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December 1, 2017

Chris Seidl  
Acting Secretary General  
Canadian Radio-television and Telecommunications Commission  
Ottawa, Ontario, K1A 0N2

Secretary General,

**Re: Broadcasting Notice of Consultation CRTC 2017-359  
Call for comments on the Governor in Council's request for a report on future  
programming distribution models**

1. The National Campus and Community Radio Association/L'Association nationale des radios étudiantes et communautaires ("NCRA/ANREC") is a not-for-profit national association working to recognize, support, and encourage volunteer-based, non-profit, public-access campus, community and native radio broadcasters in Canada. We provide advice and advocacy for individual campus and community ("c/c") stations and conduct lobbying and policy development initiatives with a view to advancing the role and increasing the effectiveness of our sector. Our goals are to ensure stability and support for individual stations, and to promote the long-term growth and effectiveness of the sector.
2. The NCRA/ANREC currently has 108 member stations. Most of our members are located in English-speaking communities, and broadcast mainly in English, but serve a diverse range of cultural, social and linguistic communities. We have several Native B and French-language or bilingually-licensed members, although most French-language c/c stations are members of either of the French community radio associations: l'Alliance des radios communautaires du Canada ("ARCC") and l'Association des radiodiffuseurs communautaires du Québec ("ARCQ").
3. The NCRA/ANREC, the ARCC and the ARCQ work independently to benefit their member stations, but they communicate and collaborate on some large sectoral initiatives; for example, the Community Radio Policy Review ("CRTC 2010-499"), copyright tariffs proceedings with the Copyright Board of Canada, and the development of the Community Radio Fund of Canada ("CRFC"). Together we represent 85% of the licensed c/c radio stations in Canada. In this submission, the NCRA/ANREC will speak mostly about the English-language portion of the sector, recognizing that there is also a vital and dynamic French c/c radio sector in Canada that

shares many of our struggles and successes. We hope to submit a joint submission with the ARCC and the ARCQ in the second phase of this proceeding.

### **THE QUESTIONS IN NOTICE OF CONSULTATION 2017-359:**

4. Our responses to the questions in the Notice of Consultation are below, and are based on information we obtained through research and polling of our members.
5. Before turning to the questions, we note that there is no “typical” c/c station and no typical business model. Factors that may affect the ability of stations to adjust to changing conditions in their market include: size of community, staff or volunteer capacity, diversity and consistency of revenue sources, institutional support, and presence of other media. Stations in our sector vary widely: some are in tiny rural communities with no staff, a small group of volunteers, and budgets of less than \$5,000, like CJUC-FM in Whitehorse, YK, or CHBB-FM in Norris Point, NL; some are medium-sized with a few staff and budgets in the range of \$150,000 to \$350,000 like CKDU-FM in Halifax, NS; and a few are in large urban areas with up to seven staff, 200 volunteers, and an annual budget of more than \$800,000, like CJSW-FM in Calgary, AB.
6. We also draw the Commission’s attention to an omnibus poll<sup>1</sup> commissioned by the NCRA/ANREC in August 2017 from Abacus Data, which found that approximately 5% of Canadians listen “regularly” to c/c radio, and 14% listen “occasionally”. Further, 25% of adults aged 18-29 and people born outside of Canada, and 33% of people who described themselves as active in community affairs and politics identified themselves as c/c radio listeners.<sup>2</sup>

### **Q1. How is the growth in online audio and video consumption changing the business models of program creators and distributors? What are the new models?**

7. Our stations are adding new distribution methods, while retaining their terrestrial over-the-air radio (“OTA” radio) service, and adapting to other industry changes in technology. Some are diversifying their revenue sources and growing their listener bases by reaching listeners outside of their licensed broadcasting areas. We will discuss the development of new distribution models and the resulting growth of listenership below. We will address the diversification of revenue sources under Q2.

### **NEW DISTRIBUTION MODELS:**

8. The most common distribution model in our sector combines OTA radio and digital distribution. This hybrid model is about meeting our audiences where they are. OTA radio continues to be an important way to reach our listeners. Many surveys have found that a lot of radio listening happens in vehicles, and this percentage has remained relatively stable.<sup>3</sup>
9. As new technologies are installed, the future of FM radio in new vehicles is uncertain. But at this time, it appears consumers still want radios in their cars. There was recently a public outcry when

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<sup>1</sup> The Audience for Campus & Community Radio in Canada: A National [Survey](#) of 2,000 Adult Canadians, August 2017.

