



Canadian Independent Music Association

July 3, 2012

Mr. John Traversy
Secretary General
CRTC
Ottawa, ON
K1A 0N2

Re: Broadcasting Notice of Consultation 2012 – 246
Call for comments on opening up the programming genre of popular music to competition

Dear Mr. Traversy:

1. With regard to Broadcasting Notice of Consultation 2012 – 246 the Canadian Independent Music Association (CIMA) would like to submit its comments on the points and issues raised by the Commission.
2. By way of background, CIMA represents more than 180 Canadian companies and professionals engaged in the worldwide production and commercialization of Canadian independent music, who in turn represent many times this number of Canadian artists and bands.
3. CIMA's membership consists of Canadian-owned companies and representatives of Canadian-owned companies involved in every aspect of the English-language music and music-related industries.



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4. They are small businesses which include: record producers, record labels, publishers, recording studios, managers, agents, licensors, music video producers and directors, creative content owners, artists and others professionally involved in the sound recording and music video industries.
5. Some of the great Canadian independent artists and bands represented by our members include Rush, Bruce Cockburn, Sarah McLachlan, Broken Social Scene, Feist, The Trews, Tokyo Police Club, K'Naan, Luke Doucet, Blue Rodeo, City and Colour, Chromeo, K- OS, Metric, Diamond Rings, Lights, The Sheepdogs, Our Lady Peace, Said The Whale, Jenn Grant, Dan Mangan, Chilly Gonzales, Delhi to Dublin, Canadian Brass and Saidah Baba Talibah, Timber Timbre, P.S. I Love You, Great Lake Swimmers, and Kathleen Edwards, to name but a few.
6. For almost 37 years, CIMA has dedicated its efforts to representing the needs of its members and by developing business opportunities through an international network of business contacts in the music and entertainment industries and in the associated media such as film, TV, new media and other users of music products. CIMA's mandate is to ensure the long-term development of the Canadian-owned music sector and to raise the profile of Canadian independent music both in Canada and around the world.
7. It is on behalf of these Canadian owned small businesses that CIMA is directing its initial comments. CIMA looks forward to participating fully in the debate on this proposal in its reply on July 18.
8. CIMA is pleased that the Commission is considering opening up the genre to more competition. There is a clear consensus that music has never been more popular than it is



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at present and the availability of music continues to grow. This fact is confirmed by survey, after survey along with the reality that popular music is becoming ever more diverse with a host of different formats contained within the definition of popular music.

9. With the licensing of a large number of category 1(A) and category 2(B) licensees -- announced in Public Notice 2000 – 171 – 16 in category 1(A) and 262 in category 2(B) -- the Commission noted that variety and diversity of choices would increase and would help to maximize the production and exhibition of new Canadian programming. It noted that Category 1(A) services were expected to make a strong contribution to the diversity of Canadian programming. They would have minimum commitments to exhibition, expenditures and original productions but would, however, be protected from competition. Category 2(B) services were not to be competitive with existing pay, specialty or Category 1(A) services but otherwise could compete amongst themselves. They were also not protected.

10. In Public Notice 2008 – 100, the Commission stated that it felt that competition should be allowed in news and sports channels. While licenses for these channels in these genres were different, competition was clearly in play between the channels already. This resulted in the Commission allowing immediate competition between mainstream sports and news channels and noting in paragraph 266 that, “Further, as the system evolves, it may be possible to introduce greater competition into other genres.” The channels in the news and sports genres were re-licensed as Category C services but with licenses that contained standard conditions of license for all. Also the Commission noted that other genres, of which music was one, would be considered in the future.



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11. This is indeed what is now being proposed by the Commission for the genre of popular music.

12. The Commission, as it notes in the call, has denied applications for music channels that would have competed with Category 1(A) channels or has tailored new Category B licenses so that they would not compete. At the same time it has denied applications to change the programming of Category 1(A) licenses, notably at Much Music and Country Music Television.

13. With regard to criteria for determining the ability of a program genre to withstand competition, the Commission returns to Broadcasting Public Notice 2008 – 100 for the five criteria it would use to determine this. CIMA believes that there is no doubt about the tremendous popularity of music and given innovative programming concepts it feels that there is great potential for the various genres of music within the popular music genre overall that will allow a greater number of these channels to succeed.

14. As to the impact on existing services of competition either a re-licensing to Category C or the retaining of A and B licenses as currently approved by the Commission, CIMA has no absolute opinion at this early stage. It believes that current commitments of licensees in Category A should be maintained and more research conducted on the idea of re-licensing all current and new services to Category C. CIMA does not feel that the concept is incorrect, just that it requires further information to make an informed decision.



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15. With regard to standard conditions of license, as the Commission notes, Category A services, including music, are currently subject to standard conditions as laid out in Broadcast Regulatory Policy 2011 – 443.

16. Returning to Broadcast Regulatory Policy 2008 – 100 operating within a genre that is open to competition would be subject to various criteria including genre exclusivity from non-Canadian and Category B services.

17. Regarding Canadian programming expenditures, CIMA expects that new licensees or re-licensed services should contribute appropriately at a level that recognizes that value of the licence, and the benefit to Canadian artists, creators and companies. The Commission will recall the CIMA intervention regarding the Much Music requests in 2011, and clearly would be very much in favour of the terms of the Commission decision in this regard continuing until the next license renewal.

18. Given that this Notice of Consultation is the first public airing of this issue, CIMA is somewhat concerned that the Commission in the preamble to this Notice of Consultation asks for comments on proposed standard conditions of license for Category C services, “in the event that it opens up the genre to competition.”

19. While at paragraph 14 it states that “Following the consultation undertaken with this notice, the Commission will publish final conditions of license that will apply to all competitive Canadian specialty services operating in the genre of popular music. New entrants may then apply for services in the genre of popular music. Similarly existing licensees of music-based specialty services will be invited to apply to amend their



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conditions of license to reflect these new conditions.” These two statements appear to CIMA to be somewhat contradictory.

20. This said, CIMA is generally in favour of more rather than less music available through specialty TV services but has some concerns and questions as to how this will be achieved. CIMA feels the concept is a good one but the details have to be clearly established and thought through and agreed upon.

21. CIMA looks forward to the second phase and expects to be fully engaged in the process.

Thank you very much for the opportunity to provide comments on this matter.

Yours sincerely,

Stuart Johnston
President