. Under section 2.2(8) of the Regulations, English- and French-language commercial stations must ensure that at least 35% of the popular music that they broadcast each broadcast week is Canadian. To ensure that Canadian selections are not relegated to off-peak hours, section 2.2(9) of the Regulations requires that at least 35% of the popular music broadcast between 6:00 a.m. and 6:00 p.m., Monday to Friday, be Canadian.

Rules applicable to Special Interest Music (content category 3)

43. Special Interest Music (content category 3) encompasses musical selections from the following genres: concert; folk and folk-oriented; world beat and international; jazz and blues, non-classic religious; and experimental. Licensees of commercial stations are not required to broadcast special interest music, unless they are subject to a specific condition of

¹¹ The categories (Popular Music and Special Interest Music) and subcategories are set out in the Broadcasting Regulatory Policy 2010-819.

¹² There are also different rules for the broadcast of FVM for French-language commercial radio stations.

licence to this effect. If they do, then the following percentages must be devoted to Canadian musical selections:

- 10% of musical selections from content category 3 (Special Interest Music) – section 2.2(3)(b) of the Regulations;
- 25% of musical selections from content subcategory 31 (Concert) – section 2.2(3.1)(a) of the Regulations; and
- 20% of musical selections from content subcategory 34 (Jazz and blues) – section 2.2(3.1)(b) of the Regulations.

Furthermore, these Canadian musical selections must be scheduled in a reasonable manner throughout each broadcast week.

44. The lower Canadian content requirement for content category 3 music (10%) was set because of the more limited availability of Canadian recordings in specialty genres.

Musical content categories and subcategories

45. Musical content categories and subcategories are used primarily to calculate Canadian content. They are also used to define a specialty commercial radio station. Specifically, pursuant to the definition set out in Public Notice 1995-60, a station operates in the “specialty” format if less than 70% of the music broadcast is from content subcategory 21 (Pop, rock and dance) or content subcategory 22 (Country and country-oriented). Specialty stations have separate conditions of licence requiring them to broadcast a specific amount of musical selections from content category 3 (Special Interest Music). The vast majority of specialty stations broadcast religious music (content subcategory 35), and other stations play specialty music (e.g., concert, jazz, blues and international).
46. The Commission notes that the categorization of musical selections according to the music categories set out in Broadcasting Regulatory Policy 2010-819 is not the same for all broadcasters. While most large broadcasters use a music library that automatically categorizes a song’s genre according to the genre identified by the artist or their representative, other broadcasters create their own music library.
47. These days, the categorization of musical selections poses a challenge because the lines between musical genres have become much more fluid than ever, with certain genres melding with one another. For example, music created by Indigenous artists, or religious music, can touch upon a wide variety of musical genres and are not always easily identifiable. In recent years, it has become more complicated, and sometimes subjective, to accurately identify the specific music genre of each musical selection, especially in terms of calculating Canadian content.

Specialty music stations

48. Although specialty stations contribute to musical diversity in their respective markets, they face competition challenges on two fronts: from mainstream radio stations, which have greater regulatory flexibility in terms of music programming; and from online audio services, which are attracting a growing number of specialty music consumers. In the last 10 years, a number of specialty music stations (for example, stations focusing on jazz, blues and concert music) have applied to the Commission to withdraw their station's specialty status to become a mainstream music station. In support of their application, licensees claim that these specialty stations are not profitable and cannot truly compete against mainstream commercial radio stations in their respective markets. The Commission notes that specialty stations that switched to being mainstream stations have experienced a general increase in their audience and their financial performance. Nonetheless, there is an imbalance between the broadcast of popular music and of various other genres of music.

Questions

49. In light of the above, the Commission is calling for comments on the following issues:

Q6 What is the impact (positive or negative) of Canadian content quotas on (i) broadcasters, (ii) the great diversity of Canadian artists, including Indigenous artists and artists from different ethnic or cultural backgrounds, and (iii) the full spectrum of Canadian audiences?

Q7 Are the existing Canadian content quotas listed below still appropriate to ensure that Canadian artists, including Indigenous artists or artists from different ethnic backgrounds have a prominent place on commercial radio? If not, what would you replace the quotas with? For example, should there be different thresholds or a completely different regulatory tool? Please explain your reasoning and provide supporting evidence.

- a) Content category 2 – Popular Music: 35% in a broadcast week; 35% from 6:00 a.m. to 6:00 p.m., Monday to Friday
- b) Content category 3 – Special Interest Music: 10% in a broadcast week
- c) Content subcategory 31 – Concert: 25% in a broadcast week
- d) Content subcategory 34 – Jazz and Blues: 20% in a broadcast week

Q8 Are Canadian recordings in specialty genres (content category 3) still limited and difficult to find? Please provide supporting evidence.

Q9 Given the challenges of categorizing musical selections and the strong competition that specialty music stations face, the Commission is questioning the need to maintain music categories and is wondering what the impact of eliminating musical genres would be on musical diversity in the market. Since music categories apply to all broadcasters (campus

and community stations,¹³ Indigenous stations,¹⁴ ethnic stations,¹⁵ specialized radio stations (Christian music), and CBC/SRC public radio stations¹⁶), the Commission is asking broadcasters for input on this particular issue.

- a) If music genres (content categories 2 and 3) were eliminated, what would be the impact on musical diversity and the regulatory burden of commercial radio stations?
- b) Should certain musical genres be protected to ensure that particular content types remain available for defined markets and audiences (e.g., classical music or sport)? If so, specify the types of content, the markets and the reasons that would justify this protection.
- c) If the Commission were to eliminate music genres and impose a single Canadian content and FVM quota on commercial radio stations, what would be the appropriate thresholds for the broadcast week and peak listening hours?
- d) Music categories and subcategories are also used by non-commercial stations, namely campus and community, Indigenous, ethnic, and CBC/SRC public radio stations, notably to calculate Canadian content. What would be the impact of eliminating music genres on these stations?

Q10 One proposal put forward in the FVM proceeding was to move the following three genres of music from content category 2 to content category 3:

- Country and country-oriented (content subcategory 22);
- Urban, including techno, house, drum 'n' bass, jungle and other electronic music (content subcategory 21); and
- Hip hop and rap (content subcategory 21).

¹³ Campus and community radio stations must also ensure that at least 35% of the popular music and 12% of the special interest music that they broadcast each week is Canadian (see sections 2.2(8) and 2.2(3)(a) of the Regulations). They are also subject to conditions of licence regarding the music programming that they must offer (see conditions of licence 5 and 9 set out in Broadcasting Regulatory Policy 2012-304).

¹⁴ As a condition of licence, Indigenous radio stations must ensure that at least 35% of the popular music (see Public Notice 2001-70) and 10% of the specialty music (see section 2.2(3)(b) of the Regulations) they broadcast each week is Canadian.

¹⁵ Ethnic radio stations must ensure that at least 7% of the music they broadcast during ethnic programming periods (as defined in section 2.2(1) of the Regulations) is Canadian (see section 2.2(4) of the Regulations). During other broadcast periods, these stations must meet the same Canadian content requirements as commercial radio stations for the broadcast of popular and special interest music.

¹⁶ The current conditions of licence for CBC/SRC radio stations are set out in Appendix 4 to Broadcasting Decision 2013-263.

- a) To what extent would moving these genres of music spur the creation of new specialty stations and foster diversity in music formats?
- b) To what extent would there be genuine interest in launching specialty stations among both English- and French-language broadcasters for these musical genres?

Q11 To what extent does the categorization of musical genres as set out in Broadcasting Regulatory Policy 2010-819 promote the discovery of a wide variety of Canadian music, including music by Indigenous and French-language artists? Should the Commission consider adding or modifying some music subcategories?

Q12 What other measures, regulatory or non-regulatory, might the Commission consider to encourage the discovery and broadcast of new music formats?

Q13 Do the current peak listening hours (6:00 a.m. to 6:00 p.m., Monday to Friday), which are subject to Canadian content quotas (35%), allow for maximum access to and promotion of Canadian content, and why? If not, should the peak listening hours for Canadian content be changed, and how?

Q14 In the FVM proceeding, some parties proposed changing the existing peak listening hours for FVM (6:00 a.m. to 6:00 p.m., Monday to Friday) as follows:

- add additional peak listening hours on weekends (9:00 a.m. to 6:00 p.m., Saturday and Sunday), during which the broadcast quota would also apply; or
- extend the existing peak listening hours to include weekends (6:00 a.m. to 6:00 p.m., Monday to Sunday).

Should the current peak listening hours for Canadian content be changed as described in either of the above proposals? If so, please specify the proposal and suggest Canadian content levels.

Policy on emerging artists

50. In Broadcasting Regulatory Policy 2011-316, the Commission adopted two definitions of “emerging Canadian artist,” one for English-language artists and one for French-language artists. In addition, after reviewing the results of studies in the English- and French-language markets, the Commission concluded that there was no need to require a minimum regulatory threshold for the broadcast of musical selections by emerging Canadian artists because Canadian radio stations were already broadcasting a reasonable amount of this content.