<sup>2</sup> The 5% of regular listeners figure is higher than the Numeris audience measurement in the CRTC’s Communication Monitoring Report (2% tuning share in English, 4% tuning share in French). Numeris tracks listenership over one isolated week, which could indicate the broadcaster’s “market share” (number of ads heard by listeners) in order to confirm investment value. We believe the Numeris share doesn’t capture the tendency of c/c listeners to seek out and listen to a variety of media sources, including CBC. Nor does Numeris record the 14% of “occasional” listeners who do not necessarily listen every week. We have attached this report in our submission.

<sup>3</sup> [The Infinite Dial](#) Edison Research/Triton Digital AM/FM radio still the top audio source...for 82% of respondents; Numeris: [How Canada Listens](#) ; OFCOM: The UK Communications Market, p. 125.

the new Tesla Model 3 was FM-radio-free, and Tesla has since confirmed that they will activate radio and Bluetooth media streaming via an over-the-air update.<sup>4</sup> And of course, even if radios become less common in new vehicles, they will still be present in older models. We are aware that people also want to enjoy the opportunities that the “connected car”<sup>5</sup> will provide, and so the NCRA/ANREC has negotiated partnerships with iHeartRadio and RadioPlayer, which have both been added to connected cars and other smart devices. This will allow some c/c stations to make their programming available on them. Without those partnerships, the cost of participating on those platforms would have been too costly for most c/c stations.

10. OTA radio will also continue to be important, especially in rural areas where broadband is expensive or unavailable. A handful of our members are located in areas not yet served by broadband, and, where it is available, costs vary between urban and rural<sup>6</sup> areas.<sup>7</sup> Some of our rural stations report that high broadband costs affect their ability to simulcast or podcast effectively. There are fewer cell phone data plans in rural areas, and reception is limited, so more people listen OTA. As the price of cellular data comes down and the availability of free public WiFi increases, some of these listeners will probably move towards online listening at least some of the time, as they have in urban areas. OTA radio has also proven to be an excellent tool for emergency broadcasting in rural areas. For example, CJLY-FM in Nelson, BC was recently the only source of emergency information operating in the region during a half-day power outage.
11. Most of our members have a basic digital presence (a website, a simulcast, and social media). Between 1/3 and 1/2 of our members also offer archived streams or downloads and/or podcasts for on-demand listening. Some want to offer online archives but have not done so due to bandwidth and digital storage costs, lack of volunteer or staff capacity and technical expertise, or concerns about future copyright tariffs.
12. Campus stations in urban centres usually have sophisticated digital platforms because they tend to have stable funding, staff capacity, and infrastructure. Here are four examples:
  - CHRY-FM (Toronto, ON), branded as VIBE 105 FM, has had enormous success reaching listeners through streaming via web and app platforms.
  - CJSW-FM (Calgary, AB) recently set up a new podcasting system and website. They believe the cost was worthwhile since their web traffic has increased considerably, and built-in features will allow them to adapt to changing technologies. They podcast all OTA programs and offer web streams in addition to their OTA content. These web streams enable them to fill specific community niches, train more volunteers, and offer them more programming opportunities, as well as flexibility in scheduling, show length, and content.
  - CKUT-FM (Montreal, QC) simulcasts and is also available on Bell Express Vu, and the TuneIn and Radioplayer Canada apps. They provide downloads and podcasts of archived content, including some shows not part of their OTA radio programming. They are designing a system to automate generating RSS feeds of archives that correspond to various podcatchers’ distribution standards and they hope to have all of their OTA radio

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<sup>4</sup> Owen, Laura Hazard, Self-driving cars are coming faster than you think. What will that mean for public radio?

<sup>5</sup> Connected Car News <http://www.connectedcar-news.com/>

<sup>6</sup> According to the 2011 Census, more than 6.3 million Canadians live in rural areas.

