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**Canadian Radio-television and
Telecommunications Commission**

**Call for comments – Commercial radio policy framework review
Broadcasting Notice of Consultation CRTC 2020-374**

Xperi Holding Corporation

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INTERVENER'S REPLY

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1. Following the analysis of submissions to the Call for Comments for the *Commercial Radio Policy Framework review* (Broadcast Notice of Consultation CRTC 2020-374), Xperi would like to provide the following clarifications.

- I. The Significant Public Interest Benefits of HD Radio™ Broadcasting, a Mature and Proven Technology, are Being Hindered by the Service's Experimental Status:**

2. For HD Radio broadcasting to flourish in Canada, it is necessary to remove the uncertainty of the "experimental" qualification from the technology's regulatory status. Maintaining the status quo limits the growth opportunity in terms of programme diversity and station revenues, and it provides no benefit to the Canadian listener.
3. Although HD Radio broadcasting has seen meaningful adoption in Canada, the potential benefits of digital radio are hindered by the uncertainty that its experimental status creates for both broadcasters and vehicle manufacturers. The ambiguity created by the experimental licence status for HD Radio broadcasting results in an unnecessary risk of stranded investment for broadcasters. The effect of this uncertainty is felt disproportionately by smaller broadcasters, who are hesitant to invest in a technology labeled as "experimental".
4. As indicated in our submission, automobiles account for more than 4.5 million receivers already in vehicles on Canadian roads, representing 12% of the Canadian population. This number can and should be significantly higher. Maintaining experimental regulatory status sends a mixed message to automakers selling products in Canada (identified by Mazda Canada¹) providing less incentive for them to include HD Radio receivers in their vehicles destined to Canada.
5. Qualifying this digital technology as experimental fails to acknowledge that thousands of radio stations and millions of listeners interacting with HD Radio broadcast daily and only slows its deployment in Canada. Unlike the digital transition of over-the-air television, Canada does not have a roadmap for radio digitalization. Creating a plan would set a clear and specific path for new and diverse contents to be delivered over-the-air and free of charge. Approval of HD Radio broadcasting by the CRTC, as a voluntary protected standard will provide broadcasters with the full transformational benefits of the technology for existing and future HD Radio broadcast operations while protecting the investments made by early adopters in Canada's broadcasting industry. Hence, we reiterate the first recommendation from our intervention:

The CRTC adapts the commercial radio regulatory framework such as to recognize the HD Radio standard (NRSC 5) as a Canadian broadcasting standard for broadcasting licensees. The regulatory framework should provide for a voluntary adoption of the NRSC-5 standard by broadcasters.

¹ See Mazda Canada's intervention.

II. HD Radio Broadcasting Can Fulfill the Goals of Providing a Greater Diversity of Voices and Expanding the Availability of Underrepresented Formats and Genres:

6. Multiple groups² have identified the deficit in the diversity of voices in radio broadcasting and the difficulty expanding services to underrepresented music genres. Indigenous, ethnic, and niche communities lack a strong voice in Canada's congested urban spectrum. There is widespread agreement regarding the lack of diversity of voices on Canadian radio. Yet only two proposals presented in this proceeding address the root of the problem: insufficient spectrum capacity. Xperi's and Nautel's interventions, advocating for HD Radio technology, are the only proposals to provide a solution to the Commission.
7. We have noted that some major broadcasters are of the opinion that "it is more likely that in twenty years 5G will become a more dominant distribution path to the consumer than FM or HD".³ Perhaps it will, but it does not address the near-term challenge the CRTC has faced for a decade and is facing today.
8. There is a significant difference between broadcasting, a free technology (except for the initial purchase of a receiver), and 5G, a subscription-based recurring paid service. This difference amounts to hundreds of dollars per year, per listener. Under such a mobile service model, a single hour of 24 kbit/s audio stream will require 10.8 MB of data. Each listener will be forced to absorb the cost of this data usage. An avid listener who keeps the radio on daily will consume almost 1Gbits of data a week. Currently, mobile data in Canada is neither economical nor accessible for all Canadians.
9. Moreover, utilizing mobile spectrum for broadcasting content will not increase the diversity of voices or bring a greater variety of audio content to the public. On the contrary it will create another gate for creators and communities to force through to get their voices heard. It will also increase the digital divide between rural and urban areas as we expect it will take longer for rural than urban Canada to reap the benefits of 5G deployment.
10. Relying on future 5G growth to solve the diversity of voices deficit today will increase the digital divide between broadcast-only independent operators and integrated wireless-broadcasting operators, without any countervailing benefits for listeners or content creators.
11. Over the next several decades 5G will undoubtedly offer additional means to connect content creators to listeners. However, free over-the-air radio broadcast will remain the dominant medium for entertainment, news, local coverage, and emergency broadcasting.
12. Consequently, by enacting policies that expand HD Radio broadcasting, the Commission can resolve the challenges around access for diverse voices.

² See for instance: Indigenous Music Alliance's, Music Canada's, Community Radio Fund of Canada's, NCCRA-ARCC-ARCQ's, Canadian Independent Music's, ADISQ's and SOCAN's interventions.

³ Canadian Association of Broadcasters, para. 79.

III. Implementation Criteria for HD Radio Broadcasting:

13. Radio broadcasting is governed by bilateral (USA and Canada) agreements⁴ and domestic regulations.⁵ The CRC report has demonstrated compatible receiver operations of HD Radio technology under those regulations.⁶
14. We have noted the cross-border situation described in the submission of the Ontario Association of Broadcasters (“OAB”) and appreciate the opportunity to address their concern.⁷ The OAB specifically reported trans-border interference coming from an HD Radio broadcaster located in the U.S., across Lake Ontario. This interference is due to the status of the Canadian station which has been assigned an FM short-spaced allocation. In other words, to be authorized in a congested spectrum area, they accepted substandard protection and future interference. Whether operating in analog or digital mode, such situations may occur when any station accepts such conditions when they file their application.
15. Under normal regulatory conditions and existing coordination protection rules are observed, the proposed CRC extended rules for HD Radio broadcast do not create any additional interference than analog FM signals. It is fully compatible with the Canadian broadcasting system.
16. Xperi would like to thank the Commission for this opportunity to comment on the Commercial Radio Policy review and reiterates its availability to answer any further questions during a public audience if the Commission chooses to continue the consultation process.

*****END OF DOCUMENT*****

⁴ Industry Canada, “Agreement between the Government of Canada and the Government of the United States of America Relating to the FM Broadcasting Service and the Associated Working Arrangement”, June 1997.

⁵ ISED, “Broadcasting Procedures and Rules. Part 3: Application Procedures and Rules for FM Broadcasting Undertakings”, February 2016.

⁶ Communication Research Centre, Compatibility Study – Analog and HD Radio™ Broadcasting Systems in the 88 – 108 MHz Band, - Sébastien Lafèche, Martin Quenneville, Adrian Florea, CRC ISED; Document # CRC Technical Report 031017-TR-01, February 2019, <https://www.rabc-ccr.ca/download/40/open-consultations/7552/compatibility-study-analog-and-hd-radio-broadcasting-systems-in-the-88-108-mhz-band-redacted-version.pdf>, (consulted on March 9th, 2021), “CRC Report – 2019”.

⁷ See Ontario Association of Broadcasters, p. 20.