

Conseil de la radiodiffusion et des
télécommunications canadiennesCanadian Radio-television and
Telecommunications Commission

MEMORANDUM

To Full Commission Meeting (FCM)
April 30, 2019

From Catherine Arguin
French-language radio

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Subject: Radio non-compliances – Overview and measures**PURPOSE:**

✓ **For information:** Overview of the extent of non-compliance issues in the Canadian radio industry, the Commission's most commonly used measures, and new minor internal preventative measures to minimize these issues; and

✓ **For decision:** [REDACTED]

BACKGROUND:

The Commission recognizes that a "large number of licensees remain in non-compliance on an annual basis."¹ This issue mobilizes the resources of the Commission, which has invested time and resources over the years to develop new mechanisms to address non-compliances and establish a more flexible approach to deal with them within the limits of its legislative powers.²

However, the Commission has limited statistical data on the extent of non-compliance issues in the Canadian radio industry. Staff therefore conducted an in-house study to this effect, and the results are presented to you in this document.³ Furthermore, in order to attempt to prevent and minimize radio

¹ As cited in paragraph 60 of the *Call for comments on a targeted policy review for the commercial radio sector*, Broadcasting Notice of Consultation CRTC 2013-572, Ottawa, October 30, 2013.

² See Update on the Commission's approach to non-compliance by radio stations, *Broadcasting Information Bulletin* CRTC 2014-608, Ottawa, November 21, 2014.

³ Please note that this report contains a small sample of programming non-compliances and the submission of monitoring materials [REDACTED]

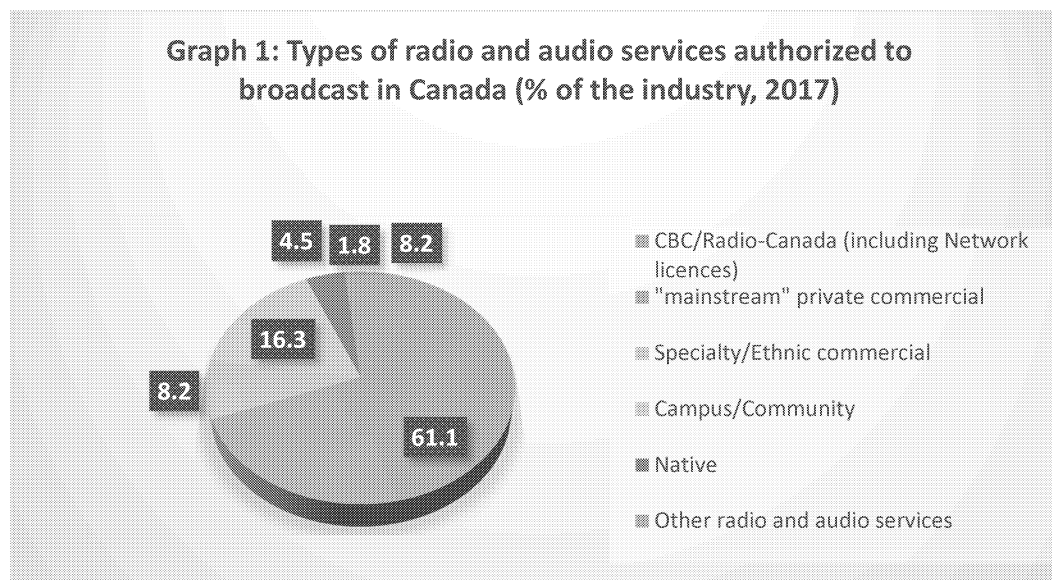
non-compliance issues, staff are currently implementing new internal measures that will be presented to you.

Note to the Commission: In this memorandum, staff present their observations and conclusions in relation to the data collected and summarized. These can be found in the appendices to the memorandum in order to simplify its presentation.

IN-HOUSE STUDY ON NON-COMPLIANCE IN RADIO:

Considerations:

In addition to public sector services (Radio-Canada/CBC),⁴ in 2017, Canada's radio industry had approximately **1,034 AM or FM radio services**, or audio services.⁵ The industry is dominated by the private commercial radio sector. The various sectors are distributed as follows:⁶



All licensees have a legal obligation to comply at all times with the requirements set out in the *Broadcasting Act* (the Act), the Radio Regulations, 1986 (Regulations) and their conditions of licence. In the event of repeated instances of serious non-compliance, radio licensees also have the legal obligation to comply with the orders imposed by the Commission, pursuant to section 12 of the Act. The main regulatory requirements verified by the Commission to assess radio compliance include the following:

- ✓ Filing of annual reports, and their accuracy;
- ✓ Canadian content development (CCD) contributions;
- ✓ Filing of accurate programming monitoring materials;

⁴ It should be noted that Radio-Canada/CBC radio and audio services are not included in the data shown in this document.

⁵Source: Table 8.2 of the CRTC's Communications Monitoring Report 2018:
<https://crtc.gc.ca/eng/publications/reports/policymonitoring/2018/cmr4b.htm#s80iv>

⁶ See Table 2A in Appendix A for the exact number of stations by sector.

