

### Sent via Intervention Form

4 February 2025

Marc Morin Secretary General Canadian Radio-television and Telecommunications Commission Ottawa, Ontario K1A 0N2

Re: Reply Comments of the Canadian Association of Broadcasters with respect to Broadcasting Notice of Consultation CRTC 2024-290

Call for comments – Modernization of radio processes

- 1. As the national voice of small, medium and large Canadian privately-owned and controlled commercial radio stations, the Canadian Association of Broadcasters (CAB) is pleased to provide its comments on the Commission's proposals for reducing and streamlining regulatory processes in the radio sector.
- 2. Of particular note in this proceeding, is the near universal support for reducing reporting and performance evaluation burden and for focusing on encouraging compliance rather than punishing apparent non-compliance. So many parties raised this as a key concern and an area requiring urgent and diligent Commission attention.
- 3. Also of note were the strong positions on the Commission's proposed expansion of exemption orders. Most parties expressed reservations and many opposed. While it is understandable and laudable that the Commission should wish to reduce barriers for entry, particularly for equity-deserving groups, Indigenous operators and official-language minority communities, one of the key messages heard in this public process is that the radio sector is facing considerable financial difficulties and that the entry of new players could have a significant negative impact on existing players on their advertising revenue, tuning levels, and even in terms of competition for talent all of which ultimately impacts their ability to continue to provide service to their communities and support other public policy objectives.
- 4. Having taken note of the submissions filed in response to the Commission's call for comments, the CAB wishes to share the following final observations about what is actually needed to ensure that radio remains culturally dynamic and competitive and can continue to meet the objectives of the *Broadcasting Act*.

# Need 1 – Reduced 'red tape' and streamlined compliance reviews

- 5. The record clearly reflects the immediate and compelling need for reduced reporting burden and streamlined performance evaluation processes. We fully support those parties that argued for the Commission to *encourage* compliance rather than *penalize* for apparent non-compliance, especially since much "non-compliance" is inadvertent.
- 6. We believe a graduated approach like the one we proposed in our initial comments including a step where mistakes are brought to the attention of radio operators, but do not require any further action is a more appropriate and proportionate mechanism for encouraging compliance. And we repeat our recommendation that the Commission conduct a thorough internal review of its reporting requirements to cut back to only those that are actually required and assessed by the Commission. We also recommend that the Commission update its data collection systems and annual return forms, removing unnecessary (legacy) elements, consolidating where appropriate, and eliminating redundancies and duplication. To that end, the CAB would be pleased to develop a proposal and to work with Commission staff on simplifying the annual return and performance evaluation forms and processes.

# Need 2 – A cautious approach to new entrants and expanded exemption orders

- 7. The record is fairly mixed on the question of expanded exemption orders, with many parties opposing them, and others recommending limitations. Cogeco proposed a model where all stations below a certain revenue threshold would be exempt from all but basic obligations, which is something we would support as well. We were also struck by the comments of South Asian Broadcasting Corporation, Multicultural Broadcasting Corporation Inc. and CIRC Radio Inc., who highlighted examples of exempt stations failing to respect their conditions of exemption, competing directly with ethnic broadcasters who are subject to additional more onerous requirements. They also noted the challenges of seeking timely redress through the Commission.
- 8. What is clear, however, is that the Commission must be circumspect in creating any new classes of exemption or in easing the entrance of new players who may have a significant negative impact on the operations of existing radio stations, particularly ethnic stations. Therefore, the Commission must not exempt campus, community or low-power stations in markets already occupied by a radio station (other than the CBC) and must respond quickly to complaints and be vigilant in ensuring that any such stations fully respect their conditions.

# Need 3 – Faster procedures

9. Several intervenors mentioned the need for speedier consideration of amendments and transfers of ownership, and the negative consequences of any delays. While the Act has put certain constraints on the Commission, requiring a public hearing for certain types of applications, we believe the Commission can still make creative use of digital tools to speed the processing of such applications – with non-appearing hearings scheduled more frequently and posted more like Part 1 applications.

10. We also support those that called for the Commission to rethink its approach to technical amendments to ensure that there is no unnecessary duplication of work already undertaken by ISED. In addition, we reiterate our recommendation that the Commission expand the list of applications that can be treated administratively, and where applications are straight forward, we support the OAB's recommendation that the Commission publish decisions without detailed analysis.

