



Broadcasting Regulatory Policy CRTC 2013-476

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Route reference: 2013-298

Ottawa, 6 September 2013

Amendments to the *Radio Regulations, 1986* concerning basic Canadian content development contributions and the addition of a definition of the Community Radio Fund of Canada

The Commission announces that it has amended section 15(2) of the Radio Regulations, 1986 (the Regulations) in order to relieve licensees of commercial or ethnic radio stations with total revenues of \$1,250,000 or less of the requirement to make basic Canadian content development contributions. The Commission has also made a related amendment deleting section 15(4).

Further, the Commission has added a definition of the Community Radio Fund of Canada to section 15(1).

These amendments will simplify the administration of the current policy, while reducing the regulatory burden on the smallest stations and maintaining an appropriate level of funding for Canadian music initiatives.

The amendments were published in the Canada Gazette, Part II, on 14 August 2013. They have come into effect on 1 September 2013. A copy of the amendments is appended to this regulatory policy.

Introduction

1. In Broadcasting Regulatory Policy 2013-297, the Commission announced its intention to amend the *Radio Regulations, 1986* (the Regulations) to delete the requirement for commercial or ethnic radio stations with total revenues of \$1,250,000 or less to make basic Canadian content development (CCD) contributions.
2. At the time, the Commission considered that this change would simplify the administration of its current policy and reduce the regulatory burden on the smallest stations, while maintaining an appropriate level of funding for Canadian music initiatives. The Commission considers that the current funding level will be sustained through CCD contributions resulting from tangible benefits from ownership transfers, over-and-above contributions by newly licensed stations and particular CCD requirements imposed by condition of licence for stations with revenues exceeding \$1,250,000.
3. In Broadcasting Notice of Consultation 2013-298, the Commission called for comments on, among other things, the wording of the proposed amendments to

section 15(2) of the Regulations to implement changes to the administration of the CCD policy, as set out in Broadcasting Regulatory Policy 2013-297.

Interventions

4. The Commission received interventions in support of the proposed wording from CKUA Radio Network and Canadian Hellenic Cable Radio Ltd., interventions opposing the wording from the Canadian Independent Music Association (CIMA), the Canadian Council of Music Industry Associations (CCMIA) and the Association québécoise de l'industrie du disque, du spectacle et de la vidéo (ADISQ), as well as general comments from Newcap Inc. (Newcap), the Community Radio Fund of Canada (CRFC) and the Broadcast Educators Association of Canada (BEAC). The public record for this proceeding is available on the Commission's website at www.crtc.gc.ca, under "Public Proceedings."
5. In their interventions, CIMA and the CCMIA both objected to the Commission's decision to exempt from the CCD contribution requirements stations whose total revenues are \$1,250,000 or less. ADISQ argued that there were no public consultations concerning stations whose annual revenues are between \$625,000 and \$1,250,000, and requested that stations with revenues of more than \$1,250,000 absorb the effects of the amendment to the Regulations by contributing an additional \$1,000 per year.
6. In its comments, Newcap indicated that it considered the regulation as proposed is not sufficiently clear. According to Newcap, the lack of clarity results from the fact that the new wording is limited to stations with revenues exceeding \$1,250,000, but is silent regarding other stations.
7. The BEAC proposed that the CCD policy be amended to allow post-secondary institutions to receive contributions.
8. Lastly, the CRFC proposed adding a definition of its organization, which would read as follows:

The Community Radio Fund of Canada (CRFC) is an independent not-for-profit funding organization that has been certified by the Commission. Its mandate is to provide support to the campus and community radio stations in Canada and to foster a well-resourced, dynamic, and accessible sector. The CRFC distributes funds for the development and sustainability of local not-for-profit volunteer-driven community radio broadcasting.

Commission's analysis

9. The Commission is of the view that it has already considered most of the interventions and comments received, specifically those from Newcap, CIMA, the CCMIA and ADISQ, during the public process on the administration of the CCD policy and in its deliberations that led to the amendments set out in Broadcasting Regulatory Policy 2013-297. The Commission reiterates that the purpose of

Broadcasting Notice of Consultation 2013-298 was to implement the proposed amendments while taking into account the comments of the interested parties and not to call into question the merits the regulatory policy.

10. As for the comment from the BEAC, the Commission considers that it addresses the foundations of the policy on CCD contributions since it concerns the types of projects eligible for contributions. Accordingly, the comment exceeds the framework and objective of Broadcasting Notice of Consultation 2013-298.
11. In the [CRTC Three-Year Plan 2013-2016](#), the Commission announced that in 2013-2014 it would initiate a public process relating to its commercial radio policy with the objective of making the regulatory framework more effective and easier to administer. The Commission also announced that this proceeding could include a follow-up to the process of revising the administration of the CCD policy. Accordingly, the Commission invites interested persons to submit their comments on this matter in the context of the future public proceeding.
12. The Commission partly agrees with the CRFC's proposal regarding the definition it proposed for its organization. Accordingly, the Commission has made changes to the definition proposed, such that it is essentially designated as an independent not-for-profit funding organization.

Conclusion

13. In light of the foregoing, the Commission has adopted the amendments to the *Radio Regulations, 1986* as proposed, including the aforementioned addition concerning the definition of the CRFC, as amended by the Commission. The *Regulations amending the Radio Regulations, 1986* were registered on 31 July 2013. A copy of the amendments to the *Radio Regulations, 1986* is appended to this regulatory policy. These amendments were published in the *Canada Gazette, Part II*, on 14 August 2013.

Secretary General

Related documents

- *Call for comments on amendments to the Radio Regulations, 1986 relating to Canadian content development*, Broadcasting Notice of Consultation CRTC 2013-298, 21 June 2013
- *Changes to the administration of the Canadian content development policy for commercial and ethnic radio*, Broadcasting Regulatory Policy CRTC 2013-297, 21 June 2013
- *Call for comments on proposed administrative changes relating to the Canadian content development policy for commercial radio*, Broadcasting Notice of Consultation CRTC 2011-796, 20 December 2011
- *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006

Appendix to Broadcasting Regulatory Policy CRTC 2013-476

REGULATIONS AMENDING THE RADIO REGULATIONS, 1986

AMENDMENTS

1. (1) Subsection 15(1) of the *Radio Regulations, 1986*¹ is amended by adding the following in alphabetical order:

“Community Radio Fund of Canada” means the independent not-for-profit funding organization known as the Community Radio Fund of Canada Inc. (*Fonds canadien de la radio communautaire*)

(2) Subsection 15(2) of the Regulations is replaced by the following:

(2) Except as otherwise provided under a condition of its licence that refers expressly to this subsection and subject to subsection (3), an A.M. licensee, F.M. licensee or digital radio licensee that is licensed to operate a commercial station or ethnic station shall, if the licensee’s total revenues are more than \$1,250,000, contribute annually to eligible initiatives \$1,000 plus one half of one percent of those revenues that are in excess of \$1,250,000.

(3) Subsection 15(4) of the Regulations is repealed.

COMING INTO FORCE

2. These Regulations come into force on September 1, 2013.

¹ SOR/86-982