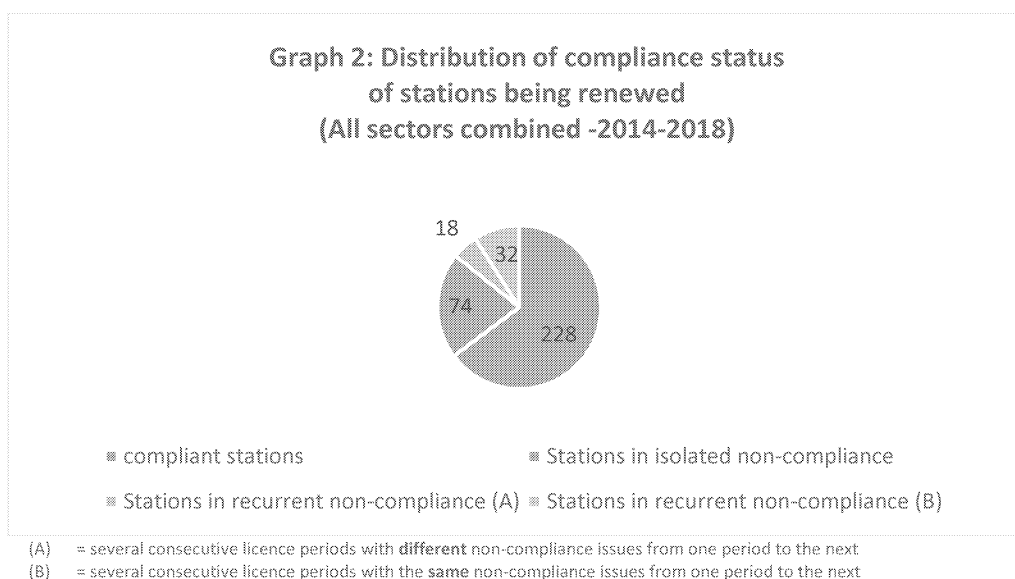
- ✓ Various programming requirements (e.g.: broadcast of Canadian content);
- ✓ Participation in the National Public Alerting System (NPAS); and
- ✓ Other requests for information, on a case-by-case basis.

Therefore, to do this in-house study⁸, staff compiled data from licence renewal decisions issued **since October 28, 2014 (or 355 stations)**, which was the effective date of new compliance mechanisms announced by the Commission.⁹

Radio non-compliance rates:

In the in-house study, staff wanted to determine the annual compliance rate of stations that are renewing their licence. Staff therefore calculated, by sector, the percentage (%) of stations that were not in compliance in relation to all stations seeking renewal over the last four years.¹¹

Results:



⁸ The methodology notes related to the in-house study are presented in [Appendix A](#) of this document.

⁹ This aspect was a key component of *A targeted policy review of the commercial radio sector*, Broadcasting Regulatory Policy CRTC 2014-554, Ottawa, October 28, 2014 (sections 55 to 84). We will come back to these mechanisms later in this document.

¹⁰ For more information on these requirements, see [Appendix B](#).

¹¹ See [Appendix C](#) for more detailed data on the number of stations for each sector.

Table 1: Non-compliance rate of radio stations due for licence renewal since October 28, 2014:

Sector	2014-15			2016			2017			2018		
	A*	**B	***C	A*	**B	***C	A*	**B	***C	A*	**B	***C
Commercial	56	12	21%	67	18	27%	78	12	15%	26	9	34%
Commercial Ethnic/specialty	9	2	22%	3	2	67%	9	8	89%	12	7	58%
Campus/community	12	8	67%	17	9	53%	10	5	50%	18	9	50%
Native	13	10	77%	3	3	100%	4	4	100%	4	4	100%
Other	6	2	33%	4	0	0%	4	3	75%	0	0	0%
TOTAL	96	34	35%	94	32	34%	105	32	31%	60	29	48%

*A = Total # of stations/licences renewed

**B = Total # of stations in non-compliance

***C = Non-compliance rate

Highlights:

- ✓ Overall, non-compliance issues affect less than half of all stations being renewed each year, or on average slightly more than a third (37%) of these stations.
- ✓ The “mainstream” commercial radio sector has the **lowest non-compliance rate (24% on average over 4 years)** compared to all other sectors. Considering that this sector alone represents the majority (approximately 60%) of the industry,¹² this result suggests that **the majority of the radio industry is in compliance with the Commission’s regulatory requirements.**
- ✓ **The Native sector has the highest rate of non-compliance (94% on average over 4 years).** In total, the staff reviewed the compliance of 24 Native stations over 4 years to achieve this result, which represents nearly 50% of the total of the Native radio industry.¹³ The Commission will address this issue, among others, in the context of the impending review of the Native radio policy.¹⁴
- ✓ For over half of stations in non-compliance (74 stations or approximately 60%) the issues identified are isolated incidents that were noted for only licence period.
- ✓ **Recurrent non-compliance issues (e.g. observed for two or more consecutive periods) have affected approximately 14% (or 50 stations) of all stations studied. Although these are not**

¹² As presented in Graph 1, the commercial radio sector represents nearly 70% of the industry (approximately 780 AM and FM stations). This number includes mainstream stations (61%, or approximately 688 stations), ethnic stations (3%, or approximately 38 stations) and specialty stations (nearly 5%, or approximately 54 stations). Source: Communications Monitoring Report 2018: <https://crtc.gc.ca/eng/publications/reports/policymonitoring/2018/cmr4b.htm>

¹³ In total, 51 Native stations were authorized to broadcast in Canada in 2017. Source: **Table 8.2 of the CRTC Communications Monitoring Report 2018:** <https://crtc.gc.ca/eng/publications/reports/policymonitoring/2018/cmr4b.htm#s80iv>

¹⁴ This was announced by the Chair in the Departmental Plan 2018-2019:

<https://crtc.gc.ca/eng/publications/reports/dp2018/dp2018.htm#h4>

always “serious” problems, it would appear that the majority of stations in recurrent non-compliance have difficulty rectifying the situation (32 stations or 9% of all stations studied), since the non-compliance issues that recur from one licence period to the next are of the same nature.¹⁵

It is important to note that **the rate of non-compliance varies greatly from one radio sector to another (commercial, community, Native, etc.)**. This is partly due to the variation and small size of the samples studied from one year to the next for sectors other than “mainstream” commercial radio. Furthermore, licensees from sectors other than the commercial sector often have fewer financial and human resources,¹⁶ and have therefore greater difficulty to remain in compliance on a regular basis.