51. A French-language Canadian artist is considered to be an emerging artist until one of the following thresholds has been reached: a period of 6 months has elapsed since sales of one of the artist’s albums have reached gold record status according to SoundScan,¹⁷ or a period of 48 months has elapsed since the release of the artist’s first commercially marketed album.

¹⁷ CDs or digital recordings that sell over 40,000 copies are referred to as gold records.

For the purposes of this definition, “artist” includes duos, trios or groups of artists operating under a well-defined identity. If a member of a duo, trio or group begins a solo career or creates a new duo, trio or group with a new defined identity with other partners, the solo artist or duo, trio or group is considered an emerging artist according to the above criteria.

52. An English-language artist is considered to be an emerging Canadian artist if the artist is Canadian accordingly to the “A” criterion of the MAPL system, and has never previously charted or reached:
- “the Top 25 position on the music charts” listed in footnote 1 of Broadcasting Regulatory Policy 2011-316; or
 - “the Top 40 position on the music charts” listed in footnote 2 of Broadcasting Policy 2011-316.
53. An artist retains the status of emerging English-language Canadian artist for a period of 36 months from the date the artist reaches one of the positions on the music charts mentioned above. If an artist who is a member of a duo, trio or group with a well-defined identity launches a solo career or creates a new duo, trio or group with a new defined identity with other partners, this solo artist or new duo, trio, or group will be considered a new artist for 36 months following the date its selection under the new identity reaches one of the positions on the music charts mentioned above.
54. In the consultations for the Harnessing Change Report, Canadians expressed a desire to further support and discover new Canadian artists. However, they stated that these artists can be difficult to find because their musical selections are not always aired on commercial radio stations and there may not be specific categories assigned to them in search engines on music websites and online audio services.

Questions

55. In light of the above, the Commission is calling for comments on the following issues:
- Q15 In your opinion, how can commercial radio contribute more or differently to the support and discovery of emerging Canadian artists?
- Q16 Are the existing definitions of English- and French-language emerging Canadian artists still appropriate? If not, how should they be changed?
- Q17 Should an artist who decides to launch its career in Canada’s other official language be granted a new emerging Canadian artist status? What about an artist who decides to launch their career in an Indigenous or non-official language?
- Q18 Should the Commission impose quotas requiring the broadcast of music by emerging artists? If so, what should be the percentage be? How should this type of programming be measured for monitoring purposes? How should the percentage vary depending on a station’s music format or language?

Q19 What mechanisms should be put in place to ensure that broadcasters do more to promote emerging artists and foster musical diversity? On which platform(s) should these mechanisms be implemented (e.g., over-the-air broadcasts, the station's website or social media)? How could these mechanisms be measured by the Commission for monitoring purposes?

Policy on hits in bilingual markets

56. Under Broadcasting Regulatory Policy 2009-61, a “hit” is defined as any musical selection that, at any time, has reached one of the Top 40 positions in the charts used by the Commission to identify hits. The list of charts is set out in paragraphs 30 and 31 of the above-noted policy.
57. To foster linguistic duality and support French-language radio stations in bilingual markets, English-language commercial FM radio stations in Montréal and Ottawa–Gatineau must ensure, by condition of licence, that less than 50% of all musical selections aired during each broadcast week are hits.
58. As noted in the FVM proceeding, in 2014 the Commission observed a Francophone audience shift towards English-language stations in the bilingual markets of Montréal and especially Ottawa–Gatineau. Since then, the trend has reversed, since a portion of the Anglophone and Francophone audiences likely migrated to digital platforms. This may partially explain the overall audience decline in both markets between 2017 and 2019 for both English- and French-language stations.
59. The decline in overall listenership is more apparent in the Montréal market, especially for English-language stations. Specifically, total tuning by Francophones to Montréal's English-language stations dropped dramatically by 38% between 2017 and 2019, whereas tuning to French-language stations decreased by 2.6% over the same period. Within French-language station audiences, Francophones aged 18 to 34 showed by far the largest increase in tuning of all age groups, with a 22% increase. However, this was also one of the age groups with the largest declines in tuning to English-language stations (a 48% drop).
60. The decline in Francophone listenership was more significant in the Ottawa–Gatineau market. Total tuning by Francophones to French-language stations fell 7.5% between 2017 and 2019, which is more than twice as much as in Montréal. Specifically, the 12 to 17 and 18 to 34 age groups showed the largest decline in total tuning to French-language stations, dropping by 32% and 28%, respectively. Moreover, the tuning share of English-language stations fell by 18.4% between 2017 and 2019.

Questions

61. In light of the above, the Commission is calling for comments on the following issues:

Q20 Do you think the definition of a hit and the list of charts used to identify hits are still adequate? If not, what updates do you suggest?

- Q21 Can the method used to identify hits be simplified and standardized using industry standards? If so, which ones?
- Q22 In your opinion, is the policy regarding the broadcast of hits still a relevant and efficient means of promoting linguistic duality in bilingual markets? If not, what policy changes or other regulatory means could the Commission apply?
- Q23 If the quotas for hits were waived for English-language commercial radio stations in bilingual markets, should their French-language counterparts also receive regulatory relief (e.g., lower FVM quotas)? If so, how?
- Q24 What other innovative measures within the Commission's jurisdiction should be considered to help the commercial radio sector better support Canadian English- and French-language artists, to better meet the needs and interests of their listeners and reflect their culture, particularly with respect to linguistic duality?

French-language music programming

Overview of the French-language music industry

62. According to the report [*La toile de fond de l'industrie québécoise de la musique*](#) (in French only) from the Association québécoise de l'industrie du disque, du spectacle et de la vidéo (ADISQ), the number of albums on physical media sold in Quebec steadily declined from 2004 to 2018. Sales of digital products (albums and tracks) in Quebec increased from 2004 to 2013, then decreased from 2014 to 2018. This trend stems from, among other things, the gradual adoption of online audio services by Canadian consumers.
63. Despite the general decline, the report shows that the market share of Quebec artists in Quebec remained relatively stable for physical albums from 2014 to 2018, while the market share of Quebec artists in Quebec for digital albums grew slightly.
64. As indicated in the Harnessing Change report, radio remains the dominant audio distribution platform for music, news and spoken word content in Canada, in both official languages. In fact, in its [*comments in response to the Harnessing Change report*](#) (in French only), the ADISQ cited the report *Tendances de consommation de la musique au Québec* conducted by Cogita Marketing to indicate that radio remains an essential music-promotion medium for artists and producers. Specifically, radio is one of the top means through which Francophone Quebecers learn about new albums and concerts.

Policy objectives

65. The *Broadcasting Act* reflects the Canadian government's commitment to a Canadian broadcasting system that serves as a standard-bearer for maintaining, developing and expressing Canadian linguistic duality, in addition to supporting and enriching the Canadian cultural fabric and remaining attentive to changes in public demand. The *Broadcasting Act* also indicates that, despite their commonalities, French- and English-language broadcasters operate under different conditions and may have different requirements. As a federal

institution, the Commission must take into consideration the objectives set out in section 41 of the *Official Languages Act* when reviewing and applying existing policies.

66. In addition to being subject to the Canadian content requirements described in the above sections, French-language commercial radio stations have additional French-language music programming requirements to promote linguistic duality in Canada.

Background – French-language vocal music proceeding

67. To better support French-language Canadian artists in the new digital environment, the Commission initiated a proceeding on FVM (see Broadcasting Notice of Consultation 2015-318) in 2015 to review the regulatory framework for FVM applicable to the French-language commercial radio sector. After postponing the public hearing set for November 2015, the parties had a chance to update their interventions in December 2016.

68. The purpose of the FVM proceeding was, among other things, to:

- Evaluate the impact, effectiveness and relevance of the current regulatory framework for FVM in today's environment and in the anticipated environment; and
- Examine the possibility of implementing new, innovative measures for the creation, discovery, promotion and consumption of FVM to enable the French-language commercial radio sector to better support French-language Canadian artists to enrich the broadcasting system in return.

69. As part of the FVM proceeding, the Commission received 41 interventions¹⁸ from Canadian individuals, observers, alliances of French-language broadcasters¹⁹ and English-language broadcasters,²⁰ representatives from official language minority communities (OLMCs) and various music industry players including the ADISQ, and the major copyright collective-administration societies. A joint intervention was also submitted by students from Jonquière.

FVM quotas - Definition of French-language musical selection

70. Although there is no official definition for a “French-language musical selection,” the Commission's practice has always been to consider a musical selection as FVM if over 50% of the duration of the selection's vocal portion is in French.

¹⁸ Six parties submitted updated comments in response to Broadcasting Notice of Consultation 2015-318-4, published in 2016.

