

LISTNUM 1 \ 17901 I would now call on the next appearing participant at the National Campus and Community Radio Association. L'association nationale des radios étudiantes et communautaires.

LISTNUM 1 \ 17902 THE CHAIRPERSON: While they're setting up, we'll take a brief five minute break.

LISTNUM 1 \ 17903 Nous reprendrons dans cinq minutes.

Recessed at 2043 / Suspension à 2043

Resumed at 2052 / Reprise à 2052

LISTNUM 1 \ 17904 THE CHAIRPERSON: It appears as though we'll complete the Wednesday line up tonight and in the spirit of optimism, we may actually, at the rate we're going, be able to complete the hearing by the end of the day tomorrow.

LISTNUM 1 \ 17905 To that end, the Secretary of the hearing will contact those parties who were supposed to be here on Friday, advising them to appear tomorrow afternoon towards the later part of the afternoon.

LISTNUM 1 \ 17906 Madam Secretary, call the next item, please.

LISTNUM 1 \ 17907 THE SECRETARY: Thank you, Mr. Chairman.

LISTNUM 1 \ 17908 Ms Melissa Kaestner is appearing on behalf of the participant. If you would please introduce your colleague and then you will have ten minutes for your presentation. Thank you.

PRESENTATION / PRÉSENTATION

LISTNUM 1 \ 17909 Ms KAESTNER: Thank you.

LISTNUM 1 \ 17910 Good evening members of the Commission. My name is Melissa Kaestner and I'm the National Coordinator for the NCRA. Here with me to present our submission is Chad Sanders NCRA Treasurer and CJAW Calgary Station Manager. Ms Teresa Ward, NCRA Advisory Board Member and CHSR Fredericton Station Manager and John Harry Stevenson, NCRA Advisory Board Members and CHUO Ottawa Board of Directors.

LISTNUM 1 \ 17911 We are pleased to have this opportunity to address the

Commission to outline our comments regarding the Commercial Radio Review Public Notice 2006 1.

- LISTNUM 1 \ 17912 The National Campus and Community Radio Association
L'Association nationale des radios étudiantes et communautaires is a not for profit national association of organizations and individuals committed to volunteer based community oriented radio broadcasting.
- LISTNUM 1 \ 17913 We are dedicated to advancing the rule and increasing the effectiveness of campus and community radio in Canada. Our membership consists of 27 community based campus stations, seven community stations, one each of native internet and closed circuit stations, three stations in development and one association.
- LISTNUM 1 \ 17914 Ranging from five to 18,200 watts, these stations are staffed by approximately 160 paid employees and more than 4,500 volunteers. The total revenue of our member stations in 2005 was \$4.1 million, individual station revenue ranges from \$300.00 to \$415,000.00 with average station revenue at approximately \$110,000.00.
- LISTNUM 1 \ 17915 MR. SANDERS: The NCRA sees this Commercial Radio Review as an excellent opportunity for the Commission to examine the importance of community broadcasters and to ensure our participation in improving and enhancing Canadian radio in partnership with the commercial radio sector.
- LISTNUM 1 \ 17916 Our proposals now will become an integral part of the strategic development of third sector radio. We are contributing to this review because we believe decisions made here will impact our sector directly and profoundly.
- LISTNUM 1 \ 17917 We believe that regulation and policy resulting from this review in such areas as emerging technologies, low power FM, Canadian content, support for emerging artists and Canadian talent development will impact our sector in the future.
- LISTNUM 1 \ 17918 We support the notion that commercial radio should enhance the access that Canadians have to Canadian music and other programming affecting their communities and their country. We believe all sectors of broadcasting should work together to explore and develop these opportunities.
- LISTNUM 1 \ 17919 The long term viability and sustainability of the Canadian broadcast system depends on the interaction and cooperation of all sectors of radio, including a healthy community radio sector.

LISTNUM 1 \ 17920 Canadian radio is no longer a broadcasting system made up of discreet components. It's an interconnected network of private and public broadcasters depending on each other to maintain the diversity that exists across this country.