<sup>7</sup> CRTC Communications Monitoring Report “The price of 5 Mbps Internet service was generally higher in rural communities than in urban centres, except in NB and Nunavut. The price of 5 Mbps Internet service in rural communities varied from lows of between \$25 and \$70 per month, and highs of between \$70 and \$93 per month. Internet service subscribers in rural communities generally had fewer service providers to choose from than subscribers living in urban centres..”

programming podcasts on iTunes, Google play store, and Stitcher. Their objective is to incur minimal cost while distributing OTA programming and new content in podcast form.

- CFMU-FM (Hamilton, ON) recently shifted their business model after it became clear that radio alone was not going to sustain the station. Part of their strategy was to create a new fully mobile website including streaming and podcasting, a blog, and video. They also developed a social media plan to promote the three elements (audio/print/video) with one main objective: to have all new elements funnel back into radio programming, which is still the foundation of their operations.

13. Podcasting has recently seen huge growth.<sup>8</sup> Some of our stations have podcast for years, and podcasting has much in common with the c/c radio model: both offer a degree of creative autonomy and a platform for anyone with the capacity, resources and desire to host, curate, and distribute one. A number of well-known Canadian podcasters<sup>9</sup> started off in the c/c sector, and some are still c/c radio volunteers.
14. Approximately 1/3 of our members already podcast an average of 25% of their programming, but some larger stations podcast most or all of it. Some stations do not podcast, but encourage programmers to host their own programs on commercial services. Some programmers even pay out-of-pocket for their own web hosting and associated costs. Many stations have not developed effective podcasting models for the same reasons they have not developed downloadable or streaming archives; insufficient bandwidth or digital storage capacity and infrastructure; and uncertainty about future tariffs.
15. Shifting their business models presents challenges for many c/c stations. Adapting to new technology requires time, knowledge and resources. Software and hardware need to be updated regularly, and can be costly unless open source options are available. This is a challenging burden for any non-profit organization. Many c/c stations work with aging equipment, limited funds, and low levels of technological expertise, and they can't always seize an opportunity or adapt quickly if circumstances change. For example in 2016, some of our small and medium-sized members requested extensions of time to comply with the NPAS emergency broadcasting requirement.

## **INCREASING LISTENERSHIP AND ENGAGEMENT:**

16. Our stations continue to be locally-focused, for both listeners and revenue. Even as their online presence expands, they will continue to need physical spaces to meet, learn broadcasting and production skills, create programming, and house the equipment and other physical resources that support their activities. Access to new distribution technologies has allowed our stations to increase their listenership by offering people within their geographic market more ways to access their content, and by reaching new listeners nationally and internationally. Digital distribution can

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<sup>8</sup> "[The Canadian Podcast Listener](#)" Summer 2017, Audience Insights and Ulster Media "More than seven in ten podcast listeners started listening in the past three years" ; OFCOM: UK Communications Market: Radio & Audio p98 "broadcasters are repurposing some speech-based radio output as podcasts and that the distinction between radio content and podcasts is starting to blur" ; "The Canadian Podcast Listener" Summer 2017, Audience Insights and Ulster Media: "34% of Canadian adults have listened to podcasts in the past year, and listening peaks among 18-34 year-old men with a university education, and households incomes over \$100K." ; OFCOM: The UK Communications Market: Radio and Audio p98: "Newspapers and magazines including the Guardian and the Economist are creating and distributing their own podcasts to expand their reach and deepen their relationship with their audiences".

<sup>9</sup> A few examples: Jesse Brown, Canadaland; Victoria Fenner, Rabble Podcast Network; Adam Grove, Cash Cab; Otis Jiry, Chilling Tales For Dark Nights; Gordon Katic, Cited; Jon Steinman, Deconstructing Dinner.

also open doors for stations in areas where topography prevents easy OTA radio transmission, or where spectrum is scarce.

17. 20 years ago listener engagement happened by telephone, live remote broadcasts, contests, posters, newsletters and publications, in-person visits, and postal mail. Our stations still use all of these methods, but they also use new electronic methods, including social media, online surveys, and instant messenger to get people involved. Some have even had success incorporating Facebook Live or other social broadcast services, like Riot Radio (Oshawa, ON), an online-only station that uses Ustream.<sup>10</sup>
18. High capacity stations in our sector have always embraced many formats and technologies for reaching their communities (newsletters, print publications, blogs, live shows, training videos, awards, etc.) and we see this becoming even more pronounced as new online tools are introduced.

