



Filed Electronically

Ms. Diane Rhéaume, Secretary General
Canadian Radio-television and Telecommunications Commission
Les Terrasses de la Chaudière, Central Building
1 Promenade du Portage, Gatineau, Québec J8X 4B1

November 4, 2005

**Re: Call for Comments
Broadcasting Public Notice CRTC 2005-94**

Dear Ms. Rhéaume:

1. The **National Campus and Community Radio Association/l'Association nationale étudiantes et communautaires (NCRA/ANREC)**, **l'Alliance des radios communautaires du Canada (ARC du Canada)**, and **l'Association des radiodiffuseurs communautaires du Québec (ARCQ)** are pleased to respond to the call for comments contained within Broadcasting Public Notice CRTC 2005-94. These comments were developed not only by our three representative associations, but also through consultations with various English and French-language community broadcasters across the country, including both small and large market stations.
2. Although our member stations have different needs, structures, revenue streams, and programming, our associations have developed a common understanding of the threats and opportunities posed to local community radio broadcasters by new distribution technologies. There is a new unity on the issue of the protection and growth of the community radio sector.

About the associations

3. The **NCRA/ANREC** is the not-for-profit national association of organizations and individuals committed to volunteer-based, community-oriented radio broadcasting. It is dedicated to advancing the role and increasing the effectiveness of campus and community radio in Canada. It works closely with other regional, national, and international radio organizations to: provide developmental materials and networking services to 40 members, represent the interests of the sector to government and other agencies, and promote public awareness and appreciation for community-oriented radio in Canada. Since 1987, the association has affected changes to national radio policy, helped to lower tariffs affecting radio stations, and has helped stations open their doors, while preventing some doors from closing. It has done so by working in areas of policy making as well as intervening and appearing on behalf of individual stations and the sector as a whole.
4. **ARC du Canada** was born onto the national scene in 1991 from the will of Francophone and Acadian community radio stations to control their development and to secure their autonomy. ARC du Canada has 32 members over 9 provinces and two territories. All non-for-profit, 19 of them are on air, 13 are in the stage of implantation. These members, by doing community development, contribute significantly to the development of the social economy. ARC du Canada offers several services to its members – consultation, training, communication, and a technical service for every aspect of both the development and operations of a community radio station. As well, since March 2000, ARC du Canada has maintained a national network programming service known as "Le Réseau francophone d'Amérique" (RFA). RFA offers several daily newscasts and a variety of downloadable programs. RFA also offers a publicity production service.

5. **ARCQ** has facilitated the advancement and recognition of community radio broadcasting in Quebec since 1979. Its mandate includes: strategic research and development, a diversity of services aimed at organizational and human development, promotion of the sector, and representation of its interests. The Association is particularly active in promoting the social and cultural values of community radio and the role it plays in providing local information to citizens. The 31 member stations of ARCQ are active social economy organizations operating in small remote communities, rural regions as well as large urban centres.

The importance of local community radio in the Canadian Broadcasting System

6. The community radio sector plays a vital part in defining and communicating a national identity on a local community level. Comprised of English and French-language community, community-based campus, instructional, developmental, Native, closed circuit, and carrier current broadcasters, this sector is the one of the three pillars of the broadcasting system as identified in section 3(1)(b) of the *Broadcast Act* (the "Act"):
[T]he Canadian broadcasting system, operating primarily in the English and French languages and comprising public, private and community elements, makes use of radio frequencies that are public property and provides, through its programming, a public service essential to the maintenance and enhancement of national identity and cultural sovereignty..." (emphasis added)
7. The community radio sector truly embodies community elements; they promote and foster a Canadian identity by drawing attention to cultural, social, and political issues from a *local* perspective, directly from the *local* community.
8. Furthermore, section 3(1)(d)(ii) of the Act states that
"the Canadian Broadcast system should encourage the development of Canadian expression by providing a wide range of programming that reflects Canadian attitudes, opinions, ideas, values and artistic creativity, by displaying Canadian talent in entertainment programming and by offering information and analysis concerning Canada and other countries from a Canadian point of view,"
9. Community radio stations provide access to the airwaves and offer diverse and dynamic programming that reflects local needs and interests. By doing so, they provide a forum for various communities – thousands of groups and individuals with different backgrounds and experiences – particularly those that have been marginalized or whose perspectives are generally not heard in mainstream media. These stations also provide local information, social and community services to populations who do not otherwise have access to a local radio. Community radio plays a key role in promoting new music – Canadian talent – particularly independent and emerging artists as well as genres that are under-represented and/or otherwise commercially unviable.
10. As well, section 3(1)(d)(iii) of the Act states that
"the Canadian Broadcast system should... through its programming and the employment opportunities arising out of its operations, serve the needs and interests, and reflect the circumstances and aspirations, of Canadian men, women and children, including equal rights, the linguistic duality and multicultural and multiracial nature of Canadian society and the special place of aboriginal peoples within that society..."
11. Community radio is a precious tool for minority language communities. It gives them the means to protect and promote their culture and sustain a dynamic community. In New Brunswick, for instance, the French music industry has grown significantly since the arrival of community radio. In communities served by minority language community radio, assimilation is losing ground, with young people purchasing French cultural products and community groups reaching out to the population in their own language. Citizens can relate to their community through a media that gives them the possibility to express their views speaks and speaks for them.
12. Also, by giving a home and training ground to interested volunteers, campus and community stations offer an invaluable resource to anyone who walks through the door. Every year, people from all walks of life, irrespective of background, experience, or education, flock to stations to explore and learn broadcasting and media skills and to develop an understanding of alternative media. In addition, these individuals gain experience not only in broadcasting specifically but also in fundraising, volunteer interaction and committee work, event planning, promotions, and administration, while learning technical skills related to journalism and communications.