LISTNUM 1 \ 17921 We also believe it is evolving into something more, perhaps an echo system that contains not just broadcasters, but the music and other media industries, an echo system that needs community and grassroots media as much as it does mainstream mass audience commercial media.

LISTNUM 1 \ 17922 Canada's community radio faces many more challenges that appears in the private and public sector. As we attempt to participate in the various discussions of the radio broadcasting industry. When given the opportunity to comment on the same issues, our commercial counterparts have, our sector has to do so with considerably fewer resources.

LISTNUM 1 \ 17923 Our active participation in such issues as expected scarcity and the delocalisation of radio in Canada could be supported by acknowledging that our sector requires far more resources that could be gathered by not for profit entities and, therefore, it needs the assistance of the commercial radio sector and the support of the CRTC.

LISTNUM 1 \ 17924 We are taken back by some of the questions that Artic Canada were asked yesterday because of their focus on commercial media metrics in the form of profits and advertising revenue as a measure of success. These generally do not apply to community radio particularly in the English Canada.

LISTNUM 1 \ 17925 The social and cultural benefits of community radio are sometimes difficult to quantify in monetary or economic terms and comparison to commercial services is inappropriate. We ask that the Commission refers to a recent study we have completed, a review of the available studies on the impact of community radio on its community.

LISTNUM 1 \ 17926 The partnership that community radio makes with our supporters are between independent groups and organizations that rely on our sector to get the word out. Local musicians, theatre groups, festival and dance groups, charities and many other non profit organizations depend on our support, but instead of innovating and participating in these exciting community initiatives, limited resources are utilized

simply to cover core operational costs.

LISTNUM 1 \ 17927 It is unfortunate that we can produce examples of stations that have closed their doors due to a lack of financing. In recent years, three stations: CIMN in Charlottetown P.E.I., CCRS in Sudbury Ontario and CKIC in Wolfville Nova Scotia have all closed because of the lack of financing. CFPU in Ste Catharine's Ontario is forced to down size due to their under funding. CKUT in Montreal Quebec faced the challenge to their funding this past spring and CKXU in Lethbridge Alberta continues to pay off large debts owed to their students union.

LISTNUM 1 \ 17928 Coast to coast too many communities struggle to find appropriate funding to start up a community radio station. When even one community radio station becomes marginalized by financial crisis, the ripple is felt throughout the sector. We are at risk of being reduced to a series of campus, radio clubs, and this is a direction we want to avoid.

LISTNUM 1 \ 17929 MS WARD: We have the Broadcasting Act in mind in our proposal for a community radio levy. In section 32, the Act states:

"The Canadian Broadcast system constitutes a single system and, as noted in Section 3(1)(d)(4), it expects that system to be adaptable to technological change.

Of the three sectors of the system mentioned in Section 3(1)(b), only the not for profit community sector has not been given the ability to do so.

Private radio is permitted to receive revenue through its use of public airwaves and funding for the public sector is provided to the CBC by taxpayers."

LISTNUM 1 \ 17930 And if I may, I would like to go off book for just a moment to point out that the Commission has made recent statements concerning community radio and I'm quoting now actually from our study of review of the available studies and the impact of community radio on its community, which is itself quoting the CRTC Broadcasting Policy Monitoring Report 2005:

"The Commission put forward specific measures and objectives in order to encourage broadcasting licensees to continue efforts to increase production and broadcast of regionally produced programs reflecting the realities of those communities and recognize the special role of community radio stations and further, the Commission identifies two clear objectives of the Canadian Broadcasting system with respect to diversity. The broadcasting system should be a mirror in which all Canadians can see themselves. And it should be one in which producers, writers, technicians and artists from different cultural and social perspectives have the opportunity to create a variety of programming and to develop their skills."