¹⁹ The alliance of French-language broadcasters includes Attraction Radio, Bell Media Inc., Cogeco Inc. Leclerc Communication inc., RNC MÉDIA inc. and members of the Association des radios régionales francophones, consisting of Groupe Radio Simard, Le5 Communications Inc., Radio Edmundston Inc. and four independent single-station owners. The alliance represents a total of 75 private French-language commercial radio stations from Quebec (70), Ontario (3) and New Brunswick (2).

²⁰ The alliance of English-language broadcasters includes Corus Entertainment Inc., Rogers Media Inc., Newcap Inc., Bell Media Inc. and Evanov Communications Inc. These broadcasters own 12 commercial radio stations in Ottawa/Gatineau's bilingual market.

Tools for FVM

71. There are essentially two rules relating to FVM broadcasting, applied separately according to the listening period. First, licensees of French-language commercial radio stations must, in a broadcast week, devote at least 65% of their musical selections from content category 2 (Popular Music) to French-language musical selections broadcast in their entirety. Second, to ensure that these selections are not broadcast in periods with relatively small audiences, at least 55% of musical selections from content category 2 broadcast Monday to Friday between 6:00 a.m. and 6:00 p.m. must be French-language musical selections broadcast in their entirety.
72. 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.
73. In the FVM proceeding notice of consultation, the Commission stated that it was prepared to provide greater regulatory flexibility to allow private Canadian French-language broadcasters to continue to contribute to the social, economic and cultural policy objectives of the broadcasting system set out in the *Broadcasting Act*, while adapting to the current digital environment of open markets.

Questions

- Q25 The Commission's practice has been to consider a musical selection as FVM if over 50% of the duration of the selection's vocal portion is in French. The Commission intends to codify this practice in the Regulations. Do you agree with this proposal?
- If so, explain your reasoning.
 - If not, should the Commission's practice be more aligned with industry practices (e.g., integrating the calculation of lyrics into the metadata of songs)? If so, please explain what these practices are, and how they would work.
- Q26 Are the current FVM quotas (65% during the broadcast week; 55% during peak times) still appropriate? Explain your reasoning.
- Q27 Does the current peak time period (Monday to Friday from 6:00 a.m. and 6:00 p.m.) applicable to FVM quotas (55%) best support content access and promotion? If yes, why? If not, should the peak listening period for FVM selections be redefined? How?
- Q28 In your opinion, should the current peak FVM listening period (Monday to Friday from 6:00 a.m. to 6:00 p.m.) be changed according to one of the following proposals? If so, please propose Canadian content thresholds for the chosen proposal.
- Add an additional peak time period on the weekend (Saturday and Sunday from 9:00 a.m. to 6:00 p.m.) during which the broadcasting quota would also apply;

- Extend the current peak time period to include the weekend (Monday to Sunday from 6:00 a.m. to 6:00 p.m.).

Montages

74. The Regulations define a montage as “a compilation of one minute or more in duration containing excerpts from several musical selections but does not include a medley.” Moreover, the various musical selections of a montage are edited and assembled by persons other than the artists or musicians.
75. In accordance with sections 2.2(11) and 2.2(12) of the Regulations, a montage is considered either a single Canadian or a French-language musical selection, or both, if over 50% of the total duration of the montage comprises excerpts of Canadian or French-language musical selections and it has a duration of at least four minutes.
76. Since each montage is considered one musical selection under the Regulations 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 actual broadcast of FVM selections.
77. In the past, the Commission has concluded that some French-language broadcasters have used montages to circumvent the regulatory requirements related to FVM. To better guide the broadcast of montages to ensure that broadcasters comply with the objectives of the Regulations with respect to FVM and Canadian content, the Commission set out requirements to this effect in Broadcasting Information Bulletin 2011-728. Pursuant to this bulletin, any broadcaster that would devote over 10% of its programming over the broadcast week to montages would be in apparent non-compliance with the regulatory objectives and with the spirit of the policy on montages and may be subject to corrective measures.
78. During the FVM proceeding, the Commission called into question the appropriateness of considering a montage as a single musical selection within the meaning of the Regulations. Specifically, it indicated its intention to:
- Count each excerpt of a montage composed of “any live or recorded music of one minute or more that is broadcast uninterrupted” as a musical selection. The Commission reiterates that currently, for a musical selection to be considered Canadian or French-language, it must be broadcast in its entirety; and
 - Maintain the provisions of sections 2.2(11) and 2.2(12) of the Regulations under which a montage is considered a single Canadian or French-language musical selection, or both, if over 50% of the total duration of the montage comprises excerpts of Canadian or French-language musical selections and it has a duration of at least four minutes.
79. If the new calculation method is adopted, the Commission would no longer need to limit the broadcast of montages to 10% of the broadcast week or to specify the objectives and nature

of montages to be broadcast. This would also better reflect the true standing of FVM selections in music programming and ensure compliance with FVM rules, while providing broadcasters with greater flexibility in their music programming choices.

Question

Q29 The Commission intends to count montage excerpts individually for French-language stations rather than consider them single musical selections. In your opinion, would this new calculation method better reflect the true standing of FVM selections in music programming? Would it reinforce the promotion and discoverability of French-language Canadian artists, including emerging artists and artists from OLMCs?

Local programming

80. Pursuant to section 3(1)(i)(ii) of the *Broadcasting Act*, programming provided by the Canadian broadcasting system should be drawn from local, regional, national and international sources. Programming should also, to the extent possible, provide a reasonable opportunity for the public to be exposed to the expression of differing views on matters of public concern. As indicated in the Commercial Radio Policy 2006, the broadcast of news programming by commercial radio licensees, especially local news, is an essential aspect of their responsibility to ensure the provision of this diversity of views.

81. The results of the survey conducted for the Harnessing Change report indicate that the accessibility of local content through traditional radio is particularly attractive, considering that, for many Canadians, radio is a key source of local news, community events, traffic information and weather forecasts.

82. In the Commercial Radio Policy 2006, the Commission defined local programming as follows:

Local programming includes programming that originates with the station or is produced separately and exclusively for the station. It does not include programming received from another station and rebroadcast simultaneously or at a later time; nor does it include network or syndicated programming that is five minutes or longer unless it is produced either by the station or in the local community by arrangement with the station.

In their local programming, licensees must incorporate spoken word material of direct and particular relevance to the community served. This must include local news, weather, sports coverage, and the promotion of local events and activities.

83. Under Broadcasting Regulatory Policy 2010-819, spoken word programming falls under content category 1, which includes the following two subcategories:

- News: The recounting and reporting of local, regional, national and international events of the day or recent days, with particular emphasis on the topicality of the events or situations selected, or on the constant updating of information, or both as well as

background material about current events when included in newscasts but excluding weather, traffic and sports and entertainment reports; and

- Spoken word-other: All programming with the exception of material falling under subcategory 11-News and categories 2, 3, 4 and 5 (Popular Music, Special Interest Music, Musical Production and Advertising).

84. In general, only commercial FM stations that do not serve a single-station market are subject to a standard condition of licence, set out in the appendix to Broadcasting Regulatory Policy 2009-62, requiring that at least one-third of programming (42 hours) in the broadcast week be devoted to local programming in order for them to solicit or accept local advertising.

85. Since a local radio station's success has traditionally greatly depended on the depth of its local roots and the quality of the local programming it offers, the Commission has not imposed a minimum standard broadcast threshold or other regulatory constraint. However, changes in the radio market could require a change to this approach.

Questions

Q30 Do the current regulations provide Canadians with access to varied local programming reflecting different viewpoints and relevant, high-quality programming in sufficient quantity? If not, what measures could be put in place to remedy the situation? Should these measures apply to all commercial radio stations?

Q31 Is the standard condition of licence linking the possibility of soliciting or accepting local advertising to the broadcasting of local programming still relevant and appropriate? If not, how would you change it? What positive and negative effects would this change have on competition?

Q32 Is the spoken word content on commercial radio stations, particularly news bulletins, relevant and of high quality? Does it properly address the communities served? Does it adequately reflect local culture? If not, what measures could the Commission implement to ensure that spoken word content fully meets the needs and interests of the communities served?

Q33 According to the established definition, local news is part of local programming.

- a) To what extent does the broadcasting of local news by commercial radio stations play a particular role for communities?
- b) Should specific regulations be established with respect to the number of minutes and hours of local news broadcast during a broadcast week in addition to the regulations on local programming?
- c) Should content created by online audio services be considered local content? If so, what would be the appropriate thresholds, should the Commission decide to expand the requirements for all platforms, including digital platforms? What measures should be implemented to ensure that listeners are served accurately by online platforms?