# Need 4 – Additional 'touchpoints' and clearer guidance

- 11. We were interested to read the comments of the National Campus and Community Radio Association (NCRA) who opposed exemption orders for community and campus stations and did not support indeterminate licence terms. Their submission raised a number of interesting points about the ability of certain radio stations to fully understand and comply with Commission practices and procedures and their need for touchpoints, like licence renewal proceedings to, among other things, be reminded of their obligations.
- 12. Several parties acknowledged the Commission's simplified licence renewal form and process, as set out in Broadcasting Notice of Consultation CRTC 2022-151, as an important improvement, and recommended that its application be expanded. Similarly, some intervenors specifically mentioned the value of the Commission's *Practical guide to radio licence* renewals and similar guidance. A few called upon the Commission to make itself even more readily available to provide additional guidance and respond to questions, for example, through increasing awareness of the "Single Point of Contact<sup>1</sup> for broadcasters. The CAB and a few other parties also asked for clearer guidance on eligible CCD initiatives, including pre-clearance.
- 13. We believe these are important examples of ways in which the Commission can support the radio sector and help to reduce barriers. We encourage the Commission to expand upon and add to these valuable resources. In addition to simplifying its practices and procedures, the Commission should spend more time assisting parties to navigate Commission processes, and less time on assessing granular details and otherwise hampering the successful ongoing operation of radio stations.
- 14. We also note that renewal proceedings are not the only touchpoint the Commission can provide. As it noted in the call for comments, under the revised Act, the Commission can re-examine conditions of service at any point during a licence term. It can also review compliance at any time and deal with complaints as they are received. None of this need wait for a licence renewal process. Further, under Section 34.01(1) of the Act, the Commission is required to consult with all interested parties every seven years with respect to orders and regulations, which would provide a similar touchpoint opportunity. In addition, the Commission can continue to improve on its engagement with radio stations, for example, through email subscriptions and so on. In our view, therefore, indeterminate licence terms are not an impediment to meeting the NCRA's needs.

<sup>&</sup>lt;sup>1</sup> Support for broadcasting undertakings/services: 1-866-781-1911, found here.

## Need 5 – Recognition of the important role played by ethnic broadcasters

- 15. Among its objectives for the present proceeding, the Commission has highlighted as a goal the reduction of barriers to entry for new radio operators, particularly those from equity-deserving groups. As noted above, the CAB believes this to be a laudable goal, however, the Commission must also recognize and not undermine the important role ethnic broadcasters play in supporting Canadian diversity objectives, in particular, by providing programming by and for equity-deserving groups.
- 16. In addition to minimizing regulatory and administrative burden for all radio stations, in the ways highlighted in our submission and these reply comments, the Commission must pay particular attention to the needs and interests of ethnic broadcasters, and seek to minimize their particular burdens, including, for example, reducing rigid ethnic content quotas in favour of incentive-based approaches. The Commission must also recognize important changes in the market for ethnic-based media, including changing consumer behaviour, multi-generational listening habits, and the need for blended language programming and fusion content (e.g. South Asian hip-hop, Afrofuturism storytelling, multilingual talk shows, etc.).
- 17. At the same time, as highlighted above, in considering ways to open up the radio market, the Commission must be particularly sensitive to the potential impact of new, less-regulated entrants on licensed and highly-regulated ethnic broadcasters. Implementation of pre-emptive relief through the measures identified in this submission, and, where appropriate, quick adoption of corrective measures (e.g. in cases of stations operating outside the conditions of an exemption order) will help to rectify imbalances in the regulation of radio stations serving diverse listeners, and will benefit disadvantaged ethnic broadcasters and ultimately the system as a whole.

### Conclusion and recommendations

18. In conclusion, the CAB calls upon the Commission to:

- adopt a graduated approach to compliance monitoring, focusing on egregious or repeated non-compliance rather than unintentional non-compliance and taking a higher level view rather than focussing on granular details that do not support the objectives of the Act;
- modernize its data collection systems (including DCS), consolidate annual report forms, and delete legacy reporting requirements, focusing only on those reports that are truly important to the supervision of the broadcasting system and are actually used by the Commission;
- modernize its approach to CCD compliance checking including adopting a preclearance process, accepting CCD payments "as reported" for any event that happened one year prior to any Commission evaluation, and permitting discretionary CCD funding to be directed to local news;
- set up and maintain the promised Canadian content database, and no longer call upon individual radio stations to confirm the "Canadian-ness" of musical selections, particularly those that have been previously accepted as Canadian;

- lift the moratorium and review internal procedures to ensure that applications are published expeditiously and that decisions can be issued more quickly;
- increase the ownership limits and no longer require prior approval of LSAs or of LMAs up to the ownership limits proposed by the CAB in its initial submission.
- 19. Further, the CAB recommends indeterminate licence terms, with a focus on dealing with any compliance questions or complaints more expeditiously (rather than only at licence renewal).
- 20. Finally, while we support the Commission's objective to increase ease of entry into the radio sector, particularly for underrepresented groups, we recommend that the Commission approach expanded exemptions in a way that does not harm existing licensees and that respects their important contributions to their local communities and the objectives of the *Broadcasting Act*. More specifically, the CAB recommends that:
  - Exempt community, developmental and low-power stations only be permitted in markets where no other station (other than a CBC station) is licensed to operate in the same language (or languages),
  - exemptions not be granted where there is frequency scarcity,
  - once an exempt station reaches a certain advertising revenue level, it must seek a licence and be subject to similar obligations as commercial radio stations,
  - any entry by a new provider to a market must be subject to a rigorous market assessment that seriously considers the true capacity of the market to sustain an additional radio station operator, and
  - the entry of new players be carefully scrutinized to ensure minimal impact on licensed broadcasting services, particularly ethnic broadcasters.
- 21. The CAB would happily make itself available to assist the Commission with any streamlining initiatives it may wish to undertake, including participating on or organizing working groups on any matter that may assist the Commission in its re-evaluation of its administrative processes.
- 22. All of which is respectfully submitted.

Yours sincerely,

**Kevin Desjardins** 

President | Canadian Association of Broadcasters

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