



Message from the Chair

Helping Broadcasters Adapt to a Changing Landscape

Since assuming the role of Chair of the CAB Board, I have been constantly reminded of how quickly the broadcasting landscape is changing in this country. For me, this reality has underlined the important role that the CAB continues to play on behalf of our members.

Take the example of copyright. I see copyright, in its myriad forms, as an escalating cost that we must continue to focus on as we navigate our industry to digital platforms. New delivery mechanisms and consumption patterns create the risk that we will pay twice or three times for the same use, and CAB must focus on making sure that is not the case.

Another example of change, and how the CAB is helping members adapt to it, is the repurposing of the 600 Mhz spectrum. As you will see elsewhere in this newsletter, the Board decided last fall to launch an advocacy campaign regarding compensation for this policy change.

In the CRTC's Local TV hearing we were reminded that Canadians continue to value local TV and local news and information programming. However without compensation to relocate our stations many local stations are at risk of going dark. We will keep members abreast of our activities and how they can engage their local MPs once we have finalized our outreach strategy.

Lastly, when I think about the challenges of adapting to a changing landscape, I draw a lot of inspiration from the work of the CAB CEO Radio Council, which is doing such an excellent job representing the radio industry. I am reminded of the fact that, despite the introduction of many new technologies over the past 90 years, radio remains a resilient and much needed and relied on source of local information programming and emergency response. Radio's sustained success is an inspiration for our entire industry.

Susan Wheeler
Chair, Canadian Association of Broadcasters

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Welcome New CAB Members!

The CAB is very pleased to welcome two new Radio members:

Rock 95 Broadcasting Ltd. and Roundhouse Radio

This brings our total membership to 824, strengthening the voice of Canadian private broadcasting. CAB looks forward to working with you and all our members!

CAB Copyright News

Commercial Radio (SOCAN 2012-2013; Re:Sound 2012-2014; CSI 2012-2013; AVLA/SOPROQ 2012-2017; ArtistI 2012-2014)

The CAB participated in a hearing related to commercial radio tariffs in late 2013 and early 2014. The CAB advanced an aggressive case for a substantial reduction in reproduction royalties on the basis of recent changes in the Copyright Act. The Association argued that the new law carves out exceptions for many types of copies made by radio broadcasters and the tariffs should reflect these changes and enable broadcasters to pay significantly less. CAB also refuted arguments from the Collectives' to (i) change the rate base so the tariffs would be paid as a percentage of total revenues for all stations within a corporate group as opposed to the current method of paying as a percentage of individual station revenues, and (ii) levy a new royalty for the public performance of radio in commercial spaces.

The hearing was complex and involved contributions from legal counsel, economic experts, and a range of other experts, including industry experts on behalf of the CAB. While it is very hard to predict the outcome of the Board's decision, commentary from the Board members throughout the hearing indicated a willingness to consider reductions based on the changes in the law. The Board also seemed reluctant to fully accept the Collectives' proposals relating to the change in rate base and the new public performance royalty.

The Board has recently consulted with the parties on tariff terms, including some definitions, reporting requirements and other administrative matters. This is typically the last stage before the tariff is finalized and certified. A new radio tariff is expected in the coming months.

SOCAN Tariff 2.A/17 (TV & Specialty and Pay)

SOCAN proposed an increase in the rate for Tariffs 2.A and 17, from the current 1.9% to 2.1% for 2014, 2015 and 2016. The CAB is engaging in proactive research and analysis to develop arguments against any increase and possibly in support of a reduction. No hearing has been scheduled to address these tariffs and the CAB expects that these tariff proposals are amenable to settlement at status quo rates. Recall that the CAB had recently settled Tariffs 2A and 17 up to 2013.

CMRRA Tariff 5 (Commercial Television Stations)

CMRRA has proposed a first-time tariff for commercial television that would set a rate for reproductions made by commercial television stations in the course of broadcasting. The proposed rates are 0.66% of gross income for regular music use stations, and 0.28% of gross income for low music use stations. The CAB has objected to this tariff proposal, and is engaging in proactive discussions with TV members to review and analyze the types of reproductions that are made and the extent to which these may or may not be covered by existing agreements. A hearing has not yet been scheduled.