This proceeding and the co-development of a new Indigenous broadcasting policy

86. The Government of Canada is committed to renewing the relationship with Indigenous Peoples, based on the recognition of rights, respect, cooperation and partnership. Engagement and consultation in the development of policies that could affect Indigenous Peoples are integral components of the reconciliation agenda. The Commission upholds the Government of Canada's commitment to engage with Indigenous Peoples toward reconciliation. Consequently, the Commission launched a proceeding to co-develop, with Indigenous Peoples, a new framework for Indigenous broadcasting in Broadcasting Notice of Proceeding 2019-217. As indicated in this notice, the proceeding includes three phases:

- Phase 1 – Early engagement sessions;
- Phase 2 – Public consultation; and
- Phase 3 – Preliminary conclusions and determinations.

87. During Phase 1, the Commission met with Indigenous radio and television broadcasters, filmmakers, television and music producers, as well as Indigenous artists and experts from the Indigenous broadcasting sector during in-person engagement sessions across Canada and via conference calls. The objective of these meetings was to establish the procedure and scope of the public consultation process, and to identify the needs of Indigenous Peoples within the Canadian broadcasting system. A report on the conclusions from Phase 1 will be added to the public record for broadcasting proceeding 2019-217.

88. The Commission notes that any decision made during the Indigenous broadcasting proceeding could have an impact on the commercial radio regulatory framework. Therefore, it strongly encourages any interested party to participate in that proceeding, and it encourages Indigenous broadcasters and artists to participate in the current proceeding.

Question

Q34 Although these issues will be considered in more depth during the process for the co-development of a new Indigenous broadcasting policy, in your opinion, are there specific obstacles to the success of Indigenous music and artists in the current commercial radio policy? If yes, what are they? Please note that any comment on the effects of specific policies on Indigenous music and artists can also be made in response to any other question in this notice.

Funding

Background

89. CCD contributions play an important role in the broadcasting system. The support, promotion, training and development of Canadian musical and spoken word talent contribute to increasing the supply and demand for high quality Canadian music in a variety of genres, as well as the supply of Canadian spoken word material for broadcast.

90. The key objectives of the policy framework relating to funding as set out in the Commercial Radio Policy 2006 are the following:

At the local, regional and national level:

- Foster the creation and promotion of audio content for broadcast using Canadian resources;
- Foster the launch and career advancement of emerging artists;
- Diversity – Increase the supply of high quality Canadian music in a variety of genres and expand the supply of spoken word material;
- Discovery and Canadian consumption – Encourage listeners to request more Canadian music; and
- Flexibility for broadcasters – Contributions based on station programming and revenue.

91. CCD funding must continue to meet the policy objectives of the *Broadcasting Act*, particularly with respect to making maximum use, and in no case less than predominant use, of Canadian creative and other resources in the creation and presentation of programming.

92. Contributions are distributed among various funds using the formulas described in the following paragraphs. The following table shows the amounts paid to FACTOR and Musicaction, the CRFC, the Radio Starmaker Fund and Fonds RadioStar in the past four broadcast years.

CCD Contributions

	2015-2016	2016-2017	2017-2018	2018-2019
FACTOR	\$9,868,000	\$8,809,000	\$8,871,000	\$9,799,000
Musicaction	\$3,347,000	\$3,429,000	\$3,780,000	\$3,689,000
CRFC	\$3,072,000	\$3,120,000	\$3,392,000	\$3,413,000
Radio Starmaker/Fonds Radiostar	\$9,762,000	\$9,858,000	\$10,792,000	\$11,884,000
Other eligible initiatives	\$20,570,268	\$18,288,332	\$16,963,678	\$17,179,385
Total	\$46,620,268	\$43,504,332	\$43,796,678	\$45,963,385

Basic contributions

93. Pursuant to section 15(2) of the Regulations, all licensees operating a commercial station or ethnic station the total revenue of which is over \$1,250,000 must contribute annually to eligible initiatives and make a direct CCD contribution based on the revenue from the previous year. More specifically, they must make an annual contribution of \$1,000 plus 0.5% of their total revenue over \$1,250,000. In 2019, CCD basic contributions totalled \$19.3 million, which accounts for approximately 42% of total CCD contributions. This amount includes contributions to satellite radio.

94. Basic contributions must be allocated as follows:

- at least 15% to the CRFC;
- at least 45% to FACTOR or Musicaction or, if the licensee is licensed to operate an ethnic station or spoken word station, to any eligible initiative that supports the creation of ethnic programs or programming from content category 1; and
- the remaining 40% to an eligible initiative of the licensee's choosing.

Over-and-above contributions

95. Some applicants make CCD commitments over and above the requirements set out in the Regulations as part of their applications for new licences. These commitments become conditions of licence and the contributions are usually spread out equally over a seven-year period. In 2019, over-and-above contributions totalled \$2.5 million, which accounts for approximately 5% of total CCD contributions.

96. Stations that make contributions over-and-above the basic contribution must earmark at least 20% of the total annual amount for FACTOR or Musicaction. Stations can also exercise their discretion and contribute to other eligible initiatives. However, some licensees with ethnic and spoken word radio stations may direct their contributions to relevant non-musical initiatives.

Tangible benefits

97. Because the Commission does not solicit competing applications for changes to the ownership or effective control of broadcasting undertakings, the burden is on the applicant to show that the application is the best possible proposal and that approval is in the public interest, consistent with the overall objectives of the *Broadcasting Act*. One of the ways to ensure that the public interest is served is for applicants to propose a financial contribution (known as “tangible benefits”) proportionate to the size and nature of the transaction, with the goal of engendering measurable improvements to the communities served by the broadcasting undertaking to be acquired, as well as to the Canadian broadcasting system as a whole.

98. In Broadcasting Regulatory Policy 2014-459, the Commission maintained its approach to radio ownership transactions, including the allocation levels to the various funds. Purchasers must make tangible benefit contributions equivalent to 6% of the purchase price and allocate them as follows:

- 3% to the Radio Starmaker Fund or Fonds RadioStar;
- 1.5% to FACTOR or Musicaction;
- 1% to any eligible CCD initiative at the discretion of the purchaser; and
- 0.5% to the CRFC.

99. In the past, tangible benefits typically accounted for the largest portion of total CCD contributions. In 2019, the Commission approved six ownership transactions for English- and French-language radio stations, which resulted in \$1.5 million in total tangible benefits, which will be paid over seven years. These amounts are allocated over several years, and will expire without any guarantee that other transactions will take their place. This means that this type of financial support is unpredictable.

CCD forecasts

100. Because of the ongoing decline in the commercial radio market, CCD contributions are expected to decrease significantly, with certain types of contributions declining more rapidly than others.
101. Assuming that radio revenues continue to decrease at a pace similar to that in the past few years, basic CCD contributions, which are based on a broadcaster's annual revenue from the previous year, should decrease consistently in the coming years.
102. Over-and-above CCD contributions and tangible benefit contributions should also decline considerably given the smaller number of new radio stations and large scale ownership transactions.

CCD forecasts²¹ by type of contribution

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Basic contributions	\$20,162,987	\$19,980,734	\$19,806,903	\$19,640,468	\$19,286,563
Over-and-above contributions	\$2,806,955	\$406,973	\$329,504	\$274,219	\$195,000
Tangible benefits	\$21,765,970	\$10,770,637	\$9,931,900	\$9,628,748	\$9,464,551
Total	\$44,735,912	\$31,158,344	\$30,068,307	\$29,543,436	\$28,946,114

Participating funds and other eligible initiatives

103. In 2019, the main recipients of CCD contributions were the Radio Starmaker and RadioStar funds. They received \$11.9 million, 26% of total CCD contributions. FACTOR received \$9.8 million and Musicaction received approximately \$3.7 million in CCD contributions. The other eligible initiatives received a total of \$17.2 million.
104. The decrease in revenue in the radio market will result in a decrease in CCD contributions allocated to the funds. The following table shows the forecasts by fund category.

²¹ These forecasts are based on the information available at the time of publication of this notice, and they include all approved ownership transactions, licence renewal decisions and new radio station licences. In addition, the basic CCD calculation forecasts are based on the revenue trends of all eligible radio stations in the past three years. Finally, the contributions paid by pay audio and satellite radio undertakings are included in the basic CCD contributions, because they contribute to the same funds even though they do not operate with a commercial radio licence.

CCD forecasts by fund category

	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
FACTOR/Musicaction	\$13,587,735	\$9,748,563	\$9,447,331	\$9,288,002	\$9,122,965
CRFC	\$3,525,738	\$2,624,624	\$2,536,700	\$2,492,229	\$2,459,434
Radio Starmaker/Fonds Radiostar	\$10,882,985	\$5,385,318	\$4,965,950	\$4,814,374	\$4,732,275
Other eligible initiatives	\$16,739,454	\$13,399,838	\$13,118,327	\$12,948,831	\$12,631,440
Total	\$44,735,912	\$31,158,344	\$30,068,307	\$29,543,436	\$28,946,114

105. The Commission set out the eligibility criteria for CCD funding in the Commercial Radio Policy 2006.

106. The eligibility criteria are based on the following guiding principles:

- CCD funds must be used to support, develop or promote Canadian musical or spoken-word talent, including journalists;
- All CCD contributions must entail direct, out-of-pocket expenditures; and
- All expenditures must be directed to projects that go well above and beyond promotional activities and regular programming costs.

