

6418 MR. STEVENSON: Mr. Chair, members of the Commission, it's a pleasure to appear before you today representing Canada's community and campus radio stations.

6419 My name is John Stevenson. I'm a former president of the NCRA, a former station manager at CFRU-FM in Guelph and a former jazz programmer at CKDU-FM in Halifax. I'm a long-time policy adviser to the NCRA and I currently sit on the association's advisory board.

6420 With me today is Tristis Ward, who is the station manager at CHSR-FM in Fredericton, vice-president, Development, of the NCRA. She tells me she has never been president of the NCRA. It's kind of unbelievable.

6421 Our reaction to the two satellite radio applicants can be summarized in one sentence: is this the best that Canada can do?

6422 We are all long-time supporters of diversity in radio, as community broadcasters, and we are excited by the potential of satellite radio in this country. Many of us work in community radio because we do not feel that we have been well served by commercial media in this country.

6423 We don't reject multi-channel subscription audio out of hand. But the satellite radio applicants who have appeared before the Commission over the last few days possess what we consider to be three major and really crippling deficiencies.

6424 First, the satellite applicants do not provide a satisfactory number of quality Canadian choices.

6425 Second, the approval of these applicants will have a significant negative impact financially on what are very fragile non-commercial broadcasters.

6426 And third, the applicants make no commitment to support or broadcast the programming of Canada's community radio stations.

6427 Let me elaborate on the first point. We do not object to Canadians having access to a variety of high-quality American audio channels. The problem is that the applicants are not proposing a high enough number of Canadian choices. A mix of Canadian and non-Canadian services, of Canadian and non-Canadian music and programming is the central positive characteristic of Canadian broadcasting, not just on radio, but on television and cable and direct-to-home satellite.

6428 These applicants represent a significant departure from several decades of Canadian broadcasting policy.

6429 Our concern extends beyond these services' music channels. We remind the applicants have proposed numerous channels of news, talk and sports, without any significant Canadian choices in these areas. It seems very absurd to us that a supposedly Canadian service would have more Spanish-language channels than French channels, that the applicants will be presenting ESPN and not TSN, Fox News and not CBC Newsworld, Bloomberg, but not RobTV and a weather channel that probably won't present any Canadian weather information.

6430 XM and SIRIUS may be excellent services, but they are American services aimed primarily at an American audience. Canadians are left out.

6431 Both satellite applicants argue that a Canadian-owned and Canadian-oriented satellite audio service is

not currently viable, and they are probably correct. But we cannot see the future and neither can the applicants.

6432 Technological change may make a Canadian satellite service viable in the future. But if the Commission approves these American services now, there will never be a Canadian service that we will be able to get off the ground.

6433 However, our primary concern today is the impact these services will have on the viability of the community radio sector. In their reply to our intervention, CRS states they fail to see how nationally broadcast programs on a subscription satellite service, which they claim will attract 10 per cent of consumers, would impact community radio services.

6434 Well, I want to tell them very clearly that those consumers are our listeners. Specialty music fans, fans of reggae, jazz, world music, blues and other genres are among community radio's most enthusiastic supporters. The applicants will be targeting these audiences and the result will be diminished support for community radio. Our stations have some of the best specialty music programming in North America, but we do not possess the bandwidth to compete with a national satellite service.

6435 It is also troubling that both applicants will be rolling out channels that are similar to what campus and community radio already offer. And I speak specifically of the XMU service on XM Radio, which is actually a clone of college radio in the United States and CBC Radio 3 on SIRIUS. Instead of partnering with us or approaching us to work with us, they are going to try to clone our service and recreate aspects of it in order to gain more listeners, our listeners.

6436 I want to make it clear that community broadcasters support programming diversity and wish to embrace technological innovation that can bring that about. But we must insist on services that reflect the objectives of the Broadcast Act, which states that Canada's broadcasting system will contain public, private and community components. Community media is missing from all these applications. Our programming is missing along with an acknowledgement of our role and the impact these services will have on us.

6437 However, satellite radio in some form will inevitably come to Canada, perhaps as the result of these hearings, perhaps in the years to come. But the changes that these services represent are already underway. Satellite radio is one of many new media including streaming internet audio that blur what were formally clear distinctions between the local and the global, between broadcasting and retail music sales. These new media collapse time and space and what is in danger of being lost is the local. Satellite radio and internet audio are wonderful at serving specialized yet geographically distributed audiences, but they fail when it comes to supporting local communities.

6438 As we move to more national and international services, and we are bound to have more in the next few decades, the local is in danger of being further marginalized. We believe that community radio is the most effective means by which the local can be preserved and nurtured in Canadian broadcasting. We are very inexpensive. The average revenue of our member stations is less than \$120,000, the total revenue for the members of the NCRA in this last year was \$2.9 million, not \$29 million, \$2.9 million. And unlike commercial and public broadcasters, our focus is always clearly on the local community.