13. In the nature and structure of their operations, the community radio sector fully serves the Act's most ambitious positive cultural characterization of the Canadian Broadcasting system.

Adaptation to technological change

14. Section 3(1)(d)(iv) of the Act states that "*the Canadian Broadcast system should be readily adaptable to scientific and technological change...*"
15. Adherence with this section of the Act is a very significant challenge to community broadcasters. The failure of our sector to receive access to the new satellite radio services is one of the principle reasons our three associations have come together to present the Commission with this call for action.

The proposed amended applications

16. We are not opposed to the proposed amendments to the licences of Canadian Satellite Radio ("XM Canada"), SIRIUS Canada ("SIRIUS ") or CHUM Limited ("CHUM").
17. The total value of the proposed benefits package (5% of gross revenue) offered by XM Canada and SIRIUS seems fair, and the larger number of Canadian channels will better serve Canadians.
18. We note that the service proposed by CHUM remains far superior to that of the satellite licences in terms of Canadian Content and access to third-party Canadian broadcasters. As we have noted below, CHUM has engaged in positive dialogue with community radio with the objective of providing our associations with access to bandwidth.
19. However, as stated in previous submissions to the Commission, we remain concerned about the impact of new distribution technologies on local community radio. We believe that these concerns must be addressed through the regulatory process. This issue has united our three associations in a way that has never happened before with this magnitude and level of involvement.

Community radio's relationship with subscription radio

20. As the Commission is aware, the Canadian community radio sector is concerned about the negative impact of subscription radio on our audiences, and therefore our fundraising and advertising revenues. In order to mitigate this damage, over the past year we have attempted to establish a constructive working relationship with the three subscription radio services, focused on the following areas:
 - financial support for the future development of local community radio, particularly local news and public affairs programming; and
 - access to new distribution technologies represented by the services.
21. We are engaged in an ongoing dialogue with CHUM, who has indicated to us that they are considering the inclusion of a national community radio channel in their service, presenting the best of community radio from across the country. We look forward to working with CHUM in future.
22. We welcome the offer of support to our associations received from XM Canada. We were, however, not given the opportunity to explain our current needs and future plans, nor to negotiate for an appropriate level of support. XM Canada came to each of our associations with a pre-determined offer, to which we offered a counter proposal. Not only was our proposal rejected, but we learned that there was no room for negotiation. We accepted the offer, as any and all funding in support of the sector is welcome, but now leave it to the Commission to determine if XM Canada's offer fulfils either the spirit or substance of their stated commitment.
23. The NCRA/ANREC, ARC du Canada, and ARCQ believe that the support proposed by XM Canada will fail to help the sector compensate for the negative impacts satellite radio will have on our audiences and revenues and, moreover, will not have the positive impact on the stability and future development of our sector that the Commission had intended. We estimate that if all contributed funds were to be made available equally to our member stations, each station would receive far less than \$1000 of support annually.

24. We have received no indication from SIRIUS that any type or level of support will be forthcoming. Over the past year we have made several attempts to contact them; our telephone calls and emails have never been acknowledged. The Commission's letter to SIRIUS on October 13, 2005, which requested SIRIUS "provide the Commission with your comments . . . at your earliest convenience" has also been ignored to date, at least to the knowledge of the NCRA/ANREC, ARC du Canada and ARCQ. The total, deliberate non-response from SIRIUS Canada has made their position with respect to the recognition of community radio absolutely clear.
25. Community radio has proven to be financially ill-served by regulatory processes that rely solely on the goodwill of applicants, which may or may not exist.