Re:Sound Tariff 8 (Internet – Audio Simulcast and Audio Webcast)

The Copyright Board released its decision in Re:Sound Tariff 8 Non-Interactive and Semi-Interactive Webcasts on Friday, May 16, 2014 (following a hearing on the matter that took place in September/October 2012). The tariff is applicable to non-interactive (i.e., b-streams) and semi-interactive (i.e., Pandora-type services) webcasts offered by commercial and non-commercial webcasters.

Simulcasts were originally targeted by this Tariff and Re:Sound argued at the hearing for rates of \$2.30 to \$4.00 per 1000 plays. The CAB took the position that simulcasting should not be subject to this tariff because it is a purely ancillary business to over-the-air broadcasting. The Board agreed with the CAB and deferred any decision on simulcasting until the next time it considers the Commercial Radio tariff.

With respect to non-interactive webcasting, the rates certified by the Board are 10.2¢ per 1000 plays for commercial webcasters, 13.1¢ per 1000 plays for CBC, and \$25 per year for small non-commercial webcasters. This is substantially lower than what Re:Sound requested, which was between \$2.30 and \$4.00 per 1000 plays.

Re:Sound has applied for judicial review of this decision on the basis that the rates are unsatisfactory and unfair, and on the basis that the Board should have certified a rate for simulcasting. The CAB is participating in this judicial review to respond to arguments related to simulcasting. The CAB will benefit from a 75% reduction to its external legal costs because it is sharing external counsel (David Kent) with Pandora. The proceeding is ongoing, and a hearing was scheduled for February 24 and 25, 2016 with a decision to be rendered within 6 months following the hearing.

SOCAN Tariff 22.D (Internet – TV & Specialty and Pay)

The CAB is engaged in advanced settlement discussions with SOCAN in respect of its Tariff 22, which is the tariff that applies to internet content offered by TV and S&P broadcasters. Our goal is to obtain tariff terms that are reasonable and relatively easy to administer. Our intent is to have this tariff harmonize with the existing TV and Specialty and Pay tariffs. Harmonizing this tariff with existing tariffs and working closely with the BDUs will ensure that users pay only once for a particular use of music and eliminate the potential for double dipping. As well, the CAB is seeking to ensure the low music tariff rate is adopted. We expect to have updates on this matter in the coming months.

CSI Online Music Services and SOCAN Tariff 22.A

There was a hearing relating to CSI and SOCAN's interests in online webcasting and streaming held in November 2013. Closing Arguments took place on May 12 and 13, 2014. The CAB participated in a limited capacity to deal with some audio streaming components of the proposed tariffs. The vast majority of CAB members are not affected by these tariffs so the CAB worked with Pandora to share resources and save costs. The CAB built on arguments made in the 2012 Re:Sound 8A and 8.B (Internet – Audio Simulcast and Audio Webcast) proceeding, namely that the existing rates for webcasting should be maintained. We may see a decision from the Board sometime in mid-2016.

CBSC: We're Changing to Serve You Better!



Since the last CAB newsletter there have been a number of changes at the Canadian Broadcast Standards Council. As of September 2015 Solange Courteau has moved on from the CBSC and has been succeeded by Cécile Savoie. Beginning December 1, 2015 the Council published its new Manual, which sets out a number of changes in the operation of the CBSC. The most notable change is the reduction of the

seven regional and national adjudicating panels to two – one English and one French. At the same time, the CBSC launched its new logo and its new website.

CAB CEO Radio Council Update

New Priorities Emerge Following November Meeting

The CAB CEO Radio Council is comprised of the following radio members: Mario Cecchini of Corus Entertainment (elected Chair in December), Julie Adams of Rogers Media, Rod Schween of Pattison Broadcast Group (replacing Rick Arnish who retired), Ian Lurie of Newcap Radio, Elmer Hildebrand of Golden West Broadcasting, Geoff Poulton of Vista Radio, Richard Lachance of Cogeco Diffusion and Sylvain Chamberlain of Attraction Radio.

The Council held a face-to-face all day meeting on 6 November and identified a number of priorities and action items. Since then progress has been made on a number of fronts:

- We have moved forward to establish a marketing organization that will be a committee of the CAB and report in to the Council for the radio industry. The Council released a press release outlining this new initiative in late January and followed it up with a job posting to a number of industry publications and websites. The new initiative will be headed by an Executive Director, to be located in Toronto. The focus will be to commission new research and collect existing research demonstrating the “radio advantage”. The ED and staff will develop presentations in both English and French to be used with national, regional and local buyers.
- A second major concern is ensuring that radio has an easily accessible place in the digital universe, particularly on computers, mobile devices and in the dashboard of the “smart car”. We believe that our signals are desired by consumers and should be available on all platforms. We are currently examining a number of options for an approach to this matter including enabling the FM chip in certain mobile devices.
- Communicating broadcasters’ concerns about the use of increased Canadian Content Development requirements in instances of non-compliance. The Council intends to use the current radio licence renewal process as an opportunity to raise concerns regarding this practice with a view to at minimum encouraging more transparency in how they arrive at the increased amount of CCD that is imposed on licensees.