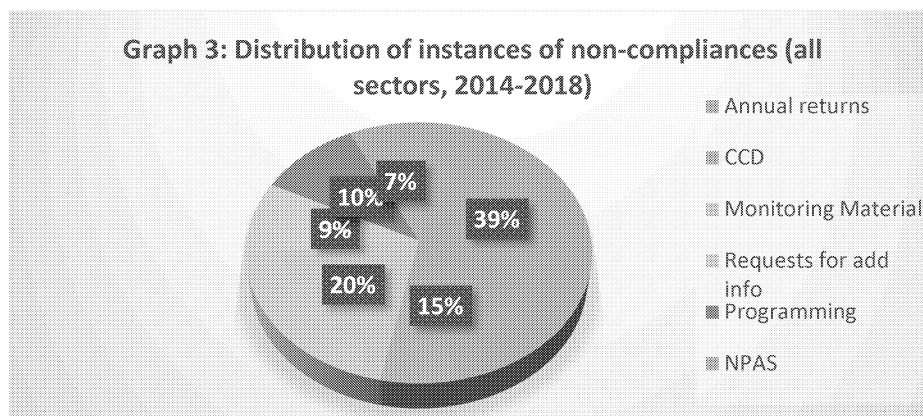
Non-compliance rates and first operating period:

Staff also wanted to know whether stations in the first operating period were more often in non-compliance with the lack of knowledge, experience and resources being risk factors for developing non-compliances. Staff therefore compared non-compliance rates (2014-2018) between new stations and well-established stations by sector.

Generally speaking, it seems that there are slightly fewer non-compliance issues for well-established stations compared to new stations. It should be noted, however, that the samples used to do the exercise are small for some sectors¹⁷ and the results obtained vary significantly from one sector to another. Nevertheless, the results suggest that **preventive measures (e.g. support to new licensees) rather than corrective measures (short term renewals, on-air announcements, etc.) may be relevant, particularly for small stations from sectors other than the mainstream commercial sector.**

Nature of instances of non-compliance:

The observations presented above provided an overview of the proportion of stations in non-compliance since 2014. Staff was also interested in the nature of the most frequent instances of non-compliance by sector:¹⁸



¹⁵ Specifically, staff noted that 9% of all stations studied are in recurrent non-compliance AND these non-compliances had been the same in nature over several consecutive licence terms. For detailed data on the proportion of stations in non-compliance by type (e.g. isolated, recurrent and recurrent/repeat) and by sector, please refer to [Tables C2 and C3 in Appendix C](#).

¹⁶ Such as the campus and community sector. The issue of staff turnover rate and lack of resources for this sector was addressed in the Campus and community radio policy, Broadcasting Regulatory Policy CRTC [2010-499](#), Ottawa, July 22, 2010.

¹⁷ For more information on samples used by sector, please refer to [Table C1 in Appendix C](#).

¹⁸ Detailed data by sector and by year on the nature and frequency of non-compliances identified in the renewal decisions reviewed since 2014 can be found in [Appendix D](#).

- ✓ **Filing of complete and accurate annual reports, CCD contributions and filing monitoring materials are three types of non-compliance most frequently noted for all sectors. However, it should be noted that these element are more frequently monitored than programming requirements.**
- ✓ **All sectors combined, the most common type of non-compliance relates to filing of complete and accurate annual reports (39% of all instances of non-compliance).** This can be explained in part by the relative administrative burden of this regulatory requirement, but also by the fact that this is the most systematically monitored requirement just before the licence renewal for stations, from all sectors combined.

MEASURES IN THE EVENT OF NON-COMPLIANCE:

The Commission's approach

In Broadcasting Information Bulletin [2014-608](#),¹⁹ the Commission provided an update on its approach for dealing with non-compliance by radio stations. Section 6 reads, "Following the licence renewal public proceeding, the Commission will impose measures according to the nature of the non-compliance. Each instance of non-compliance will be evaluated in its context and in light of factors such as the quantity, recurrence and seriousness of the non-compliance. The Commission will also consider the circumstances, the arguments provided by the licensee, as well as the actions taken to rectify the situation."

The Commission's measures:

Until 2014, the Commission mainly used a **short term licence renewal** to address non-compliance cases. As part of its *Targeted policy review of the commercial radio sector*²⁰ (the policy review), the Commission identified additional measures, imposed by condition of licence,²¹ to help prevent and address non-compliance in radio.

The Commission generally deals with instances of non-compliance in a progressive and gradual manner, and the same applies to measures imposed on licensees in non-compliance. In order to ensure its recommendations for measures to be imposed are fair, predictable and consistent for the industry, staff is guided by its internal guidelines for assessing non-compliances that it approved at the September 25, 2014, FCM to make recommendations to the Commission. These guidelines are tools to support the decision-making process as to the appropriate measures to impose, taking into account various circumstances on a case by case basis. The choice of measures to be imposed to licensees with non-compliances issues **remains at the Commission's discretion.**

The table below outlines the key compliance measures used by the Commission since the publication of its policy review on October 28, 2014. **Appendix F presents a summary of the internal guidelines that apply to each of these measures.**

¹⁹ *Update on the Commission's approach to non-compliance by radio*, Broadcasting Information Bulletin CRTC [2014-608](#), Ottawa, November 21, 2014.

²⁰ *A targeted policy review of the commercial radio sector*, Broadcasting Regulatory Policy CRTC [2014-554](#), October 28, 2014.

²¹ Or the obligation to read a statement on air to announce their non-compliance, or the obligation make additional CCD contributions. The Commission may also, at the time of licence renewal, choose to impose on a case-by-case basis any other condition of licence within its powers and duties if it considers it necessary to ensure more rigorous compliance monitoring and to facilitate a licensee's compliance (e.g. filing additional reports or information on specific issues that have been non-compliant).