6439 We urge the Commission to link the creation and expansion of the national audio services with support for local community broadcasters, and Tristis is going to speak to that.

6440 MS WARD: I am going to try to do that without too much overlapping, because I know it has been a long hearing.

6441 But the CBC said on air this past week in relation to their application, and this is not a direct quote though, imagine if you could drive from Halifax to Vancouver and never change the channel of your radio, just imagine. Imagine if you could skip over all of the regions of Canada or if you are listening to one of the American only channels, skip the entire country. You would miss out on all of the information, the news, the flavour, all the nuances of Canadian life in each of the towns, large and small, along the way. Satellite radio means cross Canada sameness.

6442 Now you have been discussing even just yesterday, that one of the perceived benefits of satellite radio is that all of the people in all of the small towns, all the way across the country will be equally able to tune into the same broadcast, nobody gets left out as a listener. It is a lovely sentiment, but we are talking about the equivalent of a Wal-Mart in every town. When CKUA voiced concerns regarding the possible affect the subscription services would have on community radio, SIRIUS responded that they could see their service as being complimentary to us as well as local commercial broadcasters. This is not correct.

6443 Duplicating our content is really part of the offer. This points has already been made and I won't belabour it here. I will only briefly reiterate that if the satellite applicants are granted licenses they should be required to provide a space within this new technology specifically for our broadcasters, not a professional imitation of us, but instead a contribution from us over their system. I submit that we must be included, otherwise the threat of being left completely behind is much greater. I can tell you that it is insufficient to pick one of our members as the third sector representative. Whatever single interest benefits are gained from that would never outweigh the damage done to the rest of us.

6444 With CHUM/Astral's proposal it is much easier. They have made statements regarding the availability of digital broadcasters being added under the system that they propose and we ask that the Commission require the commitment that community radio be assisted onto the digital spectrum by CHUM/Astral as a condition of licence. I have oversimplified this here I am afraid in an effort to be brief, a real commitment for the inclusion of community access broadcasters, in the markets they enter, is what I have in mind. Something which takes into account the effect a lack of resources has on a third sector.

6445 The effect of satellite services on Canada's broadcast system has been questioned throughout this hearing. Several times I have heard you ask presenters whether or not they have done a study on the matter. We haven't done one either. Even without a study we can make a few predictions here. Just as an example, the announcement made as part of CHUM's proposal... Nigel Oakley made a note that sales of digital radios in Britain have now surpassed sales of analogue radios. Whether we are talking about digital or satellite radio, the implication we can read from that is that the public is prepared to embrace this new direction for broadcasting very quickly.

6446 This isn't cause for panic for most FM broadcasters in Canada, but consider if you will the very slow motion of campus and community broadcasters. It is hard to put into words the expectations of non-profit organizations who populate the third sector. By definition, we are not in this game for money and we expect a certain lower level of resources as compared to private broadcasters and the CBC. With virtually no help at all for our important work, we join the ranks of other valuable services competing for scant community donations and for our campus stations having most of our funding controlled by young and impoverished students keeps us on shoestrings and creates an atmosphere of instability. This struggle to simply get by through whatever creative means we can has caused us to be left further and further behind the rest of the broadcast system. Because of a lack of support the community sector has been kept in a state of perpetual retardation. We are not about to launch a satellite network of our own. We are not even able to consider the option of digital. And many of us cannot even make the small step into high power and are now in danger of losing our options with regards to applications for low power.

6447 Our sector, by and large, is not able to fulfil the mandate stated in the Broadcast Act, section 3(d)(iv),

which says, "The Canadian broadcasting system should be readily adaptable to scientific and technological change." Now this is not a failure of the dedicated few who have been working hard and burning out in this sector. It is a failure of the broadcast system as a whole and it needs to be addressed by you, the architects of that system, at the earliest possible time, this may well be it.

6448 I am here to ask that a condition of licence for any applicant you approve include the unambiguous provision for third sector funding and that you make that provision part of the policy you are developing in tandem with this hearing. I will get onto how much in a moment, but first let me tackle the problem of squeezing us into CTD funding requirements which has been the only option to date and was stated by a prior intervener. Regardless of how this sounds, we are not complaining about the projects this funding has provided for our sector. Furthermore, such funding projects are applicable in a lot of ways, but CTD has serious limitations in regard to the total work of campus community radio and the time has come to create funding which addresses the whole of who we are and better answers our needs.