**Q2. Content is generally monetized through advertising, subscription and/or transaction revenues. How are new business models shaping the evolution of these revenue sources?**

19. So far the new distribution models we discussed in response to Q1 are not yet shaping the evolution of these revenue sources in the c/c sector. C/c stations' commitment to public access mean that they can't reasonably implement systems for collecting subscription or transaction revenue for the content they produce, and our sector's advertising revenues are still mostly associated with OTA advertising, for reasons discussed below.
20. OTA radio advertising accounts for a significant portion of c/c stations' incomes, especially community stations.<sup>11</sup> While the CRTC Communication and Monitoring Report ("CMR") appears to show an increase in total advertising dollars flowing to community radio stations from 2012 to 2016, this figure does not take into account an increase in the number of stations reporting.<sup>12</sup> We believe that online listening will continue to increase, and a corresponding decrease in OTA radio listening might occur. It is unclear what effect that will have on OTA radio advertising. If OTA radio advertising revenue decreases, we are uncertain if c/c stations will be able to generate enough revenue from online advertising to make up the difference, or if it will need to be found from other sources. C/c stations' hyper-local content continues to attract local business advertising. Our online-only members have capitalized on this by producing hyper-local content and attracting local business advertising despite their online-only status.
21. To our knowledge, c/c stations' digital advertising revenue is currently minimal; a few c/c stations do a tiny amount of online advertising, mostly for local businesses and services in their communities. However, a 2016 report found that Internet advertising revenue in Canada exceeded other types of advertising and reached nearly \$4 billion in 2014,<sup>13</sup> and that figure would be higher today. This trend has not yet reached the c/c radio sector, and most stations have reported that their efforts to monetize their websites have not succeeded.

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<sup>10</sup> <http://www.ustream.tv/channel/sariotradio>

<sup>11</sup> CRTC CMR 2017 states that advertising is 46.2% of total annual revenues for community stations, and 9.3% for campus stations.

<sup>12</sup> *Ibid.* When the revenue is averaged, the figures show an effective decrease of approx \$3,000 per year per station.

<sup>13</sup> Source: Peter Miller and Nordicity 2015, Canadian Television 2010, Technological and Regulatory Impacts.

22. We do not know if it will be possible for stations to effectively monetize podcasts or what will be an effective method for doing so. We note that there is research is being done to measure the effectiveness of brand advertising in podcasts.<sup>14</sup>
23. Currently there is inconsistency about whether c/c podcasts of OTA radio programs include original OTA radio advertising. Whether ads will be included in podcasts is usually not addressed in ad sales agreements. However, since podcasts are often distributed nationally or internationally, it seems unlikely that including OTA radio advertisements for small local businesses in podcasts would be suitable as a means of raising revenue.
24. Eventually our sector will have to develop viable online advertising models. But when we do, we expect it to lead to increased copyright tariffs since the current tariffs are based on evidence that little to no revenue is being generated by c/c stations' online music services.
25. Campus stations in urban centres are in the best position to benefit from the shift towards more online listening because they are usually less reliant on OTA radio advertising, have a student levy,<sup>15</sup> and generate additional revenue with funding drives, donations, and project grants, so OTA advertising makes up a relatively small part of their revenue.<sup>16</sup> Campus stations often share campus infrastructure and bandwidth for low cost, which also helps stations develop a vital online presence. Students are involved as listeners and volunteers, and they are statistically more likely to listen online.<sup>17</sup> Campus stations also often provide the only local third language content for many cultural communities, and these communities, which include international listeners, often support the station generously during funding drives.
26. It was noted in the CMR 2017 that, on average, Canadian Content Development ("CCD") funding has decreased 3.9% annually over the past five years.<sup>18</sup> Our stations currently benefit from the Community Radio Fund of Canada's ("CRFC") funding programs, which are funded largely through CCD. Should these funds continue to decrease, this may impact our sector significantly.
27. The availability of online platforms has created additional opportunities for c/c stations to develop new fundraising strategies and publicize traditional ones.<sup>19</sup> Crowdfunding campaigns to raise funds for specific initiatives, "donate" buttons on stations' websites, and targeted online donor campaigns all offer potential for stations to fundraise online.