CAB Technical Coordinating Committee (TCC) Activities

New Committee Chairs

Last year, Denis Barriault of Dougall Media accepted the role of Chair of the Main Committee of the TCC. In September, John Coldwell of Corus was named Chair of the Radio Subcommittee. The Television Subcommittee is chaired by Bruce Cowan of Corus.

Emergency Alerting

The TCC Emergency Alerting Working Group continues to identify and resolve operational and technical issues. A detailed report was prepared to summarize the poor quality and technical flaws in the alerts that were being issued and distributed over the NAADS system. The reliance by alerting agencies on text to speech (TTS) conversion in broadcaster alerting equipment has led to poor audio fidelity and unintelligible messages caused by incorrect pronunciation, punctuation, acronyms and abbreviations. In addition, the lengthy and repetitive tornado warnings issued by Environment Canada (now known as “Environment and Climate Change Canada”) were described. The report provided support for a joint CAB/CBC letter that was sent to the Pelmorex Governance Council to illustrate the unacceptable state of emergency alerting. In response, Pelmorex has agreed to implement and operate a centralized TTS system to address the quality, intelligibility and consistency of alerts distributed over NAADS. Text to speech software has been selected. Pelmorex will provide the interfaces necessary to meet lexicon requirements and audio specifications for distribution over NAADS.

Environment Canada has proposed to revise its systems and procedures to utilize a “broadcast text parameter” specifically for alerts intended for broadcast. The target is to have the improvements operational by spring 2016. In conjunction, the Common Look and Feel (CLF) Working Group has incorporated the “broadcast text parameter” into the next update of the CLF Guideline, and reduced the maximum message length to 900 characters per language. When implemented, this will shorten the message length and reduce the number of alerts issued by Environment Canada for tornado warnings and other severe weather events.

The TCC Alerting Working Group actively participates in the CLF Working Group to update and improve the guidelines for alert messages. In addition to drafting the update to the Guideline, the CLF WG has been charged with the task of standardizing the list of abbreviations and acronyms that can be used by alerting agencies.

Although the changes described above are not yet completed, broadcasters should be encouraged that significant steps are being taken to improve emergency alerts for the upcoming severe weather season. Stations are reminded to work closely with their emergency alerting equipment vendors to implement software updates when appropriate.

Decision to Repurpose the 600 MHz Band

In August, Industry Canada (now known as “Innovation, Science and Economic Development Canada”) published its Decision to repurpose the 600 MHz Band to mobile services. The full text of the Decision can be found at <http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf11049.html>.

The Department’s decision to jointly repack the TV Band with the FCC in the US may displace UHF TV stations above channel 26. This would have a significant impact on all over the air (OTA) television stations because repacking all existing stations into the remaining TV Bands may require most, if not all, stations to change channel. Analog stations that are required to change channel will also be required to convert to DTV.

The actual amount of spectrum to be repurposed for mobile services in Canada will depend on how much spectrum is vacated by US TV broadcasters in the Incentive Auction, scheduled to commence March 29, 2016. The TCC has submitted a list of “Broadcaster Questions” to the Department in regard to cost reimbursement, how to minimize the number of channel changes, and to clarify certain details in the Decision.

Safety Code 6

Health Canada published a new version of Safety Code 6 in March 2015 to adopt new RF energy safety thresholds for protection of the general public.

Many broadcasters had previously conducted analyses of transmitter sites in 2013 and 2014 to ensure compliance with more stringent RF energy limits. Subsequently, Industry Canada published an update of "Broadcast Procedures and Rules-1, General Rules" to align the document with the changes to Safety Code 6.

The TCC prepared a Technical Bulletin "New Safety Code 6 Guideline in Effect" to advise members of the changes and requirements.

On a related matter, Industry Canada announced in April 2015 that it had been authorized to utilize Administrative Monetary Penalties (AMPS). The Department can impose financial penalties for violations of the use of radio spectrum or radio apparatus in Canada.