Table 2: Corrective measures most frequently imposed by the Commission

Measure	Description
Short term licence renewal	<p>What is it? Licence renewal for periods less than the maximum period of seven years, typically between two and six years.</p> <p>Relevance and effectiveness:</p> <ul style="list-style-type: none"> ✓ Allows for more rigorous compliance monitoring /deterrent: Given that the Commission typically reviews a licensee's compliance at the time of licence renewal, this measure notifies the licensee that its compliance record will be reviewed earlier, giving it the opportunity to demonstrate compliance to the Commission. This adds administrative tasks to licensees, who must submit to the non-compliance assessment and license renewal process at an earlier date (deterrent effect).
On-air announcement	<p>What is it? In its policy review, (Broadcasting Regulatory Policy CRTC 2014-554), the Commission adopted the requirement to broadcast an announcement as a compliance mechanism. This is a condition of licence, requiring a licensee to read a statement²² on the air of at least 30 seconds to announce their non-compliance for at least five consecutive days, one to three times a day during peak listening times. This measure is similar to the one used by the Canadian Broadcast Standards Council (CBSC) [when a member contravene to its various codes] and relates to severe non-compliance cases.</p> <p>In the two weeks following the last on-air announcement, the licensee is also required to provide the Commission with an attestation of the broadcast and the audio recordings for the broadcast days during which the announcement was broadcast.</p> <p>Since the implementation of broadcasting announcements on-air, the Commission has imposed this measure 18 times on 17 stations from the commercial radio sectors (including ethnic and specialty stations) and community radio (see the list of these stations in Table E3 of Appendix E).</p> <p>Relevance and effectiveness:</p> <ul style="list-style-type: none"> ✓ Self-regulation tool: As licensees want to make a good impression on their audience, the obligation to report their own instances of non-compliance on the airwaves is intended to create a deterrent effect for future instances of non-compliance. ✓ Forum for the Commission: The content of the message to be broadcast makes it possible to raise listeners' awareness about the Commission during peak times. ✓ Deterrent²³: Licensees lose air time that could have been dedicated to advertising during peak times.
Additional CCD	<p>What is it? In its policy review (Broadcasting Regulatory Policy 2014-554), the Commission adopted a measure to require licensees of certain commercial radio stations to make additional CCD contributions that are over and above the existing ones. This measure concerns certain instances of non-compliance:</p>

²² The script of the announcement to be broadcast on-air can be found in the Appendix to Broadcasting Information Bulletin CRTC [2014-608](#).

²³ Deterrent effect

<p>contributions</p>	<ul style="list-style-type: none"> • programming (Canadian content and French-language vocal music [FVM]); and • CCD contributions (unpaid contributions). <p>Since the implementation of this measure on October 28, 2014, the Commission has imposed the requirement to make additional CCD contributions on 17 stations²⁴ in non-compliance. These amounts total \$347,861.</p> <div style="background-color: #cccccc; height: 100px; width: 100%;"></div> <p><u>Relevance and effectiveness:</u></p> <ul style="list-style-type: none"> ✓ Rectify the harm caused to the broadcasting system: It is important for licensees to meet their obligation to broadcast specific levels of Canadian content and FVM, which ensure that Canadian artists enjoy a certain level of exposure and receive royalties from radio station licensees. Similarly, it is important that licensees pay all CCD contributions in a timely manner, because the initiatives not only help to develop and advance the careers of emerging Canadian artists, but increase the supply of high-quality Canadian music in a variety of genres and the demand for Canadian music by listeners. In the event of non-compliance with CCD contributions or music programming requirements, harm could be caused to the broadcasting system. As such, the Commission sometimes chooses to impose as a corrective and deterrent measure, a condition of licence requiring the licensee to make an additional CCD contribution to compensate for the harm caused to the system in such cases. ✓ Deterrent: Increase in licensee's expenses and administrative burden (proof of payment and eligibility).
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Generally speaking, the key measures described above are sufficient for a licensee to restore compliance with regulatory requirements. However, **in rare cases**, the Commission will use more stringent measures, such as:

- **Denying** a licence renewal application (**non-renewal**);²⁵
- **Calling a licensee to a public hearing** to discuss its station's record of non-compliance (hearings used for this purpose target very few stations);²⁶

²⁴ Including 10 commercial stations and 7 ethnic/specialty stations. See the complete list of licensees, stations and imposed amounts in [Table E2](#) of Appendix E.

²⁵ Among the sampling of stations studied from 2014 to 2018, the Commission only published one decision to deny non-renewal of licence related to serious non-compliances and an extended period off the air. See Broadcasting Decision CRTC [2014-667](#).

²⁶ For example, From October 28, 2014 to 2018, the Commission held two appearing hearings involving a total of 11 stations in the process of licence renewal found in serious non-compliance belonging to seven different licensees. See Broadcasting Notice of Consultation CRTC [2015-84](#) (items 1 to 3) and CRTC [2018-128](#) (items 1 to 4).

Following a public hearing:

- Impose an **order** pursuant to section 12 of the Act requiring the licensee to comply with the regulatory requirements and conditions of licence.²⁷ These orders may be made an order of the Federal Court under section 13 of the Act. These orders then become an order of the Federal Court and are subject to contempt of court proceedings²⁸;
- **Suspending the licence**; or²⁹
- **Revoking the licence**,³⁰ which generally occurs during the licence period. If the licensee is before the Commission with a licence renewal application, the non-renewal will have almost the same effect.

When the Commission has imposed these exceptional measures in the past, the non-compliances observed were very serious in nature. Licence non-renewal or revocation is generally the last step following a long series of decisions in which the Commission imposed measures and detailed its expectations of the licensee to allow them the opportunity to restore compliance with its obligations.

Frequency of imposition of the Commission's key measures

In the in-house study, staff compiled data on the frequency of imposition of the measures used by the Commission since October 2014, to address radio non-compliances. Given that each measure must be imposed taking into account the various circumstances of each case, while non-compliances were observed in some cases, the Commission did not impose any measure. The non-compliances were therefore very slight, random, or they happened under exceptional circumstances. In other more complex or serious instances, the Commission may have imposed more than one measure to the same station. For detailed information on the number and type of stations a given measure was imposed, please refer to [Table E1 in Appendix E](#).