**Q3. Many new business models are global. How will the growth of a global content rights market affect business models?**

28. We do not have any comments in response to this question.

**Q4. Given Canadians' ever-increasing demand for data to stream audio and video content on fixed and mobile broadband networks, how will these networks keep pace with future capacity requirements, particularly in rural and remote areas?**

29. We do not have feedback on this question, as it falls outside of our specialization, however, we note that we welcomed the CRTC's policy decision in December 2016 to declare broadband

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<sup>14</sup> PodcastOne/Edison study reveals effectiveness of brand advertising in podcasts.

<sup>15</sup> Campus stations in our sector average about 55% of their revenue from student levies.

<sup>16</sup> Campus-community licensed stations' percentage of revenue coming from advertising averages 9.3%, as compared to 46.6% for non-campus community licensed stations, [CRTC Communications Monitoring Report 2016](#)

<sup>17</sup> Adults aged 18-24 listen to an average of 8.7 hours of radio per week, about two-thirds to one half the listening time of older adults. CRTC [Communications Monitoring Report 2017](#).

<sup>18</sup> CRTC Report: [Canadian Content Funding Declining](#), FYI Music News.

<sup>19</sup> Our community stations average about one quarter of their revenue from various fundraising sources.

Internet access an essential service, as we believe it will help underserved c/c stations and individuals in rural and remote areas.

30. We also note that, until broadband access is equally available at reasonable prices across all parts of the country, technologies like OTA radio will continue to play a critical role in informing and entertaining communities and providing emergency information.
31. On this topic, we informed the Commission in our submission to [Telecom Notice of Consultation CRTC 2016-192](#) about the NCRA/ANREC's [Free Radio on my Phone](#) campaign to encourage cell phone manufacturers to unlock the "FM chip" in their phones. This technology can be operational without broadband access and can therefore provide Canadians with a free, accessible alternative to data streaming, and a method of communicating during emergencies when data may not be available because of capacity issues or cost restrictions.

**Q5. Canadians currently enjoy audio and video content through a combination of traditional broadcast and Internet-based services. How will consumer behaviour evolve in the next five years? What factors will influence this evolution?**

32. We believe that c/c stations will continue to use both OTA radio and online models to distribute content and that people will continue to consume content both ways. C/c stations' use of internet-based services will likely become more sophisticated during this time, but we do not believe it will replace OTA services. Beyond that we do not have enough information to predict how consumer behaviour will evolve in the next five years as it pertains to our sector.
33. However as content markets globalize, we believe there will continue to be an interest in accessing local news, artists, and information, and our sector will be well-placed to fill that need. It is worth noting that there continue to be groups interested in starting new c/c OTA radio stations in communities that don't yet have one; last year 40% of new radio broadcasting licenses went to community stations. So at this stage we do not see the level of interest in OTA radio waning despite the introduction of internet-based services.

**Q6. From whom will Canadians access programming in the future? For instance, will Canadians look to traditional or online providers? Global or domestic providers? Content aggregators or multiple distributors?**

34. We do not have any comments in response to this question.

**Q7. What are the characteristics of a vibrant domestic content creation and distribution market?**

35. Availability of diverse local content is critical for a vibrant domestic market, and for community identity and cohesion. In 2017, the Standing Committee on Canadian Heritage identified local programming as "the cornerstone of the Canadian media system."<sup>20</sup> C/c stations safeguard and cultivate local programming in an increasingly global market.
36. While our stations are locally-oriented, we also provide locations where creators can enter international markets. Some of our stations broadcast unique programming that is also of interest to audiences outside of their OTA radio signal range. For example:
- CHOQ-FM (Montreal) created a mini-series looking into the cultural impact and significance of mustard. This innovative, well research show was podcast and

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<sup>20</sup> CHPC, Disruption: Churning and Change, p21

downloaded by thousands of listeners in France. The station has had other success exporting programs to French markets.

- “Voice of Eritrea” airs on CKDU-FM (Halifax, NS) with a very loyal fanbase listening to the live stream in Eritrea.
- “Radyo Pilipino” has aired on CJSW-FM (Calgary, AB) for 20 years and consistently raises more money than most other programs during the station’s annual funding drive. It is broadcast and podcast by CJSW-FM and is also available to listeners in the Philippines and worldwide on various audio sites.
- “Alternativa Latinoamericana” on CFRU-FM (Guelph, ON) features culture, music, and politics about Central American communities and communities in Canada. It routinely attracts 4,000-5,000 listeners online in Central America.

