



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 29, 2020

Claude Doucet

Secretary-General

Canadian Radio-television and Telecommunications Commission

Ottawa, Ontario,

K1A 0N2

Secretary-General:

**Re: Reply to Interventions - Broadcasting Notice of Consultation CRTC 2020-336  
Call for comments on an application by the Canadian Association of  
Broadcasters, Replies phase**

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 about 185 licensed campus and community (“c/c”) radio broadcasters.

2. We are pleased to provide these comments in reply to various interventions received in Broadcasting Notice of Consultation CRTC 2020-336 (“BNC 2020-336”). Our comments relate to interventions filed by the Canadian Association of Broadcasters (“CAB”), the Forum for Research and Policy in Communications (“FRPC”), the Creator and Music Publishers Organization (“CMPO”), SiriusXM, and to CAB’s original request, filed in July 2020.

### **Sector-wide relief**

3. As we stated in our intervention, we believe that sector-wide relief, as requested, is not needed and may not be appropriate.

4. CAB intends its “deemed compliance” request to apply to all private broadcasters even though it acknowledges that “impacts on individual licensees will vary considerably”<sup>1</sup>. It asks that all private broadcasters “*be allowed to press “restart” on their regulatory obligations effective September 1, 2020.*”<sup>2</sup> It also states that its request for relief is not a “*one size fits all*” solution, rather, it is “*uniquely tailored to individual circumstances*”<sup>3</sup>.

5. However, BNC 2020-336 states that “*(u)nder the CAB’s proposal, the Commission would consider licensees to be in compliance with such requirements regardless of actual levels of expenditures made, and would not require that any shortfalls be made up in subsequent broadcast years.*”<sup>4</sup>

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<sup>1</sup> CAB intervention, Oct 19, 2020, para 52

<sup>2</sup> IBID, para 30

<sup>3</sup> IBID, para 31

<sup>4</sup> BNC 2020-336, para 10

6. This appears to suggest that broadcasters can make their CCD contributions, but if they do not there will be no consequences. This onus on individual broadcasters to assess their financial health and voluntarily make CCD contributions may result in c/c stations being “unreasonably affected” by this regulatory relief, contrary to one of the Commission’s four desired outcomes.<sup>5</sup> We suggest that relief should flow only to broadcasters who can demonstrate significant need, (as opposed to applying relief sector-wide).

7. We agree with the FRPC, who point out that CAB’s argument in favour of sector-wide relief appears contrary to the *Broadcasting Act’s “emphasis on the circumstances of individual licensees”*<sup>6</sup>. We also note the FRPC’s point that Canada’s largest broadcasters, which operate with a highly concentrated ownership structure, were approved by the CRTC with the understanding that they would support weaker programming services<sup>7</sup> such as c/c broadcasters.

8. CMPO note in their joint intervention that “*CCD contributions for radio broadcasters in 2018 was \$43.7 million, compared to \$1.5 billion in revenues for private commercial radio stations*”<sup>8</sup>. While CAB acknowledges that “*CCD requirements represent a relatively low percentage of fixed radio expenditures*”<sup>9</sup> they say they “*can be material - especially in the given month they are made and or as part of over and above licensing commitments or tangible benefit packages*”<sup>10</sup>. We suspect that they may be material in a given month for some small broadcasters, but we are skeptical that this is the case for large ownership groups. There is also FRPC’s argument that “*ownership groups with discretionary income could allocate some of that income to support conventional programming services.*”<sup>11</sup>

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<sup>5</sup> BNC 2020-336, para 23

<sup>6</sup> FRPC, 19 Oct, 2020, para C. ES.3

<sup>7</sup> IBID, para A. ES.3

<sup>8</sup> CMPO, Oct 19, 2020. para 16

<sup>9</sup> CAB Emergency Application, July 13, 2020, para 50

<sup>10</sup> CAB Oct 19, 2020. Para 36

<sup>11</sup> FRPC, 19 Oct. para A.ES.3

## Other points

9. In its intervention, SiriusXM suggests that it would support “*a ramp-up structure spread out over no less than ten (10) years*”<sup>12</sup>. We strongly oppose this. As we state in our intervention, the year-to-year nature of c/c stations’ cash flow does not allow them to absorb large losses to be resolved in future years, and to absorb large losses for a decade is, frankly, impossible. This is why we have requested 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. Such wide-spread changes should be addressed in policy decision making, not emergency support measures.

10. The FRPC makes the point that, should relief be granted, “*arguments will inevitably be made for temporary relief measures to become permanent.*” We agree and ask that if relief is granted that it be for a limited time. Longer term relief initiatives must be addressed in traditional forms of policy development with time to assess the situation, as opposed to reacting to the current pandemic.