LISTNUM 1 \ 17931 We have a proven track record in diversity. Everyone at the table today understands the principal arguments regarding what constitutes diversity in programming and how forcing real diversity onto the private sector is impossible because it is not commercially viable.

LISTNUM 1 \ 17932 Public radio, the CBC, attempts it, but lacks of vital element in that the communities sector already has the invested participation of the listener as producer.

LISTNUM 1 \ 17933 As long as Canada is lacking an adequately supported community sector, we are limiting diversity and just as importantly, limiting our citizens' ability to exercise their right to make use of the airwaves themselves.

LISTNUM 1 \ 17934 In a prior appearance before the Commission we compared the public airwaves with the public highways. If the government departments in charge of highways fail to allow for the public to drive upon them, if citizens were expected to raise their own money to build on ramps to access them, if people were expected to accept the limits of being able to purchase goods transported along them or ride the CBC bus, the need and solution would become as obvious as ours is today.

LISTNUM 1 \ 17935 The Broadcasting Act charges the CRTC with the management of the entire broadcast system. You have been enabled to create a levy for the commercial sector to support the public's right to access and use the airwaves and a

levy to support that system is legitimate and needed.

LISTNUM 1 \ 17936 Ms KAESTNER: We want to speak briefly about funding levels. The funding goals we have identified in our submission are the result of several months of research and several years of consultation and experience with our members.

LISTNUM 1 \ 17937 In our submission we outline the need to establish a community radio fund of Canada, the CRFC. The goals of the CRFC will be to provide not for profit community radio with support for existing local programming and other core activities while supporting the development of the sector.

LISTNUM 1 \ 17938 Support from this fund will focus on areas that are both essential and often difficult to support from other sources. We have listened to our 134 stations and the needs that they have identified to us outlining programs into four themes with clear objectives: sustainability and capacity building; local communities news; community music and expression and emerging distribution technologies.

LISTNUM 1 \ 17939 These four areas will focus on bringing the necessary skills and knowledge central to the ability of community radio stations to effectively serve their local communities throughout variety of initiatives.

LISTNUM 1 \ 17940 Initiatives can vary from the establishment of programs and support services to help the development of community radio in areas under served by existing media such as rural areas, two initiatives focusing on improving community access and outreach programming, including support for production of local news and community affairs programs and programming and projects that highlight and promote local music and musicians of all genres.

LISTNUM 1 \ 17941 The CRFC proposal will fill the programming gap between the commercial radio sector and the CBC and reincorporate the importance of the community radio sector.

LISTNUM 1 \ 17942 Canada is one of the few major industrialized nations without a funding program for community radio. We have identified such programs in Australia, the United Kingdom, New Zealand, Ireland, the Netherlands, France, the United States and other countries.

LISTNUM 1 \ 17943 We found that funding is typically targeted and specific and our

proposal has attempted to reflect best practices in other jurisdictions. We would be happy to forward a summary of our research to the Commission by May 29th.

LISTNUM 1 \ 17944 We also looked to Canadian models such as the Canadian television fund and the policy frame work for community base media found in Broadcasting Public Notice CRTC 2002 61, both of which mandate support for the Broadcasting system from broadcasters and distributors.

LISTNUM 1 \ 17945 MR. STEVENSEN: To conclude, as the Commission might recall, we raised similar serious concerns about the future of community radio at the 2004 hearing on Subscription Radio. We asked that support for our sector be made a condition of licence for the new services.

LISTNUM 1 \ 17946 Chairman Dalfen and Commissioner Langford asked the subscription radio applicants if they would support community radio if the CRTC did not make such support a condition of licence. Satellite radio enthusiastically committed to doing so.

LISTNUM 1 \ 17947 We do not know now if satellite radio ever intended to follow through with the commitments they made at that hearing. We do know, however, that numerous telephone calls, letters and e mails over several months were never returned.

LISTNUM 1 \ 17948 We approached the Chairman about the situation and you and the Commission staff were good enough to give them a nudge, which was very much appreciated.