**Q8. Will new business models support a vibrant domestic content and distribution market? If so, which ones and why? If not, what content or distribution services would be missing?**

37. It is not clear to us whether new business models will ensure the long-term viability of the c/c sector. C/c stations almost always have less revenue than commercial or public media services, in large part because they are mandated to be not-for-profit, community-access, and volunteer-driven. Even small decreases in revenue can have significant effects. So while c/c stations will have to adapt to changing technologies and listener preferences, there is the question of capacity, and some smaller stations may not change their focus on AM/FM broadcasting or current revenue generating activities, at least not in the short term.
38. Since music labels and independent artists are unlikely to continue providing CDs to radio stations indefinitely, the NCRA/ANREC is developing a service to help distribute domestic content more efficiently. The [learshot Digital Distribution system](#) (“leDDs”), is an online database where Canadian music labels and independent musicians can upload and share songs to promote radio airplay. The system will give c/c radio stations across Canada free access to the music uploaded, and weekly digests based on their areas of interest.
39. The leDDs will reduce the physical inventory and management overhead of running a c/c radio station, and improve the visibility of engagement statistics to help music distributors and labels promote their signed artists. We expect this system to be a game-changer for the c/c sector, independent Canadian musicians, record labels, and music distributors. It will save artists up to 70% of distribution costs, and also increase their discoverability. It will launch in spring 2018.
40. The NCRA/ANREC is also developing a national podcasting network: a public-facing central repository for c/c stations’ podcasts. This network will allow listeners to access hundreds of original and unique c/c sector podcasts in one location, and sort by genre, mood and theme.
41. Finally, CJRU-AM (Toronto, ON) is developing the [enRUe app](#), so citizen journalists can record, share, and upload audio collaboratively from their phones, see others’ edits, and comment in real time. We anticipate this tool will be useful both in the c/c sector and to other independent journalists and will support the development and distribution of the content they produce.

**Q9. What are the legislative, public policy or regulatory measures currently in place that will facilitate or hinder a vibrant domestic market? What needs to stay in place? What needs to change?**

42. As mentioned, the uncertainty around future online copyright tariffs is one factor that is preventing some c/c stations from taking full advantage new online distribution models. The NCRA/ANREC’s

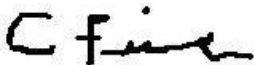


leDDS program will require musicians to indicate if they are providing a release for use of their material within podcasts, which is one way of addressing this issue.

43. The explicit recognition of community broadcasters in Section 3(1)(b) of the *Broadcasting Act* is very important to us, as it acknowledges the special role we play within the broadcasting system alongside private and public elements, and ensures consideration of our sector in policy development and competitive proceedings. Because this recognition has supported our sector and fostered its development and growth, we are now in a position to contribute to a vibrant domestic market. We believe this recognition is vital and should continue.
44. The Order in Council requesting a report from the Commission on future programming distribution models refers to Canada's ratification of the UNESCO Convention, which reaffirms the right of States to adopt cultural policies and "*that freedom of thought, expression and information, as well as diversity of the media, enable cultural expressions to flourish within societies*".<sup>21</sup> We appreciate that the government considers it a fundamental pillar in its approach to culture in trade negotiations, including the current NAFTA talks. We are aware that the United States is contemplating repealing net neutrality and since our economies are so closely tied, we expect that some effects will be felt in Canada. We are pleased that the Commission confirmed in April that it would uphold the ideals of net neutrality, and we add our collective voice to others speaking in favour of it. We believe maintaining net neutrality will help increase possibilities for the discoverability of independent Canadian creators on a globalized internet.

#### CONCLUSION:

45. Thank you for your consideration of our feedback and we look forward to participating in the second phase of this proceedings.



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Board of Directors, Regulatory Affairs Committee  
NCRA/ANREC



Barry Rooke  
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NCRA/ANREC

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<sup>21</sup> UNESCO [Convention](#) on the Protection and Promotion of the Diversity of Cultural Expressions, preamble