Results:³¹

²⁷ Among the sampling of the stations studied from 2014 to 2018, the Commission imposed orders for only nine stations found in serious non-compliance. See Broadcasting Decisions CRTC [2014-641](#), [2015-346](#), [2015-383](#), [2018-110](#), [2018-168](#), [2018-172](#), [2018-231](#), [2018-444](#) and [2018-468](#).

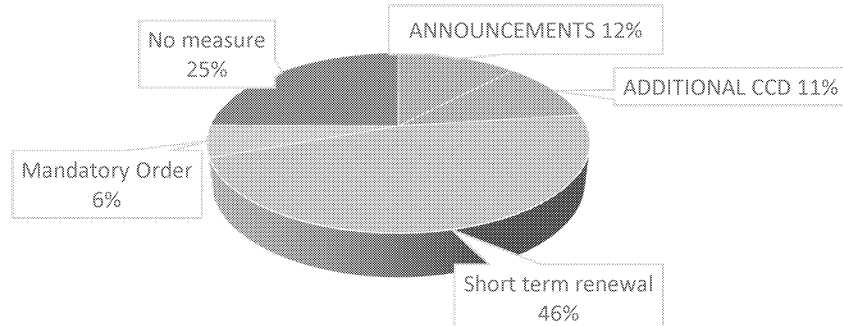
²⁸ Such contempt of court proceedings have never been undertaken by the Commission given their inefficiency.

²⁹ It appears that the Commission never used this measure in the past.

³⁰ Among the sampling of the stations studied from 2014 to 2018, the Commission revoked the licences of two licensees: Aboriginal Voices Radio Inc. (five Native stations – see Broadcasting Decision CRTC [2015-282](#)) and Salt Spring Island Radio Corp. (one specialty commercial station – See Broadcasting Decision CRTC [2015-281](#))

³¹ In 2015, the Commission also **revoked** the licences of five Native stations belonging to Aboriginal Voices Radio Inc. (Decision CRTC [2015-282](#)) and a specialty commercial station from Salt Spring Island Radio Corp. (Decision CRTC [2015-281](#)). However, as these are not actual licence renewal decisions, the stations covered by these decisions have not been included in our in-house study, and the revocation does not appear in Graph 4 above.

Graph 4: Frequency of imposition of corrective measures (stations in non-compliance, all sectors - 2014-2018)



- ✓ **All sectors combined, the short term licence remains the measure most frequently used by the Commission.** This is not surprising because this measure allows for closer monitoring with licensees in non-compliance, which will be re-assessed more quickly.
- ✓ **It also shows that the Commission chose not to impose any measure one in four instances (25%),** which gives us an indication of the proportion of licensees in slight non-compliance.³²
- ✓ **It can be assumed that less than one third of all cases of non-compliance recorded since 2014 are serious, recurrent, or both:** the frequency of imposed announcements, orders and additional CCD contributions (used **29% of the time**) is an indicator in this regard, as these measures are generally reserved for this type of case.

NEW PROACTIVE MEASURES:

Findings:

In short, the in-house study on radio non-compliances has led staff to make the following assumptions:

- Non-compliance issues are not as widespread as we might think. Overall, we presume that most of the radio industry is in compliance with regulatory requirements;
- Most of the time, licensees in non-compliance have occasional and isolated issues that are resolved during the subsequent licencing period. Recurring instances of non-compliance spread over several licencing periods are more rare (fewer than 10% of all stations in the process of renewal each year);
- Non-compliance issues involve more regularly small licensees, most often from sectors other than “mainstream” commercial radio;
- All sectors combined, the most frequent non-compliance issues relate to the requirements for filing annual reports and their accuracy; and
- The effectiveness of the corrective measures outlined above is difficult to assess by staff at this point because the majority of licences of stations on which such measures have been imposed

³² Due to time constraints, the severity level of non-compliance by stations was not included in the study.

(since 2014) have not yet expired. **Thus, staff do not suggest reviewing these measures at this time, but rather focusing on preventative measures or tools.**

In addition, staff noted that:

- The Commission's measures in place aim to *repair* the damage already done, or to *correct* instances of non-compliance. The Commission does not have any measures or mechanisms in place aiming directly to *prevent* non-compliances.
- Staff noted that the lack of knowledge or understanding of regulatory requirements and the complexity of some requirements are common reasons given by licensees to justify the various instances of non-compliance.
- In fact, representatives of some radio sectors mentioned the need to be better informed and supported by the Commission in order to effectively meet their regulatory requirements,³³ and this should be done earlier than at the time of licence renewal.

Based on the above considerations, staff are in the process of implementing the following new internal measures **focused on preventing non-compliances and educating licensees:**

Measure 1: Web page on compliance for radio stations

➤ **Issues identified:**

- Several licensees refer to the lack of knowledge or understanding of their regulatory requirements to justify their non-compliance issues; and
- The Commission's approach in instances of non-compliance and the regulatory requirements for each radio sector are separated and explained in different publications (regulations, regulatory policies, Information Bulletins, web pages, etc.). For some licensees, it is difficult to navigate effectively and to have an overview of what is expected from them.

➤ **Solution:** Create a web page on compliance for radio licensees on the Commission's website.

- This **interactive** web page, meant to be user friendly for licensees and written in a plain and concise language, will summarize and explain the key regulatory requirements to radio licensees by sector (commercial, campus/community, Native, etc.) and by topic (CCD, programming requirements, filing annual reports, etc.).
- This will allow links to various Commission publications related to regulatory requirements (regulatory policies, Information Bulletins, etc.) to be grouped by subject so that users can navigate more easily.