107. The policy is intended to be flexible so that licensees can contribute to a wide variety of initiatives and to ensure that contributions have the best possible impact on Canadian musical and spoken word artists.

108. To that end, the Commission considers the following parties and activities (in addition to FACTOR and Musicaction) eligible for CCD funding:

- National, provincial, and territorial music industry associations;
- Schools and educational institutions that are accredited by provincial authorities. The contributions must benefit students of music and journalism specifically (scholarships, the purchase of musical instruments, etc.);
- Initiatives, including talent contests, for the production and promotion of local music and the promotion of local musical artists, particularly emerging artists;
- Independent parties dedicated to producing spoken word content that would otherwise not be produced for broadcast; and
- Audio-content initiatives advancing the specific objectives of the Canadian broadcasting system as outlined in the *Broadcasting Act*, such as a community radio fund, an Indigenous radio station and other specialized audio-broadcasting services dedicated to meeting the particular needs and interests of children, Indigenous Peoples, and people with disabilities.

109. Since 2006, certain initiatives have received more funding support than others, including the following:

- Initiatives, including talent contests, which support the production and promotion of local music and the promotion of local musical artists, particularly emerging artists; and
- Independent parties dedicated to producing spoken word content that would otherwise not be produced for broadcast.

110. As part of compliance audits, the Commission has identified the following issues relating to initiatives supporting the production and promotion of local music and local musical artists, particularly emerging artists:

- CCD contributions from stations across the country are pooled and an event in a major market (Toronto, Montreal or Vancouver) is sponsored without funds being distributed in the station's local region;
- The star of an event is not a Canadian artist. In these cases, the performance fees for non-Canadian artists are not claimed as CCD expenditures, but all the other costs relating to the concert are claimed as CCD expenditures;
- The broadcaster spends all the funds on promoting the artist without spending any of the funds on production or other expenses to support the artist, and the broadcaster manages all aspects of the promotion;
- Broadcasters do not place emphasis on the support of emerging artists and many events are headlined by established and well-known Canadian acts;
- The broadcaster purchased advertising time and advertisements in the print and social media, but the broadcaster did not provide quantifiable evidence to demonstrate the benefit to Canadian artists resulting from this advertising; and
- A radio station licensee receives a diverse range of self-serving benefits, including but not limited to, VIP tickets, backstage access, and exclusive seating for members and subscribers, which it provides to its listeners.

111. In terms of the production of new spoken word content, compliance audits showed that certain broadcasters record comedy acts using CCD funds, and then they broadcast the productions on their own stations, without demonstrating that the funds were used for projects that go well above and beyond programming costs.

112. During the FVM proceeding, the Commission received comments suggesting certain changes to CCD funding. More specifically, interveners suggested different formulas for the allocation of contributions to the various funds. Some interveners also discussed the importance of CCD contributions to local discretionary initiatives for the communities and stations in the region.

113. In its review of this policy, the Commission must take into account the fact that commercial radio revenues are decreasing and the challenges this can pose: a decrease in contributions to the funds and an increase in requests to ease CCD requirements. In addition, the projected

decrease in over-and-above contributions and tangible benefits means a larger proportion of CCD contributions will come from basic contributions.

Questions

- Q35 Taking into account the projected CCD amounts set out above, will future CCD contributions be sufficient to ensure that commercial radio and CCD funding continue to fulfill the *Broadcasting Act's* policy objectives? Should the formulas for calculating contributions be modified to maintain the current contribution level? Should the Commission use formulas that consider the number of stations operated by licensees? What changes should be made to the formulas?
- Q36 Should the Commission change how it defines revenues to calculate basic CCD contributions? If so, how?
- Q37 Should the Commission require a higher tangible benefit contribution than the current minimum of 6% of the value of a transaction to acquire the ownership or effective control of a commercial radio undertaking? If so, what would be the appropriate contribution percentage and what effect would such an increase have? Please explain your reasoning and provide supporting evidence.
- Q38 Should broadcasters be provided greater flexibility with respect to certain requirements (such as Canadian content broadcasting requirements) and place greater emphasis on CCD contributions or the promotion of Canadian content?
- Q39 Is the way contributions to funds are allocated in each component (basic contributions, over-and-above contributions, tangible benefits) appropriate? If not, what would be the appropriate allocation for each component?
- Q40 What would be the best way to balance funding between the funds supporting French Canadian artists (e.g., Musicaction) and English Canadian artists (e.g., FACTOR)? Should the Commission develop a formula or adopt another approach? Please explain.
- Q41 Please comment on the option of requiring every licensee to submit to the Commission an annual report on its discretionary CCD spending, similar to the obligation imposed on BCE Inc, in Broadcasting Decision 2013-310 or to the reporting requirements discussed in Broadcasting Decision 2019-431, for Sirius XM Canada, which would include the following performance indicators and would be made publicly available:
- the number of music and spoken word artists supported;
 - the percentage of discretionary funds distributed by music genre or spoken word;
 - the percentage of total discretionary funds allocated to performance fees paid to artists;
 - the number of audience attendees at events;
 - the number of shows or tours developed for music and spoken word artists;
 - the number of new music and spoken word recordings supported;

- the percentage of discretionary funds spent on marketing or promotion expenditures;
- the number of English-language music and spoken word artists supported;
- the number of French-language music and spoken word artists supported; and
- the number of Indigenous music and spoken word artists supported

Q42 To lighten the administrative burden and make it easier to manage contributions, should the Commission remove the option of allocating a portion of the contributions to discretionary initiatives? Should it be removed for only some components (basic contributions, over-and-above contributions, tangible benefits)? Please explain your reasoning and provide supporting evidence.

Q43 Should the Commission require discretionary CCD contributions for individual stations to be spent in a specific region or geographic area?

Q44 Are the eligibility criteria for discretionary initiatives set out in paragraphs 106 to 112 of the Commercial Radio Policy 2006 still relevant? If not, what changes should be made?

Q45 How can CCD contributions help launch and boost the careers of emerging artists?

Ownership structure

Objectives of Common Ownership Policy

114. In its Diversity of Voices Policy, set out in Broadcasting Public Notice 2008-4, the Commission confirmed that the Common Ownership Policy is the appropriate framework for ensuring a plurality of editorial voices in private radio. Limiting station ownership in a given market remains one of the Commission's best tools to ensure diversity of voices in a community. In this regard, the Common Ownership Policy²² is aimed at striking a reasonable and acceptable balance between preserving a diversity of editorial voices in a given market and the benefits of permitting increased ownership consolidation within the radio industry. Therefore, the Commission has established a model that provides for some degree of consolidation, while taking into account its objective of preserving a diversity of voices and programming and of maintaining competition.

²² The Common Ownership Policy is set out in Public Notice 1998-41, reproduced in broadcasting public notices 2006-158 and 2008-4, and clarified in Broadcasting Information Bulletin 2010-341.

Common Ownership Policy framework

115. The Common Ownership Policy provides that:

- in markets with fewer than eight commercial stations operating in a particular language, a person may be permitted to own or control as many as three stations operating in that language, with a maximum of two stations in any one frequency band; and
- in markets with eight commercial stations or more operating in a particular language, a person may be permitted to own or control as many as four stations operating in that language, including two AM and two FM stations.

116. The Regulations provide a different definition for market depending on whether the market is that served by an AM or FM station. In the case of an AM station, the market is the AM daytime 15mV/m contour or the central area as defined by Numeris (previously known as the Bureau of Broadcast Measurement (BBM)), whichever is smaller. In the case of an FM station, the market is the 3mV/m contour or the central area as defined by BBM, whichever is smaller.

117. For any applications raising questions about the policy (such as applications for the addition of a new station or transmitters or the modification of contours), the Commission must first determine the number of stations held by the applicant in the target market. In general, the Commission counts rebroadcasting transmitters towards the number of AM or FM stations owned by the applicant because of their potential to affect the competitive balance and diversity in a given market, despite the fact that they are not “AM or FM stations” as defined in the Regulations. In some cases, the 15mV/m or 3mV/m contour of the station in question will overlap with one or more adjacent markets, markets where the applicant operates incumbent radio stations. The guidelines for determining whether the contours of stations in adjacent markets overlap with those of the station in question should be included when assessing the number of incumbent stations are as follows:

- Where the population in the overlapping area constitutes 15% or more of the population of the market in question, the existing station will be included when assessing the number of stations operating in a particular language in that market.
- Where the population in the overlapping area comprises 5% , but less than 15% of the market, the Commission will consider the following factors:
 - a) whether the station in question accepts advertising from local businesses in that market; and
 - b) whether that station broadcasts news and public affairs coverage of particular interest to listeners in that market.