LISTNUM 1 \ 17949 We subsequently received an indication that some sort of support might be coming from one of the services, but have still not heard from the other 18 months after the hearing and five months after the launch.

LISTNUM 1 \ 17950 The licences of the satellite radio services expire in 2011. It will be many years before we will have a chance to call them to account.

LISTNUM 1 \ 17951 So, we are here today to tell the Commission that the continuing existence and vitality of community radio in Canada cannot depend on the charity of commercial broadcasters.

LISTNUM 1 \ 17952 We have been charged by the Commission, by you, to play an important and difficult public service role. Our responsibility, we cannot continue

without support from within the broadcast system. Core funding for community radio should be a matter of regulation and made a condition of licence.

LISTNUM 1 \ 17953 Community radio is more than a collection of stations. It is a model of communications based not on market share or profit, but on ideas and people and a passion for local community service.

LISTNUM 1 \ 17954 The proposal we and our partners have made during this hearing is not about what we have done, but about what our communities dream that we would do. Our objectives are clear and we promise that with whatever support we receive we will work with the Commission to accomplish a great deal.

LISTNUM 1 \ 17955 We know that a Commission with vision will acknowledge and support the increasingly important role community media must play in a globalized society.

We believe the future of Canadian media depends on it.

LISTNUM 1 \ 17956 Thank you very much. We welcome questions from the Commission.

LISTNUM 1 \ 17957 THE CHAIRPERSON: Thank you. Commissioner Noël.

LISTNUM 1 \ 17958 COMMISSIONER NOËL: I have two areas of question. One is the bonus. You seem to adopt a bonus system for emerging artists. Could you elaborate on that, please?

LISTNUM 1 \ 17959 MR. SANDERS: We haven't actually set up a bonus system for emerging artists. We have sort of said that there is a it's defined as under 12 months as a recognized artist and it's sort of an area that continues to need to be explored.

LISTNUM 1 \ 17960 COMMISSIONER NOËL: You say at paragraph maybe I mistakenly took that for a bonus system, but at paragraph 20 of your written submission you say:

**We would like to see commercial broadcasters agree to a relevant incentive program.+*

LISTNUM 1 \ 17961 What's an incentive program if it's not a bonus program?

LISTNUM 1 \ 17962 MR. SANDERS: In the event of instituting an emerging artist

program, there would have to be an incentive that they may in working with the Commission determine and define. I guess our stands sort of an emerging artist isn't relevant to our sector because a majority of ours are emerging to become

LISTNUM 1 \ 17963 COMMISSIONER NOËL: I understand, but I was asking you because I read that and it looked like a bonus and I was wondering if you were I'm trying to find the proper English term, sorry it's a bit late tonight to lean towards the CAB's position of a bonus or premium or the music industry's quotas type approach?

LISTNUM 1 \ 17964 MR. SANDERS: I think what we are trying to define is what we are trying to define is what is an emerging artist and it's more it shouldn't be a release more than 12 months old. I think that was more of our sense.

LISTNUM 1 \ 17965 COMMISSIONER NOËL: That's where you were aiming, but when I saw that incentive program, I was wondering what it meant.

LISTNUM 1 \ 17966 MR. SANDERS: Okay. Sorry.

LISTNUM 1 \ 17967 COMMISSIONER NOËL: Okay. The other question I have is concerning the establishment of a fund, the community radio fund and your proposal is to finance the broadcasters' part of it, roughly five million out of 18 through an increase in the transaction CTD from six to seven per cent where the one per cent additional would be transferred over to you? Am I correct in my understanding? Because you don't have none of the three groups have the same way of financing the five per cent or the five million.

LISTNUM 1 \ 17968 MR. STEVENSEN: Well, I think that that's the result of identifying the need more so than knowing what the mechanism would be that would fill that need. And we can certainly come up with a number or a set of numbers that represent what our members are telling us they need, but I think there is a general flexibility around what that mechanism would be.

