



National Campus and
Community Radio
Association/
l'Association nationale des
radios étudiantes et
communautaires



Alliance des radios
communautaires du
Canada



Association des
radiodiffuseurs
communautaires du
Québec

Oct 19, 2020

Claude Doucet

Secretary-General

Canadian Radio-television and Telecommunications Commission

Ottawa, Ontario,

K1A 0N2

Secretary-General:

Re: Broadcasting Notice of Consultation CRTC 2020-336 Call for comments on an application by the Canadian Association of Broadcasters

1. We are the Association des radiodiffuseurs communautaires du Québec (“ARCQ”), l’Alliance des radios communautaires du Canada (“ARCC”), and the National Campus and Community Radio Association/Association nationale des radios étudiantes et communautaires (“NCRA/ANREC”). Our associations are not-for-profit organizations committed to non-profit, community-owned, and locally-reflective radio and online

broadcasting. Together, we represent 158 of the about 185 licensed campus and community (“c/c”) radio broadcasters.

2. The Commission has requested comments on CAB’s application for regulatory relief, on behalf of Canadian broadcasters. CAB has requested that the Commission: 1) consider broadcasters, absent of bad faith, in “deemed compliance”, 2) confirm flexibility on exhibition-related and other conditions of license, and 3) make changes related to local management agreements. We’ve shortened the Commission’s questions to save space, and have only answered the questions that are directly relevant to our concerns. In the case there is a public hearing, we would like to appear.

3. We understand the concerns raised by CAB, and agree that this discussion is needed. Our members face similar impacts, including the loss of close to 90% of volunteers and 15-20% of paid staff. We continue to work hard to serve local communities with reduced revenues and appreciate the indirect (CEWS, etc.) support provided by the Government of Canada, as well as the \$2 million in direct funding for c/c stations, which have seen losses of over \$8 million due to COVID-19 and the associated shutdown. Private broadcasters have received Canadian Heritage funding of \$22 million plus a reduction of Part I licence fees worth \$30 million so far. We stress that CAB’s request could further destabilize the already fragile balance that non-profit radio is operating under, not just in a pandemic year.

The Commission's Questions:

4. Q1 asks if CAB’s proposal aligns with the Commission’s outcomes in this proceeding. We believe that CAB’s request for “deemed compliance” (regardless of actual levels of expenditures made, and without a requirement that shortfalls be made up in subsequent broadcast years) does not align with the outcomes identified by the Commission. The challenges CAB describes are shared by many broadcasters (including our members). We think that this proposal would essentially stop the flow of CCD funding from Canada’s private broadcasters to our sector for an undetermined

amount of time, and this would be catastrophic for some or even many stations in our sector. We suggest that mandatory CCD funding (including tangible benefits) continue to be required, but that discretionary CCD funding could be waived or used however the private broadcaster wishes. Any mandatory CCD related to tangible benefits must be paid to the CRFC/FCRC, FACTOR and Musicaction.

5. We believe there should be a case-by-case evaluation (as opposed to a sector-wide decision) to take into account the impacts on other media in target markets when stations look to consolidate broadcasting and/or operations. For example, two private broadcasters consolidating operations into one may have a negative impact on other broadcasters servicing that market.

6. The Commission notes (para. 4 of the notice) that “broadcasters may recover at different rates, depending on their individual circumstances and business models,” and that these circumstances may include “diverse and more stable revenue sources”, or “synergies and efficiencies”. For this reason, we believe that sector-wide relief, as requested, is not needed and may not be appropriate. We support making relief available to individual broadcasters if it is absolutely required. This relief should be conditional (perhaps an agreed-on revenue threshold or awarded to broadcasters that cannot draw from diverse revenue sources) and time-limited (we would recommend one year).

7. In Q2, the Commission asks if its suggested approach aligns with the outcomes identified. We are concerned that the Commission’s approach (that a broadcaster’s compliance with its 2019-20 regulatory obligations would be based on its past compliance) would also stop the flow of CCD funding into our sector for a period of time. Even if some or most of this CCD funding made its way back into our sector in later years, the damage would have been done. Our stations are non-profits and the majority operate on shoestring budgets. The year-to-year nature of their cash flow does not allow them to absorb large losses to be resolved in future years - essentially, most operate without a buffer. It is also important to consider the impacts that have resulted

from the COVID-19 pandemic, which are considerable. CAB has stated that they will lose stations if something is not done. This is also the case in our sector and, for this reason, we are not in favour of the Commission's proposed approach.

8. Additionally, CCD funding for the 2019-2020 year should already have been budgeted for and paid to the CRFC/FCRC. Relief would be best suited to the 2020-2021 broadcasting year.

9. Regarding Q5, which asks what period of time should broadcasters have to meet 2019-20 obligations, we ask that only broadcasters who meet certain criteria be granted relief, and that this relief be for one year only, with the possibility of an extension if justified. We would expect that many broadcasters will not require relief, and will fulfil their obligations according to the usual schedule.

10. Additionally, with the *Broadcasting Act* and the CRTC's Commercial Radio Policy under review, it is important that any relief granted based on this request should not serve as a precedent that would be incorporated into future legislation or policies.

11. Regarding Q6, additional relief or flexibility outside of the CAB ask should also be extended (where applicable), to other licenses.

12. Finally, in keeping with the Commission's statement in the Notice that "flexibility relating to any regulatory requirements should not jeopardize key services provided by broadcasters", any measure in place should come with a guarantee that it will directly benefit private broadcasters' content production and not go towards management or physical upgrades. Hence, if there is flexibility given in any area, it should come with a commitment to contents for the population and the staff, not the owners or shareholders. We believe the importance should be focused on content and access to information, for the listening population during the current pandemic.

13. In conclusion, we appreciate the Commission's statement that "parties that currently benefit from the requirements imposed by the Commission on broadcasters (should not be) unreasonably affected by any potential regulatory relief. Granting CAB's

request in its current form would not be in the public interest as it could impact listeners in communities that are majority serviced by c/c and indigenous stations only. It is critical that mandatory CCD funding be protected and that any relief should be applied across all licenses.

Sincerely,



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