That station will be included in assessing how many of that licensee’s stations operate in a particular language in that market unless the answer to both of the above questions is negative.

- Where the population in the overlapping area includes less than 5% of the population of the market in question, the station will generally be excluded when assessing the number of stations operated by that licensee in a particular language in that market.

Exception criteria

118. The Commission is generally very strict in its application of the Common Ownership Policy and has allowed only a few exceptions to the maximum number of stations operating in a particular language that can be held by the same broadcasting undertaking in a given market. Exceptions are usually allowed when an economic downturn could threaten the survival of a radio station or when there are deemed to be severe technical limitations. In the past, the Commission has allowed very few exceptions to the Common Ownership Policy unless licensee established an economic or technical need, such as in the Corus/Cogeco (see Broadcasting Decision 2010-942) and Bell/Astral (see Broadcasting Decision 2013-310) transactions. These exceptions are rare and were triggered by unusual circumstances where the licensees satisfied the Commission that approving the application would be in the public interest.
119. Canada's commercial radio industry in general has seen great changes with the advancement of information technology, leading to a significant change in Canadian listeners' consumption patterns. The Canadian broadcasting industry includes both small and large radio markets, which face different realities and dynamisms. The Commission believes that the competitive balance between Canadian markets must be ensured by the presence of various players, both independent and vertically integrated,²³ to support a variety of diverse editorial voices within the radio component of the broadcasting system and to achieve balance in competition between broadcasters in each market.

Questions

- Q46 Are the criteria for defining the size of a market (fewer than eight or eight or more stations) still appropriate and relevant? If not, please explain your reasoning and propose new criteria for defining markets in the context of the Common Ownership Policy in the future.
- Q47 In your opinion, should the number of stations of a particular language that one entity can own in a given market be different for large vertically integrated or national players than for independent or local players?
- Q48 Should specific new measures (such as exemptions and consolidation criteria) be implemented to facilitate the strategic deployment and financial health of independent undertakings given the fierce competition from large vertically integrated or national players and online audio services? If so, which ones?

²³ For the purposes of the Commission's regulatory framework, "vertical integration" means the ownership, by one entity, of both programming and distribution undertakings, or, both programming undertakings and production companies.

- Q49 Are the guidelines regarding contour overlapping, which are used to determine the number of stations that can be operated by an entity in a particular language and on a particular frequency band, still appropriate and relevant?
- Q50 Should the Commission go beyond the definition of market stipulated in the Regulations as well as contour overlapping in determining the maximum number of stations a single entity is permitted to operate in a given market? If so, what other criteria should be considered?
- Q51 Given that there are fewer AM listeners and the number of stations on this band is declining, is it still relevant to limit the number of stations in a particular language that a single entity can hold on the AM band in a market?
- Q52 Would you be concerned if the Common Ownership Policy allowed licensees to convert their AM stations to the FM band when they have maximized the number of FM stations in a particular language allowed in a market where they also operate AM stations in that language? If so, what would your concerns be?
- Q53 Aside from the exceptions granted because of a recognized economic or technical need, exceptions to the Common Ownership Policy are rare and triggered by exceptional circumstances where the applicants have demonstrated to the Commission that approval of the application would be in the public interest. In your opinion, to which proposals seeking to serve the public interest should the Commission consider to granting exceptions?
- Q54 Diversity of programming and editorial voices are essential components of the Canadian communications industry. Notably, they disseminate Canadian culture and support Canadians' participation in democracy. In light of the above, what would be the advantages for the financial health of Canada's commercial radio industry if a single entity was allowed to operate more than two FM stations in a particular language in a given market? Would this invariably undermine the diversity of programming and editorial voices? If a diversity of voices occurs only in the presence of an independent or local player, how can their presence in markets be ensured?

Other questions

120. Although the Commission has posed specific questions to be examined in this proceeding, it is open to reviewing other issues and concerns related to the commercial radio sector under its jurisdiction and authority under the *Broadcasting Act*. Submissions should take into account the various cultural, economic, social and technological policy objectives set out in the *Broadcasting Act*.

Procedure

121. 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, answers, replies 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 related documents, which can be found on the Commission's website under "[Statutes and Regulations](#)." *Guidelines on the CRTC Rules of Practice and Procedure*, Broadcasting and Telecom Information Bulletin CRTC 2010-959, 23 December 2010, provides information to help interested persons and parties understand the Rules of Procedure so that they can more effectively participate in Commission proceedings.

122. The Commission invites interventions that address the issues and questions set out in the above. The Commission will accept interventions that it receives on or before **1 February 2021**. Only parties that file interventions may file a reply to matters raised during the intervention phase. The deadline for the filing of replies is **3 March 2021**.
123. 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.
124. 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.
125. Pursuant to *Filing submissions for Commission proceedings in accessible formats*, Broadcasting and Telecom Information Bulletin CRTC 2015-242, 8 June 2015, 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.
126. 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

127. Parties who send documents electronically must ensure that they will be able to prove, upon Commission request, that filing, or where required, service 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 or served. The Commission advises parties who file or 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.

128. 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.
129. 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

130. All information that parties provide as part of this public process, except information designated confidential, whether sent by postal mail, fax, 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 fax numbers, etc.
131. 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.
132. 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.
133. 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

134. Electronic versions of the interventions and answers, as well as of other documents referred to in this notice, are available on the Commission's website at www.crtc.gc.ca by visiting the "Consultations and hearings – Have your say!" section, then selecting "our applications and

processes that are open for comment”. Documents can then be accessed by clicking on the links in the “Subject” and “Related Documents” columns associated with this particular notice.

135. Documents are also available at the following address, upon request, during normal business hours.

Les Terrasses de la Chaudière
Central Building
1 Promenade du Portage
Gatineau, Quebec
J8X 4B1
Tel.: 819-997-2429
Fax: 819-994-0218

Toll-free telephone: 1-877-249-2782
Toll-free TTY: 1-877-909-2782

Secretary General

Related documents

- *Commercial radio policy framework review*, Broadcasting Notice of Proceeding CRTC 2020-25, 28 January 2020
- *Sirius Canada and XM Canada – Licence renewal and licence amendments*, Broadcasting Decision CRTC 2019-431, 19 December 2019
- *Co-development of a new Indigenous Broadcasting Policy*, Broadcasting Notice of Proceeding CRTC 2019-217, 20 June 2019
- *Notice of hearing*, Broadcasting Notice of Consultation CRTC 2015-318, 20 July 2015
- *Filing submission 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
- *Simplified approach to tangible benefits and determining the value of the transaction*, Broadcasting Regulatory Policy CRTC 2014-459, 5 September 2014
- *Astral broadcasting undertakings – Change of effective control*, Broadcasting Decision CRTC 2013-310, 27 June 2013
- *Canadian Broadcasting Corporation – Licence renewals*, Broadcasting Decision CRTC 2013-263 and Broadcasting Orders CRTC 2013-264 and 2013-265, 28 May 2013
- *Standard conditions of licence for campus and community radio stations*, Broadcasting Regulatory Policy CRTC 2012-304, 22 May 2012
- *Requirements for the broadcast of radio montages*, Broadcasting Information Bulletin CRTC 2011-728, 24 November 2011