LISTNUM 1 \ 17969 We would like to avoid being put in what we would consider to be a CTD box where we are restricted to doing projects that support emerging and local artists only. That does not encompass the entire deal of what we need to do.

LISTNUM 1 \ 17970 COMMISSIONER NOËL: Have you made calculations of the impact of that one percent increase, how much money that could, you know, using maybe the historic of transactions in the last five years, how money would have been produced to that one per cent? Have you made projections?

- LISTNUM 1 \ 17971 MR. STEVENSEN: Yes. We have an it's not it's not enough to cover the amounts that we have been talking about and in the discussions we've had with the two ARCs, some sort of levy is a more appropriate mechanism.
- LISTNUM 1 \ 17972 MS WARD: If I may. In our original submission we did talk about CTD funding and again, we do consider ourselves to be great Canadian talent developers and just by virtue of our existence, but we did identify it as one of two streams, one of two sources, so it wasn't that we wanted to totally rely on that need from the very first part of the submission.
- LISTNUM 1 \ 17973 COMMISSIONER NOËL: Now, you all have the same figure, it's five million that's coming from the commercial radio through some sort of CTD.
- LISTNUM 1 \ 17974 What about the 13 other million that you need annually to finance your operations?
- LISTNUM 1 \ 17975 MR. STEVENSEN: The five million represents, I think, what was a starting point that the different associations could agree on and we also felt it was important that there be a diversity of funding sources for the fund, that that would make it a moral bust, a mechanism over time.
- LISTNUM 1 \ 17976 And so, the terms of the other sources we would like to have a government component and approach provincial and federal governments and it's something that we are working toward now with the other associations.
- LISTNUM 1 \ 17977 COMMISSIONER NOËL: But have you had discussions at the provincial and federal levels that would lead you to believe that some money is available?
- LISTNUM 1 \ 17978 MR. STEVENSEN: The discussions haven't borne fruit yet.
- LISTNUM 1 \ 17979 COMMISSIONER NOËL: Have they started?
- LISTNUM 1 \ 17980 MR. STEVENSEN: They have started and I think the main problem and the main problem with the process that we've had is that the number of people that can meet and have contact with the different departments and potential founders has been limited.
- LISTNUM 1 \ 17981 And a lot of this project is really about creating core capacity in the sector which doesn't exist and it's caused systemic under development for this part of

the broadcasting system.

LISTNUM 1 \ 17982 COMMISSIONER NOËL: You've heard Mr. Regan. Do you think that if such a fund was created and funded, you would relinquish advertising revenues if you had the money in the fund and if it was properly funded?

LISTNUM 1 \ 17983 MR. SANDERS: With due respect to Mr. Regan's proposal, the graph that we attached is Appendix A, will illustrate that although not significant numbers of advertising revenue exist for a lot of stations and it's still a very very important source of revenue right now.

LISTNUM 1 \ 17984 Not only is it valuable as money is valuable, but the outrage to our communities in illustrating that we have some sort of visibility and, unfortunately, sometimes due to the relevancy, why would we bother to advertise on community radio. There is a relevancy factor that is illustrated when you do have advertisers on the air.

LISTNUM 1 \ 17985 And, of course, we are limited by most licences have four minutes per hour. I think to reiterate like Ken said if a fund was able to replace and at the same time increase and improve, but today that fund doesn't exist, so I don't think I can speak for any of my colleagues in saying that we have waved our right to advertising at this time. It's too dangerous.

LISTNUM 1 \ 17986 COMMISSIONER NOËL: But in the hypothesis that the fund is created and is funded to the level of 18 millions a year?

LISTNUM 1 \ 17987 MR. SANDERS; If it was up to 18 million a year and it replaced and made a substantial employment, I think advertising revenue would still be an important part for the reasons I have stated of being relevant to your community, the sponsorships that we do and the relationships that we have established with a number of non profits.