6449 CTD funding gets a lot of attention at these hearings and it is an important and beneficial requirement made of Canadian broadcasters. But these new services are going to affect a lot more than just Canadian musicians. Please understand, we care a great deal about CTD and dislike the appearance that we are competing with the recording industry for available funding. For all listeners across Canada, including the people who live in the large cities as well as those who live in small town in between, satellite radio and, to a lesser degree, national subscription radio will bring about an increasing loss of their personal connection to their community. Money thrown at CTD funding does not adequately address this and never will.

6450 It has been said over and over that the benefit of funding for Canadian artists is supplemental to the real benefit of airplay as regulated by the Commission. In many communities outside the major urban centres where CTD funding gets distribution as per the promises made by broadcasters the still fledgling music scenes are almost completely ignored by distant owners. And the only real and constant support they get is from their community station which is also the broadcaster which gives voice to all other aspects of the community from string free and generously supplied public service announcements to broadcasts of non-playoffs, non-professional sports games, to the many different languages and voices of the mosaic of communities within the larger one.

6451 If any of these subscription radio services are approved we ask that you make it a condition of licence that they make contribution of five percent annual expenditure towards a Canadian community radio fund. That fund is to be used exclusively for the development and support of third sector broadcasting and controlled by a board made of members of that group. We recognize the similarities as well as the differences between our proposal and CKUA's. We are aiming a little higher, true, because we have more dire need and having worked with so many more stations and so many different situations across Canada. We also see a distinct difference between the need to fund our sector as part of the broadcast system and the need to protect and encourage and develop our artists.

6452 Further, we ask that this policy being developed here include the provision for this fund in keeping with the mandate of the Broadcast Act under section 3(d)(iv). The NCRA has been in contact with other representative organizations within our sector and I have provided for your benefit, I have no idea if you got it, a letter from ARC Canada expressing their agreement with our proposal. We have also been talking to AVR. For all the promises made regarding monetary contributions and proposals for channels they, like us, have a need for a healthy sector beyond the patchwork of promises they have been given.

6453 When I was talking to Mark Macleod about this I did not ask if he was interested in sending a letter in, I probably should have. AMARC, which is the global organization concerned with community radio, has also voiced their support for this proposal, although not in writing again. They would not be members of the governing committee for this fund as ARC Canada and AVR would, but they do recognize the need and

the benefit. We have not had the opportunity to sit with these groups and completely workout a formula which would serve the needs of our sector in the most fair fashion, however we do have a rough breakdown of a formula that we believe answers most of the problems and I would be happy to go into that if you have any specific questions.

6454 The chart, if you have it, labelled NCRA/ANREC membership revenue statistics was drawn-up as a means to of showing the diversity we have to take into account when we are looking at division of any national funding created in our sector. The figures presented should also remind you though of the level of operating funds which we look at everyday. Thank you.

6455 THE CHAIRPERSON: Thank you. Commissioner Pennefather.

6456 COMMISSIONER PENNEFATHER: Thank you. Good afternoon. As you were going through I realized you were answering a number of the questions I had following from your written intervention, namely just to clarify what you had in mind in terms of the Canadian community radio fund. It was not clear that you saw this as a fund separate from CTD, which I assume you still think is an important component of radio in this country?

6457 MS WARD: Absolutely, and even just listening here at the hearing to the multitude of artists who have come up. And people, when they mention well we don't get any airplay in Canada, oh well we do but it is at the campus or community level and therefore there isn't enough of it, not enough people hear us. I think that the real tragedy here is that this service that is now being worked on and the people are applying for, it has already been done. If the third sector had been properly funded in the first place maybe the artists would have had a whole lot more exposure to begin with and they wouldn't be looking at American solutions for that.

6458 COMMISSIONER PENNEFATHER: Okay, thank you very much.

6459 THE CHAIRPERSON: Just one follow-up question. I can understand your point about funding and your point about access to whatever service there is. I was a little harder pressed to understand your point about impact of the satellite services given your highly localized community base and the rather niche, you called it an American university channel that would come off the satellite. I am not quite sure how I see that impacting you adversely. Perhaps you can elaborate.

6460 MR. STEVENSON: The American... the XMU channel or just...?

6461 THE CHAIRPERSON: That is the one you referenced but if there are other reasons for feeling there would be that impact. Would you see your typical listener as a potential satellite radio subscriber?

6462 MR. STEVENSON: We would. They are typically, and I don't want to over generalize, the typical campus community stations have a wide variety of programming, they might have jazz for three hours and classical music on Sunday mornings and three or four blues shows and a punk show and so on and this will be distributed over the week in a series of one or two hour blocks. And we often receive support from listeners to these specific shows, jazz fans and communities that don't have a jazz radio station which is the vast majority of communities in Canada. So obviously, I am a jazz fan myself and I would like there to be a jazz radio station in Ottawa. There isn't one and there is very unlikely to be one, so if a satellite radio service were to offer a variety of jazz channels and I think XM has four of them, three or four, I would be very interested in subscribing, as opposed to on Sunday morning when CKCU locally does its jazz program, trying to tune into that and remember to tune into it and so on, and that is the danger for every kind of specialty music that we do.