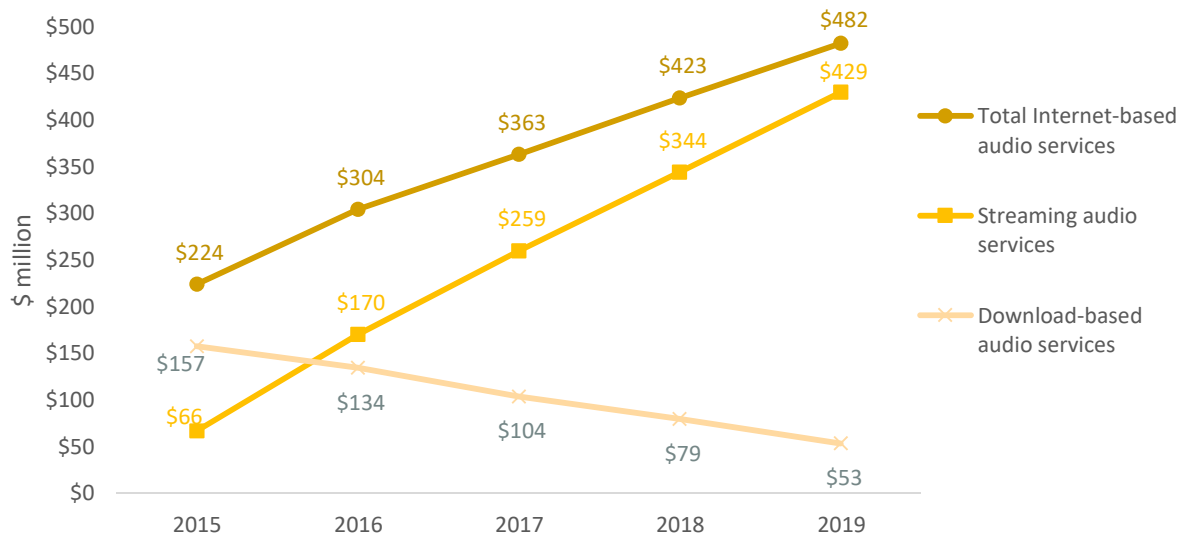
- *Definition of emerging Canadian artists on commercial radio*, Broadcasting Regulatory Policy CRTC 2011-316, 12 May 2011
- *Guidelines on the CRTC Rules of Practice and Procedure*, Broadcasting and Telecom Information Bulletin CRTC 2010-959, 23 December 2010
- *Transfer of effective control of various commercial radio programming undertakings from Corus Entertainment Inc. to Cogeco inc.*, Broadcasting Decision CRTC 2010-942, 17 December 2010
- *Revised content categories and subcategories for radio*, Broadcasting Regulatory Policy 2010-819, 5 November 2010
- *Revised guidelines for the application of the Common Ownership Policy for Radio*, Broadcasting Information Bulletin CRTC 2010-341, 4 June 2010
- *Conditions of licence for commercial AM and FM radio stations*, Broadcasting Regulatory Policy CRTC 2009-62, 11 February 2009
- *Policy regarding the broadcast of hits by English-language FM radio stations*, Broadcasting Regulatory Policy CRTC 2009-61, 11 February 2009
- *Regulatory policy – Diversity of voices*, Broadcasting Public Notice CRTC 2008-4, 15 January 2008
- *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006
- *Changes to conditions of licence for certain native radio undertakings*, Public Notice CRTC 2001-70, 15 June 2001
- *Commercial Radio Policy 1998*, Public Notice CRTC 1998-41, 30 April 1998
- *A review of certain matters concerning radio*, Public Notice CRTC 1995-60, 21 April 1995

Appendix to Broadcasting Notice of Consultation CRTC 2020-374

Data on commercial radio and audio services

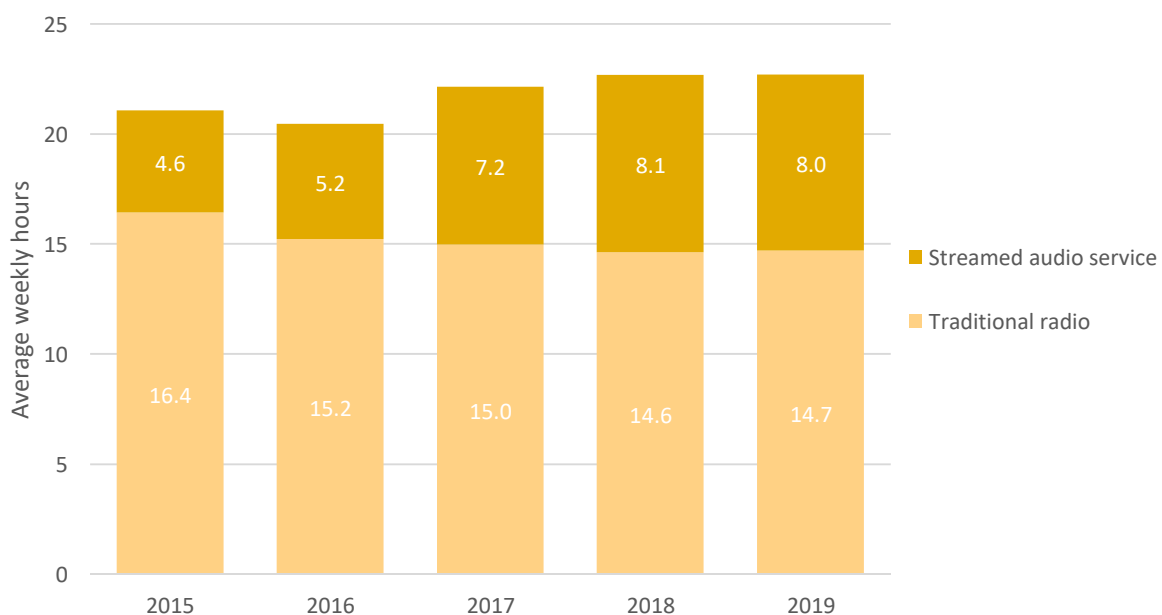
Methodology for the data below will be available in the *2020 Communications Monitoring Report*.

Figure 1 - Estimated revenues in Canada of Internet-based audio services by business model (\$ million)



Source: Revenue estimates from Omdia

Figure 2 - Average weekly hours of tuning in to traditional radio vs listening to streamed audio services, by Canadians 18+



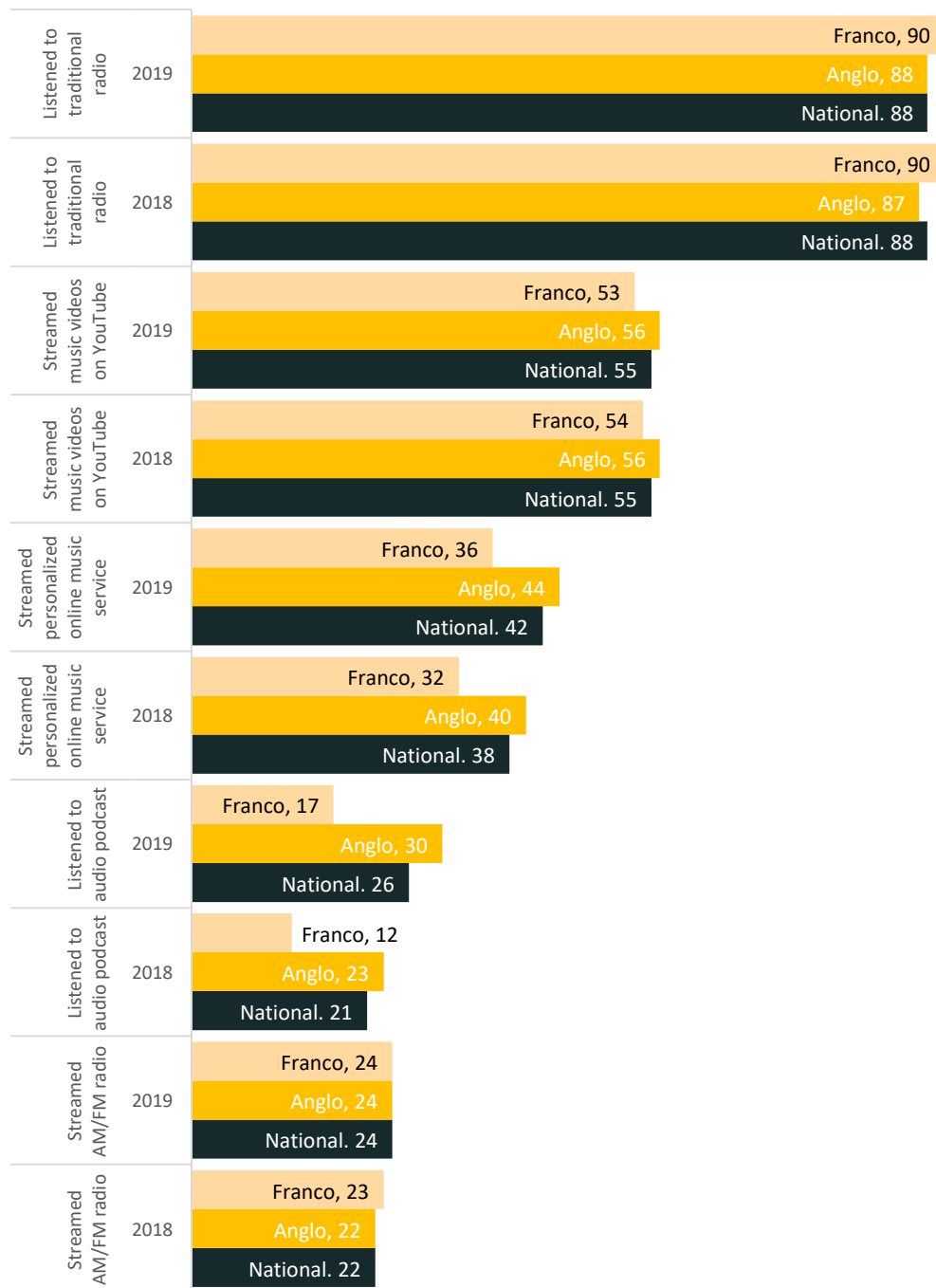
Source: Numeris audience measurements and MTM, (respondents: Canadians 18+).