³³ For example, as noted in paragraph 84 of the Commission's policy review (Broadcasting Regulatory Policy CRTC 2014-554) with respect to measures that the Commission could take in order to manage instances of non-compliance, the community and campus radio associations were of the view that the Commission should establish online services or a suggestion box for licensees. As noted in this paragraph, the Commission already provides a single point of contact for smaller licensees and a client services group to provide information. However, staff are considering other internal measures to address this need, such as the creation of a web page for information on regulatory requirements and non-compliances in radio.

Measure 2: Annual reports – minor changes and better monitoring

➤ **Issues identified:**

- Some commercial radio licensees forget to attach proof of payment and eligibility of their CCD contributions with their annual reports, which delays and complicates the assessment of such requirements.
- Despite the correspondence (letter and email) sent annually to all licensees to remind them to file their annual reports by November 30, many licensees do not meet this requirement. Furthermore, several licensees file incomplete annual reports.
- Staff follows up (phone calls, emails and, in certain cases, additional letter) with every licensee that does not file, in part or in whole, the annual returns. Despite this, some licensees complain that they are only informed of their non-compliance status when annual reports are filed at the time of licence renewal, and therefore, sometimes several years after the apparent non-compliance has occurred.
- Incomplete or unfiled annual returns result in problems and delays for staff, who must evaluate several aspects of a station's compliance (CCD, NPAS) based on the information provided by licensees in their annual returns.

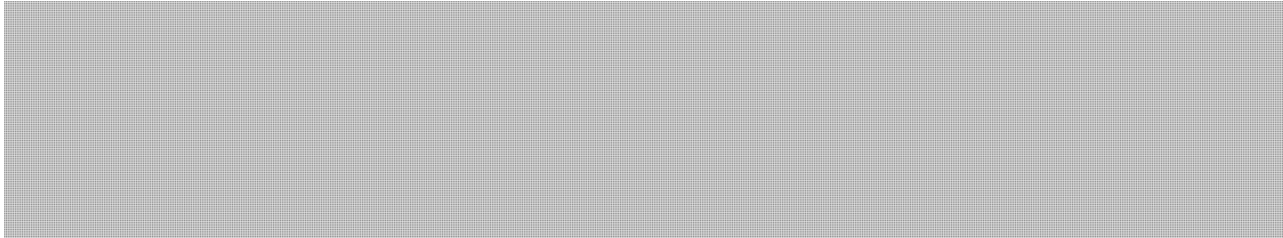
➤ **Solution: Clarify certain steps related to the process of filing annual returns, and ensure of closer follow ups with licensees:**

- Staff is currently assessing, with the sectors involved and their external governmental partners, the possibility to alleviate the administrative burden of small players (campus, community, Native stations) in order to reduce at a minimum level the type and quantity of financial information requested by the Commission for statistics purposes.
- In addition, staff is currently exploring various technical and operational solutions to clarify the information to be submitted in the annual reports and to inform licensees more quickly and more frequently of apparent non-compliance with the filing of annual reports. These include:
 - ✓ Clarify the reminder letter sent annually (e.g. in the Subject field, change "Annual survey" to "Mandatory filling of annual returns"); add a statement that if this regulatory requirement is not met, the licensee may be found in apparent non-compliance.
 - ✓ In the forms, be more specific that the year to be covered is the broadcasting year and not the calendar year, and also remind licensees that in some instances, they must include the following documents (most often forgotten): financial statements, and for CCD contributions, proof of payment and eligibility.³⁴ To do so, licensees will need to check one box to confirm that the period to be covered is the correct one and others to confirm that the related

³⁴ With regards to proof of payment and eligibility, instructions are already in place on the form to clarify the nature of the information to be filed. Furthermore, in December 2018, staff updated the following web page regarding the requirements for CCD contributions: <https://crtc.gc.ca/eng/general/ccdparties.htm>

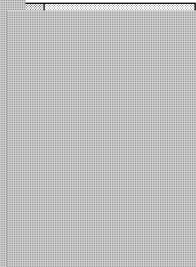
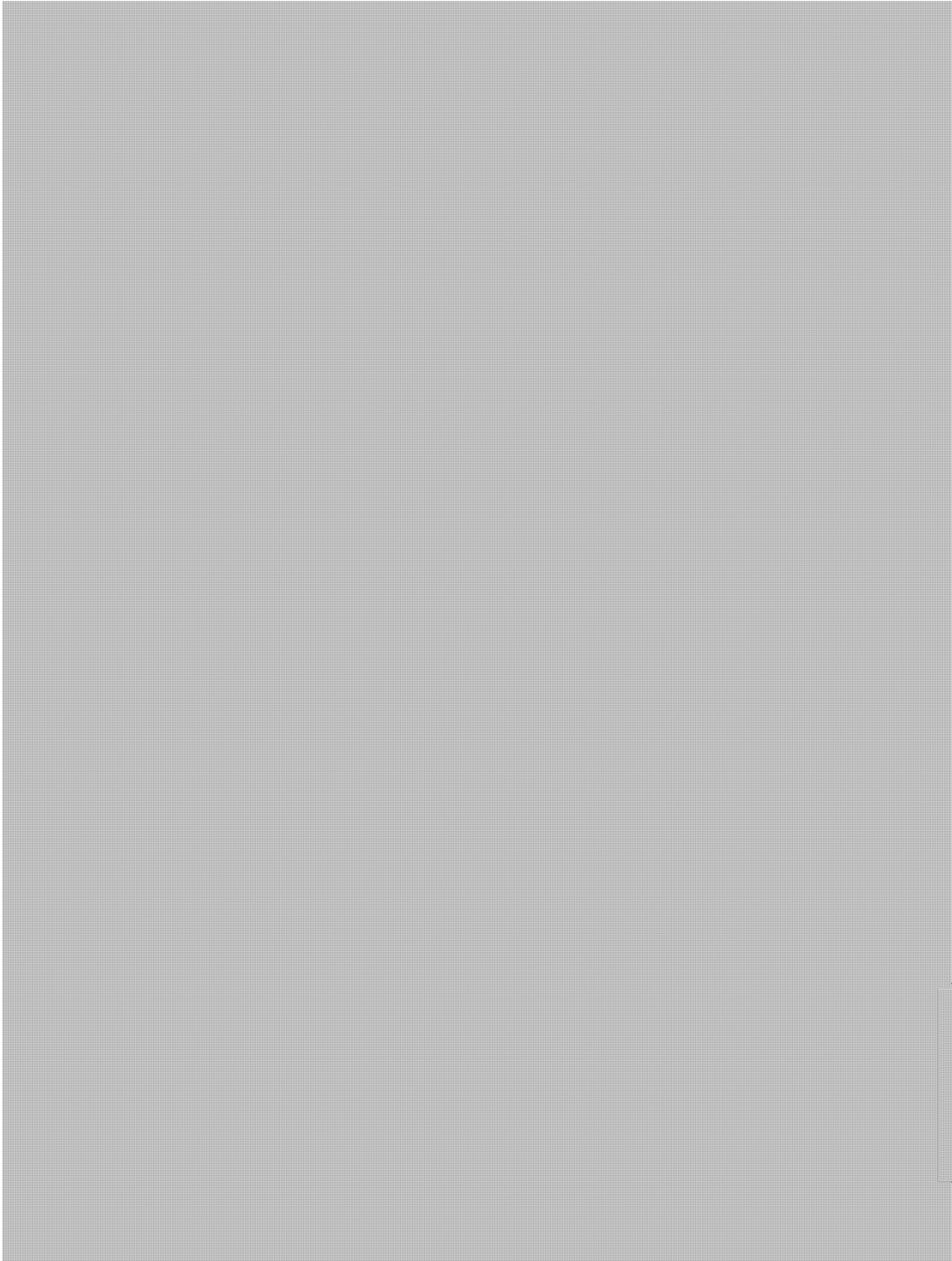
documents are included with the form (one box per document). It will not be possible to submit the form in the system if these boxes are not checked.