LISTNUM 1 \ 17988 I guess the definition of advertising would have to come up into speculation because if we sponsor a festival and advertise on our airwaves to go to a festival or a theatre group or participate in a fund raising activity for a charity is that deemed as advertising and I don't think any of our organizations would be willing to give that up.

LISTNUM 1 \ 17989 COMMISSIONER NOËL: O.k. Now, we have heard a lot, as I mentioned to my colleagues earlier, the buzz word in a few years back was vibrant and now the buzz word seems to be accountability.

LISTNUM 1 \ 17990 Should all organizations that are receiving contributions provide the Commission with reports annual or quarterly reports to allow the Commission to monitor and measure the effect of those contributions on the development of, for instance, in your case, the community stations?

LISTNUM 1 \ 17991 MR. SANDERS: Yes. We sort of have a long history of community accountability and transparency and annual reporting with full outside audited accounts, regular reporting of individual funding programs would obviously be in place for the Commission and all our partners on this project.

LISTNUM 1 \ 17992 The next review that we have with community radio coming up in the next year or two is an excellent opportunity to review as to the fund if it was implemented in the next few months.

LISTNUM 1 \ 17993 COMMISSIONER NOËL: In your submission, your written submission, you mentioned that the low power FM station concept needs to be examined. Could you elaborate on what you had in mind?

LISTNUM 1 \ 17994 MS WARD: In our submission what we were trying to state to the Commission at that time, we understood that there is an issue among commercial broadcasters regarding low power FM, commercial broadcasters who are entering the market through the back door.

LISTNUM 1 \ 17995 COMMISSIONER NOËL: Back door.

LISTNUM 1 \ 17996 MS WARD: Our concerns are that any decisions that you make regarding this sector not have a detrimental impact on our sector because our sector does rely on low power FM just by the nature of being not to profit organization with very little funding. We have often made the choice to go with 50 watts or lower in order to establish a radio in a community that simply couldn't have afforded to raise the money enough to hire an engineer.

LISTNUM 1 \ 17997 And there are a lot of radio stations right now who are relying on their low power FM status to continue their existence.

LISTNUM 1 \ 17998 Any policy that you develop that's going to cause our radio stations to have to face any amount of extra expense and it has occurred with licence renewals or actually an amendment for a power increase. Radio stations have been requested to provide costly defences of a technological need to go up in power. Even though I realize after the fact it was unintentional, it still costs \$1,500.00 to produce and that's not very easy for a not for profit shoe string operation to be able to come up with.

LISTNUM 1 \ 17999 COMMISSIONER NOËL: Now, for digital transmission you also need you also suggest that you need a funding mechanism to have money and capital equipment available to your individual stations.

LISTNUM 1 \ 18000 Does that funding would that funding come from the CTD or the not the CTD, but the community radio fund or would it be some additional funding?

LISTNUM 1 \ 18001 MR. STEVENSEN: No. The idea is the fund would be the main funding mechanism for the various initiatives and at this point, the majority of stations that are members in NCRA could not envision doing any kind of digital upgrade or begin broadcasting really in digital technology. There isn't the capacity, the infrastructure to do that.

LISTNUM 1 \ 18002 So, that's one of the themes that we have identified in our four themes that was in the proposal.

LISTNUM 1 \ 18003 COMMISSIONER NOËL: Thank you very much. Those are my questions.

LISTNUM 1 \ 18004 THE CHAIRPERSON: Just to pick up on what commissioner Noël said on the low power FM point. Do you have any specific comments to offer now on which elements, if any, of the policy frame work of 2002 do you think needs to be examined?

LISTNUM 1 \ 18005 MS WARD: At the risk of quoting the CAB too closely, I would be prepared to look at that document and get an answer to you by May 29th.

LISTNUM 1 \ 18006 THE CHAIRPERSON: Thank you. Those are our questions. Madam Secretary.

LISTNUM 1 \ 18007 THE SECRETARY: Thank you, Mr. Chairman.

LISTNUM 1 \ 18008 I would now ask for the next participant to come forward, the Centre for Research Action on Race Relations.