Fall 2016 Online Radio Diary (ORD) was introduced.

Fall 2019 Continuous Measurement was introduced.

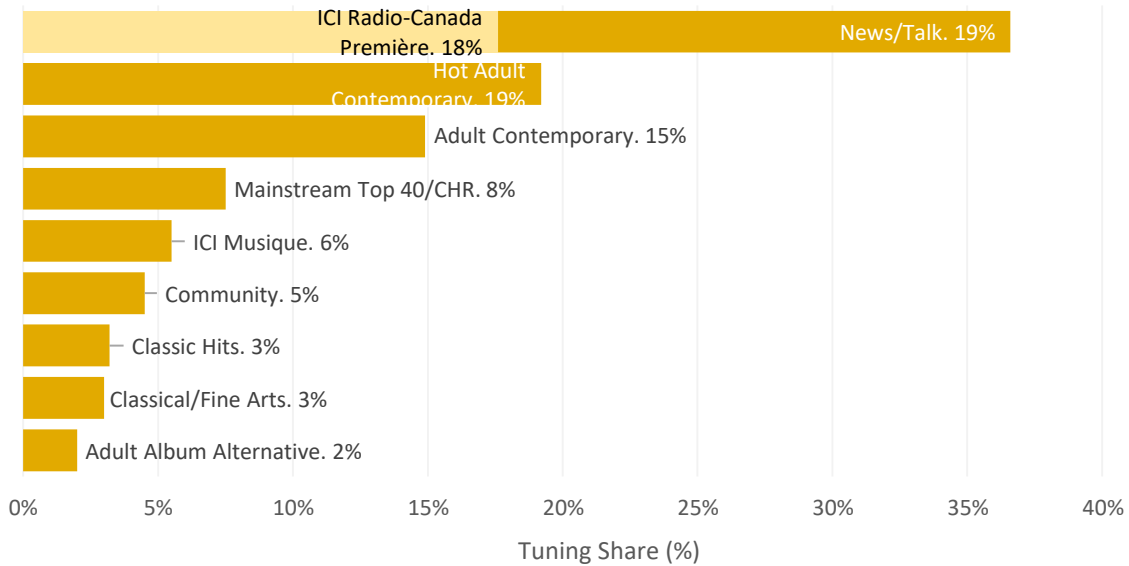
MTM data includes all types of audio streaming including AM/FM radio using Internet.

Figure 3 - Listening habits (%) for Canadians 18+ by language and platform, any given month



Source: MTM, Fall 2018-2019 (respondents: Canadians 18+)

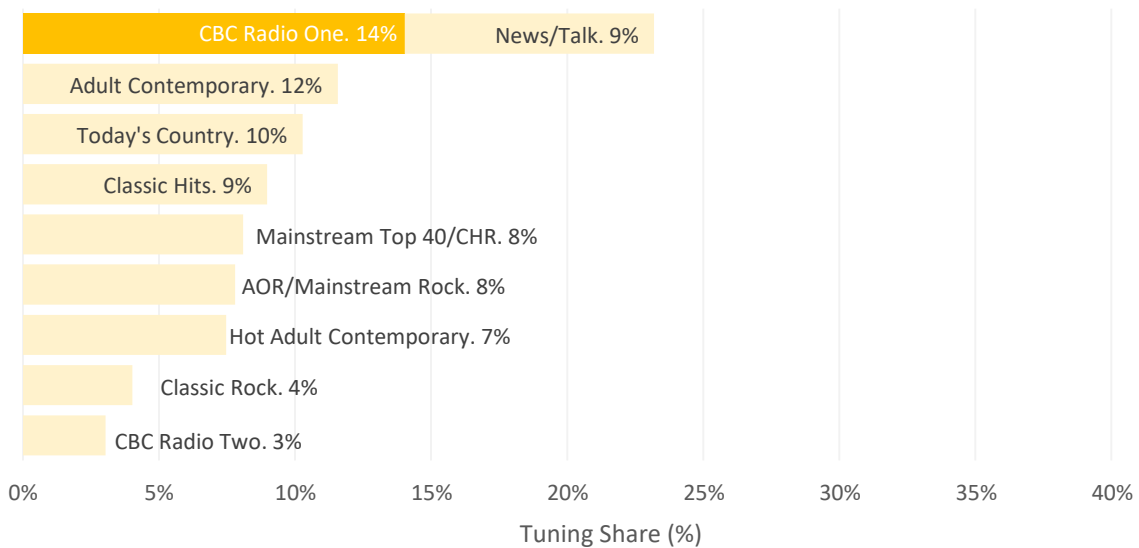
Figure 4 - Tuning share (as a percentage of total tuning) of the most popular French-language market formats, 2019



Source: Numeris audience measurements

Although CBC/SRC radio stations are not considered a format, they have been included as they hold an important radio tuning share.

Figure 5 - Tuning share (as a percentage of total tuning) of the most popular English-language market formats, 2019



Source: Numeris audience measurements

Although CBC/SRC radio stations are not considered a format, they have been included as they hold an important radio tuning share.

Table 1 - Commercial radio overview, 2019

	Commercial radio (total)	AM radio stations	FM radio stations	French-language radio stations	English-language radio stations	Third-language radio stations
Number of reporting stations	719	119	600	97	596	26
Revenues	\$1,453 M	\$ 252 M	\$1,201 M	\$245 M	\$1,161 M	\$47 M
2018-2019 Revenue growth	-4.0%	-6.4%	-3.5%	-3.3%	-4.4%	2.6%
Local advertising revenues (% of total revenues)	64.3%	74.4%	62.2%	59.6%	64.2%	92.6%
National advertising revenues (% of total revenues)	34.0%	23.9%	36.1%	38.6%	34.3%	4.1%
PBIT margin	17.3%	3.4%	20.2%	19.0%	17.1%	13.0%
Tuning share	73.3%	12.8%	60.5%	14.8%	57.9%	0.6%

Source: CRTC data collection, Numeris

Note: For the purposes of this table, the tuning share is based on total hours associated with reporting stations and availability of audience data.

Table 2 - Type and number of radio services and audio services authorized to broadcast in Canada, by language of broadcast

Type of station	French-language		English-language		Third-language		Indigenous-language		All languages	
	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019
CBC/SRC Radio	35	35	53	52	0	0	0	0	88	87
CBC/SRC Radio network licences	2	2	2	2	0	0	0	0	4	4
Private commercial AM stations	5	5	102	100	18	18	0	0	125	123
Private commercial FM stations	93	96	481	488	23	23	0	0	597	607
Private commercial AM and FM network licences	0	0	0	0	0	0	1	1	1	1
Religious (music and spoken word)	6	6	48	48	1	1	0	0	55	55
Community	69	68	59	62	3	2	0	0	131	132
Community Developmental	0	0	2	1	0	0	0	0	2	1
Campus Community-based	5	5	42	43	0	0	0	0	47	48
Campus Instructional	0	0	0	0	0	0	0	0	0	0
Indigenous stations	5	5	43	44	0	0	4	4	52	53
Other (tourist/traffic, etc.)	2	2	6	9	0	0	0	0	8	11

Total number of over-the-air radio services	222	224	838	849	45	44	5	5	1,110	1,122
Satellite subscription radio service	0	0	2	2	0	0	0	0	2	2
Specialty audio (commercial/non-profit, regional/national)	0	0	1	1	5	5	0	0	6	6
Pay audio	0	0	0	0	2	2	0	0	2	2
Total number of radio and audio services	222	224	841	852	52	51	5	5	1,120	1,132

Source: CRTC internal database, as of 31 December 2019

This table shows the number of radio services and audio services approved by the Commission. Not all are necessarily in operation. “Over-the-air radio services” exclude radiocommunication distribution undertakings, rebroadcasting transmitters, and radio services that are exempt from licensing requirements.

Table 3 - Radio ownership market composition, 2019

	BCE	Cogeco	Corus	Rogers	Stingray	Total
Number of reporting stations	109	23	39	57	74	302
Revenues	\$347.1 M	\$95.7 M	\$108.6 M	\$225.6 M	\$152.0 M	\$929.0 M
Share of total commercial radio revenues	23.9%	6.6%	7.5%	15.5%	10.5%	63.9%
French-language station revenues	\$92.1 M	-	-	-	-	\$92.1 M
English-language station revenues	\$255.0 M	-	\$108.6 M	\$225.6 M	\$152.0 M	\$741.2 M
CCD	\$12.3 M	\$0.4 M	\$0.5 M	\$1 M	\$6.1 M	\$20.4 M
Tuning share in the French-language market	21.0%	34.0%	-	-	-	55.0%
Tuning share in the English-language market	18.0%	-	12.0%	12.0%	10.0%	52.0%

Source: Public disclosure of aggregate annual returns for large ownership groups, Numeris

The breakdown of Cogeco’s revenues by language market is not provided for residual disclosure issues.