- ✓ Each year, roughly two months after the November 30 deadline, generate a report containing the list of all licensees that have not filed their annual returns, or have filed incomplete annual returns. Notify all licensees found in apparent non-compliance by email.
- ✓ Do the phone calls earlier with licensees who did not file all of the required information, and in the letter to be sent after this call each year, provide licensees with the opportunity to comment on their apparent non-compliance status (rather than only once, at the time of the licence renewal).
- ✓ Licensees found in non-compliance despite these measures will be part of the list of licensees that did not file their annual reports in whole or in part. This list will be published on the Commission's web site.



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FOR DECISION –



**Pages 15 to / à 16
are withheld pursuant to sections
sont retenues en vertu des articles**

21(1)(b), 22

**of the Access to Information Act
de la Loi sur l'accès à l'information**

Appendix A: Home Study – Methodology

Study sample:

In order to establish the profile of instances of radio non-compliance over the past four years, the staff has compiled data on all radio stations targeted by the license renewal decisions published **since October 28, 2014**, the date the new compliance mechanisms came into force.³⁷ The nature of the data compiled is as follows:

- Renewal decision number
- Licensee
- Number of stations
- Call sign, location and province
- Type of station (9 categories: English-language commercial,³⁸ French-language commercial, ethnic, specialty, English-language community, French-language community, campus, Native, other)
- Compliance status (i.e., compliant or not?)
- History of compliance (i.e., how many consecutive periods of non-compliance? Are the same instances of non-compliance repeated over multiple periods?)
- History of operation (first license period or not?)
- Number and types of non-compliance per station
- Number and types of measures imposed per station

Limitations:

The sample does not include stations targeted by administrative renewals, public sector stations (CBC/Radio-Canada), or non-compliant stations targeted by transfer of assets decisions in which a new license has been issued.

The annual sample of stations being renewed for the ethnic, specialty, Native and other (not-for-profit commercial and other audio services) radio sectors is relatively small (less than 10 stations, and sometimes less than 5 stations annually). **Therefore, it is impossible to generalize with regard to conclusions that would apply to all stations in a given sector for these stations.**

It is also for this reason that the staff has placed the license categories in 5 groups in the presentation of results, as follows:

³⁷ See *A targeted policy review of the commercial radio sector*, Broadcasting Regulatory Policy CRTC 2014-554, Ottawa, October 28, 2014 (paragraphs 55 to 84).

³⁸ Stations categorized as “English-language commercial” and “French-language commercial” are stations that offer a “mainstream” format. Although ethnic and specialty stations are also commercial, they were considered separately, just like not-for-profit commercial stations (religious stations not exempted for the most part). The latter fall under the “other” category, along with various audio services.

Table A1: License categories presented in the *Home Study*

"Sector" name	Corresponding license categories
Commercial radio	<ul style="list-style-type: none"> ✓ "Mainstream" English-language commercial radio ✓ "Mainstream" French-language commercial radio
Ethnic/specialty radio	<ul style="list-style-type: none"> ✓ Specialty commercial radio (English- or French-language) ✓ Ethnic specialty commercial radio
Campus/community	<ul style="list-style-type: none"> ✓ Campus radio ✓ Community radio (English- and French-language)
Native	<ul style="list-style-type: none"> ✓ Native radio
Other	<ul style="list-style-type: none"> ✓ Not-for-profit commercial radio (religious services) ✓ Specialty audio (ex.: Apna Desi Radio) ✓ National audio pay service (e.g., Stingray)


As the Commission has received approximately 100 license renewal applications per year between 2014 and 2018, this means that at most 10% of the entire industry has been subject to annual compliance verification in this context. Accordingly, considering that the staff has collected data on stations being renewed over the past four years (late 2014 to 2018), this means that at most **40% of the entire** industry is represented by the results of the staff's *Home Study*, presented below. Representativeness may vary by sector, as the following table shows:

Table A2: Share of representativeness of each radio sector in the *Home Study*

Sector	Total # of stations and audio services for which a license renewal decision was published (2014-2018)	Total # of stations in this sector	Approximate share ³⁹ of sector represented in <i>Home Study</i>
Mainstream commercial	227	688	33%
Ethnic/specialty commercial	33	92 (i.e., 38 ethnic and 54 religious)	36%
Campus/community	57	183	31%
Native	24	51	47%
Other	14	20	70%
All sectors	355	1,034	34%

In addition to the sample size, several factors influence the obtained compliance results annually, such as:

³⁹ A small number of stations were subject to more than one renewal decision between 2014-2018, which increases the margin of error for this data.