11. Every year, recipients of mandated CCD funding (CRFC-FCRC, FACTOR, Musicaction etc.) complete detailed reports outlining the needs of the content creators they support. These groups already demonstrate their need for funding to the CRTC and the public at hearings, to the government, their members and the public. For these reasons, CAB’s comments that Beneficiaries should prove that they would be “unreasonably affected”<sup>13</sup> by the requested regulatory relief seems unreasonable to us.

12. To expand on our earlier points about our sector’s vulnerability and the CAB and SiriusXM interventions, c/c radio was allotted a small amount of emergency funding (\$2 million in a \$48+ million non-profit radio industry<sup>14</sup>) from the Department of Canadian Heritage (“PCH”) to assist stations to repair losses that have already topped

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<sup>12</sup> SiriusXM, Oct 19, 2020. p 3, Q 5

<sup>13</sup> CAB, Oct 19, 2020, para 12

<sup>14</sup> CRTC communications Monitoring Report 2019 - <https://crtc.gc.ca/eng/publications/reports/policymonitoring/2019/cmr5.htm#a6>

\$8 million and continue to grow. While many of our stations with staff have benefited from the CEWS, our stations without staff are not able to take advantage of these opportunities and have little to offset their losses. These stations without operational staff are also the stations that most benefit from the availability of CCD contributions, and the stations that will be most vulnerable if these contributions are reduced.

13. As with CAB members, our stations' problems resulting from COVID-19 are not only financial, but financial problems compound their existing stress. In some cases c/c stations are operating with 90% fewer volunteers, as some campuses remain partially closed and programmers at many community stations are older and thus more vulnerable to the effects of COVID-19. This means that staff are working much harder to keep their stations operating and serving their communities, not knowing if they will have enough funding to continue to keep the stations open.

14. As we stated in our submission, we operate for the public good, and often provide important community information, exposure to new and local music, and provide emergency broadcasting services in communities where commercial radio is no longer financially viable. While we are sympathetic to the financial impacts that some CAB members have experienced, we are concerned that if the CAB request for relief is granted across the entire commercial sector, it will benefit a sector that already has much more capacity and legal support, and will further disadvantage the non-profit c/c sector.

15. The 2019 Communications Monitoring Report shows that the private broadcaster sector is a \$1.5 billion industry<sup>15</sup>, and it has already received over \$50+ million in direct support (\$22 million in PCH funding and \$30 million in reduced Part 1 fees) plus additional governmental support available to all businesses. Mandated CCD contributions to the CRFC-FCRC is usually about \$1.5-2 million annually, and these contributions assist an average of 50 c/c stations each year. A substantial reduction in

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<sup>15</sup> *ibid.*

this revenue for a period of one year would be difficult for our sector to bear; a reduction for more than a year would be catastrophic and result in multiple closures.

16. A study released by SMB Group in May 2020<sup>16</sup> found that small and medium sized businesses in the United States had suffered greater negative impacts than the larger businesses, with a particular impact on businesses with fewer than 20 employees. We suspect that this is true in Canada as well, and this is significant because these small businesses make up the bulk of c/c broadcasters' advertising clients. If approved by the CRTC, this decision would compound those losses for c/c stations.

17. We appreciate the opportunity to reply to the comments submitted in this proceeding. We hope that the Commission will take these comments and those in our original intervention into account when considering whether CAB's request is in the public interest. We would be pleased to meet or correspond with CRTC staff if any further information about the c/c sector is needed from us.

Sincerely,



A handwritten signature in black ink, appearing to read 'François Coté'.

François Coté – Directeur Général, Alliance des radio communautaires du Canada (ARC du Canada)  
1, rue Nicholas, bureau 1208, Ottawa, ON K1N 7B7



A handwritten signature in blue ink, appearing to read 'Martin Bougie'.

Martin Bougie – Directeur Général, Association des radios communautaires du Québec  
2, rue Sainte-catherine Est, suite 201-B, Montréal, QC H2X 1K4



A handwritten signature in black ink, appearing to read 'Barry Rooke'.

Barry Rooke – Executive Director, National Campus and Community Radio Association/Association nationale des radios étudiantes et communautaires (NCRA/ANREC)  
331 Cooper Street, Suite 601, Ottawa, ON K2P 0G5

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<sup>16</sup> Facebook & Small Business Roundtable (2020), *State of Small Business Report*, Facebook, <https://dataforgood.fb.com/wp-content/uploads/2020/05/SMBReport.pdf>