Violations can cover a very wide range of potential abuses and apply to all users of radio spectrum, not just broadcasters. The TCC produced a notice to advise members of AMPS, particularly in regard to non-compliance with Safety Code 6.

Next Generation Radio

Technologies are evolving which allow radio stations to connect with listeners in new ways. Two radio conferences in 2015 explored how radio can offer enhanced and interactive content to listeners.

The North American Broadcasting Association (NABA) held a Radio and Audio Symposium in Toronto. The NABA proceedings discussed the opportunities related to the connected car, FM radio in smartphones, HD Radio, and AM revitalization.

The European Broadcasting Union (EBU) held a Digital Radio Summit in Geneva. The EBU conference focused mainly on the development of Hybrid Radio. Hybrid Radio is the linkage of OTA audio programming with enhanced/interactive content delivered over the Internet. An example is Next Radio, which delivers interactive content to FM enabled smartphones in the US. The TCC is continuing to monitor these developments to explore how they may be utilized in a Canadian context.

Spectrum Applications Modernization

Industry Canada is in the midst of a multi-year project called SAM-CSI to completely revamp its software systems for the management and licensing of spectrum. The initiative began in September 2012 and should be completed by March 2016. The TCC worked with Industry Canada and the Radio Advisory Board of Canada (RABC) to update all of the Broadcast Procedures and Rules for AM, FM, TV and DTV to align these documents with the new systems. The updated procedures have yet to be published by the Department. The transition by Industry Canada to the new software systems has led to delays in application processing and other activities of the Department.

If you would like more information about these topics or the activities of the Technical Coordinating Committee, please contact Kirk Nesbitt at aknesbitt@rogers.com.

Closed Captioning: CAB Is Raising the Bar

In June of 2015, the Commission issued a Call for Comments on the accuracy standard for English-language closed captioning of live programming. This Call was the result of patient work from the EBG (private English broadcasters and the CBC) to persuade the CRTC that the existing standard was unachievable and did not result in a fair assessment of the quality of closed captioning.

Broadcasters reported at the end of the first two years that most live programs did not meet the CRTC's accuracy standard which is imposed as a condition of licence on all English-language broadcasters.

The EBG submitted in its report that the Commission's accuracy standard was ineffective in evaluating the quality or accuracy of closed captioning because it measured how close the captions were to a word-for-word verbatim transcript of program audio rather than assessing whether the captions provided consumers with an equivalent experience to that provided to hearing viewers.

The CRTC's proceeding allows the CAB to advocate for a new accuracy standard that is achievable and ensures the provision of high quality closed captioning. However, the CRTC has made it clear that the CAB must work with representatives from the Deaf and hard of hearing communities to ensure that any new standard we put forward for consideration has their support.

An EBG steering committee including representatives of Rogers, Shaw, Bell, Corus and CBC was struck to oversee this process on behalf of broadcasters. Captioning consumers are represented by the Captioning Consumer Advocacy Alliance (CCAA). Representatives from each of these stakeholder groups agreed to form a Working Group to investigate possible models for a new accuracy standard.

The first meeting of the Working Group was held in December 2015 with the assistance of ASL interpretation, and it was agreed that the group would investigate the NER-model, a method of measuring caption accuracy in use in Europe and Australia. Susan Wheeler (Rogers), Liz Thorpe (Shaw) and David Keeble (consultant) attended for the EBG. Caption providers and trainers also took part and the CRTC sent observers.

A research plan was developed by David Keeble and Beverley Milligan of the CCAA to test the usefulness of the NER model with Canadian programming. This involved training evaluators – including broadcasters, captioners and consumers – on the new NER model, using a selection of actual broadcast programs, including sports and discussion shows.

To assist with this training, the Working Group retained the services of Pablo Romero-Fresco, the developer of the NER model, to conduct a series of training webinars (which included ASL interpretation and captioning). The evaluators are still in the process of scoring the test clips under the NER-model. Once testing has been completed, the results will be collated and analyzed to determine if the conditions for a useful accuracy measurement tool have been met.

Once the results are available, the Working Group will evaluate whether the NER model will work in Canada as an assessment tool, and make recommendations on how it might be used by the CRTC to ensure the provision of high quality captioning. The EBG hopes to be in a position to report back to the CRTC by April 22, 2016 with proposed recommendations for establishing a new accuracy measurement tool.