



Broadcasting Notice of Proceeding CRTC 2020-25

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Ottawa, 28 January 2020

Commercial radio policy framework review

The Commission initiates a proceeding to review the commercial radio policy framework. This notice of proceeding announces the planned procedures and identifies potential issues to be covered by the review, without limitation. Interested persons will have the opportunity to submit their observations regarding the issues once the notice of consultation is published.

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

This proceeding will include the resumption of the Review of the regulatory framework for French-language vocal music applicable to the French-language commercial radio sector, initially announced in Broadcasting Notice of Consultation [2015-318](#). The Commission will take into account the information and interventions on the record of that proceeding to develop the notice of consultation for the present review. The content of the public record for the 2015 proceeding will be placed on the public record for the current proceeding, and the interveners from that proceeding will be considered as parties in the context of the present proceeding.

Introduction

1. Section 3(1)(d)(iii) of the *Broadcasting Act* (the Act) sets out that the broadcasting system should serve the needs and interests and reflect the circumstances of Canadians. The Commission is committed to ensuring that Canadians have access to a world-class communication system that encourages innovation and enriches their lives. In its [2019-2020 Departmental Plan](#), the Commission announced that it would launch a review of the commercial radio policy in order to modernize its [regulatory framework for radio](#) in order to position the radio market to best contribute to Canada's broadcasting policy objectives.
2. Canada's radio industry primarily includes public radio stations (Canadian Broadcasting Corporation/Société Radio-Canada) as well as ethnic specialty radio stations, campus and community radio stations, and Indigenous and commercial radio stations that together contribute to the maintenance and enrichment of national identity and cultural sovereignty.
3. In order to establish a flexible regulatory framework that allows commercial radio to continue to respond in a relevant and effective manner to the current and future needs and interests of Canadians, the Commission wishes to initiate this proceeding regarding the review of the regulatory framework for commercial radio (the

proceeding) through a conversation with Canadians addressing, among other things, the programming broadcast by this sector.

Procedure

4. The proceeding will consist of three phases:
 - a) **Phase 1** – conversation with Canadians through public opinion research;
 - b) **Phase 2** – a notice of consultation covering several steps; and
 - c) **Phase 3** – appearing public hearing, if necessary.

Phase 1

5. The review of the regulatory framework for commercial radio follows on the Commission's May 2018¹ publication of the report entitled [*Harnessing Change: The Future of Programming Distribution in Canada*](#). Supported by data relating to the communications industry as a whole, this report highlights the consumption habits of Canadians with respect to audio content, including radio.
6. Moreover, the report specifies that “[r]adio remains the dominant audio distribution platform for music, news and spoken word content across Canada in both official languages despite competitive challenges from new platforms and its dependence solely on advertising revenues.” That being said, in the conclusion of the report, the Commission notes that although traditional radio will continue “to evolve and play important roles, the roles will be smaller than in the past as they are gradually overtaken by online services.”
7. Beginning a conversation with Canadians in regard to their current and future needs and interests regarding commercial radio, and in particular the evaluation of the programming offered by this sector, will enable the Commission to better assess the effectiveness and relevance of the current regulatory framework. The Commission has mandated a third party to be responsible for leading discussion groups and implementing an online survey to collect Canadians’ experiences and their various points of view. The Commission will announce at a later date how Canadians will be able to participate in the online survey.
8. In the Commission’s view, information drawn from Phase 1 will allow it to determine the specific issues to be addressed in the new policy and will significantly inform the subsequent phases of the proceeding. The Commission expects the public opinion research report to be published during Phase 2. Interveners will have the opportunity to make observations on the results of the public opinion research following publication of the report. The Commission will provide additional details in this regard in Phase 2.

¹ The report was supported by data preceding 2018.

Phase 2

9. During Phase 2, the Commission will publish a notice of consultation in which it will invite Canadians, including radio broadcasters, content creators, Canadian artists and all interested persons, to submit their observations on the issues relating to the regulatory framework for commercial radio. The notice of consultation will include more than one step: the first step will serve to collect comments (interventions/replies) and the following step or steps could take the form of additional questions addressed to certain or to all parties, or any other appropriate means within the Commission's powers and jurisdiction that will 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* will be announced as the proceeding progresses.
10. The Commission may, without limitation, examine issues relating to the current and future environment in which AM and FM commercial radio operates, as well as the impact of rapid changes on this sector, specifically in regard to profitability and competition.
11. To evaluate whether commercial radio's offering of musical and spoken word programming (including news bulletins) most effectively serves the needs and interests of Canadians, it is essential, on the one hand, to consider the programming offering already available through other aspects of the broadcasting system and on other platforms. The Commission must also ensure that the regulatory tools governing radio are effective and relevant. As such, the Commission plans, more precisely, to review the effectiveness and the relevance of the following:
 - the number of stations that a licensee can own in a given market (Common Ownership Policy);
 - definitions relating to local programming, as well as levels, relevance and quality of such programming, including news bulletins and other spoken word programming;
 - Canadian content development contributions;
 - the regulatory framework for musical programming, including the following elements:
 - the definition of a "musical selection," including French-language vocal music (FVM) and Canadian selections (MAPL system);
 - quotas relating to FVM and Canadian content;
 - musical montages;
 - peak listening hours;

- the policy regarding hits for bilingual markets;
 - the policy regarding emerging artists; and
 - content categories and sub-categories for radio.
- measures to retain, modify or put in place so that commercial radio continues to support, to the greatest extent possible, through funding, programming or any other appropriate method, the creation, broadcast, promotion and discovery of Canadian content (musical and spoken word content);
 - the role of commercial radio in maintaining and enhancing linguistic duality in Canada;
 - the issues addressed in the proceeding for the review of the FVM regulatory framework applicable to the French-language commercial radio sector, originally announced in the *Review of the regulatory framework for French-language vocal music applicable to the French-language commercial radio sector*, Broadcasting Notice of Consultation CRTC 2015-318, 20 July 2015; and
 - the role of commercial radio in reflecting and supporting Indigenous peoples.
12. Interested persons will have the opportunity to submit their observations on the issues raised by the Commission only once the notice of consultation is published. The Commission will remain open to reviewing other issues and concerns related to the commercial radio sector that fall under its jurisdiction and its authority in accordance with the Act.

Phase 3

13. For this step, taking into consideration the public record, the Commission will determine whether the information collected in Phases 1 and 2 will allow it to complete the proceeding without the appearance of the parties. The Commission may determine that an appearing hearing is necessary to address some or all potential issues. In such case, further details to that effect will be announced during the course of the proceeding.

Important notices

14. The information that parties provide to the Commission during the proceeding will be placed in a file accessible to the public and published on the Commission's website at www.crtc.gc.ca. Additional information may be added to the public record for this proceeding when it becomes available.

Secretary General