Systemic problems in regulation

26. We contend that community radio's inability to meaningfully negotiate with the satellite radio applicants is due to the lack of recognition of the community radio sector on a regulatory level. The applicants were not motivated to contact us prior to submitting their applications, or to seriously respond to our requests for dialog once approved.
27. As noted by SIRIUS during Phase III of Public Hearing CRTC 2004-6:
"What they (community radio) didn't ask, and what we would certainly give the Commission every opportunity to determine, was they did not ask to become part of our CTD. Many organizations in this country, as you know, have gotten very wise once there is either a change of ownership or whether there's new technology being licensed by the Commission, that they hustle in on the opportunity to be able to get a direct benefit." (Broadcast Public Hearing 2004-6 – Transcript of Proceedings November 4, 2004, Paragraph 6742)
28. The type of environment implied by this statement is one that requires our associations and stations, who are already under-resourced, to spend time constantly monitoring broadcasting industry activity rather than focusing on our core mandate: community broadcasting.
29. Furthermore, the Commission's current CTD policy requires funding that is almost exclusively restricted to projects, which often further strain an organization's logistical capacity.
30. Although the Commission provides clear and unequivocal recognition of the importance of local community broadcasting to the Canadian broadcasting system, the current regulatory environment either prohibits or discourages commercial broadcasters from offering funding that will have even a minimal positive impact on the future stability and growth of the local community broadcasting sector.

The Community Radio Fund

31. After significant research and consultation, including with CRTC staff and the Department of Canadian Heritage, our associations are establishing an arms-length, non-profit funding organization that will solicit and distribute funds for the development and maintenance of local community radio broadcasting in Canada. This funding body will have a major positive impact on the development, sustainability, and growth of the community radio sector.
32. The activities of the funding body will reflect the commitment of the community radio sector to principles of localism and access, respect for and support of the vitality of the official languages of Canada, diversity and multiculturalism, high quality programming and innovation, and social justice.
33. The funding body will support initiatives in the following areas:
 - local news, public affairs, arts, and community outreach programming, including training and production;
 - programming and projects that highlight and promote local music and musicians of all genres, and the development of local talent;
 - planning and implementation of systems to support emerging programming distribution technologies, including digital, satellite, Internet, and wireless network delivery; and
 - sustainability and capacity building activities, including governance, board development, management consulting, program planning, volunteer support, community relations, technical infrastructure, marketing, and fundraising.

Call for Action

34. We are not opposed to the proposed amendments to the licenses of XM Canada, SIRIUS , or CHUM.
35. However, we ask the Commission to recognize that, despite a commitment to do so, the applicants have created a proposed benefits package without a significant commitment of initiatives directed to the community radio sector.
36. In addition, we ask the Commission to note that the initiatives appear to include significant benefits that are directed largely to the applicants themselves, rather than to third parties or as a benefit to the broadcasting system as a whole.
37. We therefore, strongly urge the Commission to set conditions on the licensees whereby they will be required, within their current level of proposed benefits, to significantly recognize the importance of Community radio in the Canadian broadcasting system.
38. We ask the Commission to include as a condition of license that the applicants be required to allocate 20% of all CTD benefits, 10% each for French and English usage, into the stewardship of NCRA/ANREC, ARC du Canada and ARCQ as unrestricted funds for the purpose of strengthening the sector's associations and for initiatives undertaken by the community radio funding body.
39. Further, we request a condition of license that 20% of any additional benefits offered by the applicants during the licensing term be allocated to the joint stewardship of NCRA/ANREC, ARC du Canada and ARCQ for the benefit of the community radio sector.
40. We look forward to rigorous participation in the upcoming commercial radio review process, where we intend to work closely with the Commission and with the leaders from the public and private radio sectors to ensure that future regulatory framework will foster a balanced and healthy Canadian broadcasting system.
41. Thank you for this opportunity to comment and for your attention. We would welcome the chance to present our views in any hearings, meetings, or any other consultation process. Should you wish to further information or clarification, please contact any or all of the following:
 - NCRA/ANREC: Melissa Kaestner – (613) 321-1440, melissa@ncra.ca
 - ARC du Canada: Serge Paquin – (613) 562-0000, poste 353, s.paquin@radiorfa.com
 - ARCQ: Lucie Gagnon – (514) 287-9094, lucie.gagnon@arcq.qc.ca

Sincerely,



Melissa Kaestner, NCRA/ANREC National Coordinator

Per: Serge Paquin, Secrétaire générale, ARC du Canada

Per: Lucie Gagnon, Secrétaire générale, ARCQ

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