6463 XMU has a punk channel, they have two retro alternative channels, they have an unsigned band channel and all these things are fine, but the notion that that won't impact on our listeners who like diversity in media and want to hear these kinds of music is absurd, they're obviously going to have impact on us. The XMU channel is probably the most blatant of these attempts. If we do general music programming which tends to be non-hits, alternative, indie, pop and rock music, that XMU channel covers that off. And again, it is intended it is called XMU, because the U is universal. It is an attempt to sound like an American college channel and XM is very good at that and that is fine. I don't really begrudge them having a channel like that in Canada at some point, but the impact it is going to have financially on our stations is it is going to be real, we don't have large revenues from donors. And when alternatives services come in that provide 24/7 with no CanCon, that has to have an impact.

6464 MS WARD: If I may, there is also... I mean, this is a one two punch and, again, this gets back to what I was trying to talk about, which is a little bit more long-term. Everybody that has been up here has been talking about the fact that we don't really know what is going to be happening with what is right now regular broadcasting in Canada with the development of this new media.

6465 The only thing that we as community broadcasters know is that with our limited resources and the fact that we are under funded we are getting constantly left behind. This is the next leap. We can't make this leap ourselves. We can't follow even necessarily where the commercial broadcasters may go in answer to this. I am looking down the road in the future and I am thinking we have to worry now that there may be... we might find ourselves alone later on in a band that now no one even has a radio for, it is possible.

6466 THE CHAIRPERSON: Do you see your long-term future being... you say you don't have the resources to go high power or to go digital or to even go lower power.

6467 MR. STEVENSON: Well, I made a separate submission... the group of us who are ex community and campus broadcasters made a submission and in that submission I said that the danger is that these stations will be nothing more than radio clubs, that where people come in and they spin some records and like the old carrier current or closed circuit channels that... radio stations that used to have on campus in the 1950s. My mother did that in the 1950s and it is a hobby activity. The problem is that community radio in English Canada, we are it. The sector in Quebec is doing quite well and has received a certain amount of funding so it can reach a critical mass of sustainability for the most part. And it isn't just these particular applicants being approved, but the trends within the marketplace are toward more choice and on one hand we welcome that, but on the other hand that is going to mean that the community broadcasting function in these communities is going to be diminished just because the revenue is going to be cut off because we can't get it from people we had gotten it from before. So, I think this fear of a set of radio clubs is quite likely to happen in the next 20 years.

6468 THE CHAIRPERSON: So your position is oppose all the applications to maintain the status quo?

6469 MR. STEVENSON: I personally don't consider the status quo to be tenable and it is not tenable for the people that work in the sector. And I don't want to argue against people having a choice of more jazz music, you know, in Ottawa or any other city. We should be able to have a circumstance where the local is supported and the diversity is also available to people, that should be an option.

6470 THE CHAIRPERSON: Just to understand your intervention, you start off by opposing all three applications and I guess you have evolved let us say to a position where you say licence them with the fund and with some access for your programming?

6471 MR. STEVENSON: Our expectation is that something like this will be... whether you have 35 percent Canadian on some of these channels, I mean, that would be what we would see in some future

event that that way would be... you would have a jazz channel, but it might be 35 percent Canadian. I mean, there is already internet streaming audio where you can get plenty of jazz formats. So, I think these applicants are not... I don't, from my reading of the history of Canadian broadcasting policy, these applicants are not good applicants, except for the CHUM application. The two satellite applications are not consistent with that policy. But we know that inevitably and something will be approved at some point, we are already dealing with streaming internet audio, which may become more accessible.

6472 MS WARD: And you can chalk it up to fierce independence within our sector, but we have slightly different opinions up here too. Well, first of all, what the NCRA... in our intervention we specifically said that we are here to talk about the policy and we didn't necessarily say that we were opposed to any of the applicants. However, I would say--

6473 THE CHAIRPERSON: I don't want to contradict you, but that is what you do say.

6474 MS WARD: The Rob Smith's one?

6475 THE CHAIRPERSON: All three applications.

6476 MS WARD: Oh okay. Oh, I am sorry, I misread what Rob wrote. But I guess then, for me, sitting here in this hearing, again, the satellite ones, as a Canadian citizen, I disagree with them as a direction for the CRTC to allow our broadcasting system to go. For the CHUM one actually I was fairly impressed with it, but I would like to see condition of licence that protects the sector within that as well.