- **The intrinsic differences in the regulatory framework:** Some regulatory requirements do not apply to small players (e.g., CCD contributions), and accordingly, the number of total instances of non-compliance for some types of licensees is likely to be smaller.
- **The method** used by the staff to analyze station compliance:
 - 
 - From one year to the next, the methods and criteria for evaluating non-compliance have changed with a view to better performance; and
 - The Commission carries out more rigorous and systematic verifications with some licensees (e.g., commercial stations belonging to large ownership groups or any station with a history of non-compliance).
- **The number of factors assessed** has increased (e.g., new assessment of compliance with the National Public Alerting System (NPAS), section 16 of the *1986 Radio Regulations*).

Appendix B – Compliance assessment with main radio regulatory requirements

Regulatory factor assessed	Description /Importance	Type of licensees concerned
Submission of annual reports <i>Subsection 9(2) of the Regulations</i>	<p>Annual reports provide data (financial and other) that enable the Commission to effectively assess, control and regulate the radio industry. Subsection 9(2) of the Regulations requires that, by November 30 of <u>each year</u> at the latest, <u>all licensees</u> of radio stations provide the Commission with annual reports, including their financial statements, for the broadcasting year ending on the previous August 31.</p>	ALL
Programming requirements <i>Sections 3 to 7 of the Regulations</i> AND Filing of radio monitoring materials <i>Section 8 of the Regulations</i>	<p>During each broadcast week, all licensees have specific requirements to meet with regard to broadcasting content (Canadian, French-language, local spoken word content, musical, etc.). Complying with these requirements benefits those who listen to spoken word content and Canadian music, supports several objectives of the Act and makes it possible to guarantee Canadian artists a level of exposure and appropriate royalties.</p> <p>The submission by a licensee of monitoring material that is complete, exact and within the required timeframe enables the Commission to analyze a given station's programming to assess compliance with regard to programming requirements. Monitoring material consists of a set of logs, recordings, music lists and other documents submitted <u>at the Commission's request for all licensees (in general once per license period).</u></p>	ALL
Canadian Content Development (CCD) contributions	<p>CCD contributions aim to increase the supply of and demand for high-quality Canadian music and spoken-word content for broadcast. They are financial contributions made during <u>each broadcast year by the licensees of commercial stations</u> to eligible initiatives, whose amount is set based on station revenues⁴⁰ (section 15 of the Regulations for basic contributions), a licensee's commitments in the context of a new application (over-and-above contributions) or the purchase price in the case of ownership transactions (tangible benefits).</p>	Commercial stations only, including specialty stations such as ethnic stations

⁴⁰ Only commercial broadcasters with revenues of more than M\$1.25 must make basic contributions.

<p>National Public Alerting System (NPAS)</p> <p><i>Section 16 of the Regulations</i></p>	<p>Emergency alert messages come from NPAS and are issued by public authorities to notify the Canadian public of an imminent danger to life or property. Section 16 of the Regulations requires <u>all radio licensees</u> to participate in NPAS, and the entire radio industry was to implement the system <u>by March 30, 2016 at the latest.</u>⁴¹ Licensees are also required to confirm <u>annually</u>, in annual reports, that they broadcast alerts to Canadians in compliance with Commission requirements.</p>	<p>ALL</p>
<p>Information requests</p>	<p>The collaboration of all licensees with the Commission is essential, particularly in the verification of radio stations' compliance status. A licensee that does not submit the required information risks finding themselves in non-compliance with subsection 9(4) of the Regulations, which states that <u>at the request of the Commission, all licensees</u> must respond to any request for information regarding the licensee's adherence to the conditions of its licence, the Act, the Regulations, industry standards, practices or codes or any other self-regulatory mechanism of the industry.</p>	<p>On a case by case basis, based on Commission's requests to this effect</p>

⁴¹ More specifically, subsections 16(2) and 16(3) of the Regulations require all commercial radio stations (including specialty and ethnic stations) to implement NPAS by **March 31, 2015**, at the latest, while campus, community and native stations had until **March 31, 2016** to do so.

Appendix C: Radio non-compliance rates– Detailed data

Table C1: Comparison between non-compliance rates (2014-2018) for stations in their first license terms and those in operation for several license terms

Sector	First license term			Several license terms			Gap (%)
	# of stations in non-compliance	Total # of renewed stations	Non-compliance rate (%)	# of stations in non-compliance	Total # of renewed stations	Non-compliance rate (%)	
“Mainstream” commercial	16	53	30.2	35	174	20.1	10.1
Ethnic/specialty	5	11	45.5	14	24	58.3	-12.9
Campus/communi-ty	6	13	46.2	23	44	52.3	-6.1
Native	3	3	100.0	14	21	66.7	33.3
Other	3	7	42.9	2	7	28.6	14.3
TOTAL	33	87	37.9	88	270	32.6	5.3

Table C2: Difference between stations in isolated and recurrent non-compliance (2014-2018)

Sector	# of stations in isolated non-compliance	# of stations in recurrent non-compliance	Gap
Commercial	34	17	50%
Ethnic/specialty	7	11	-22%
Campus/community	11	18	-24%
Native	18	3	71%
Other	4	1	60%
TOTAL	74	50	19%

Table C3: Stations in recurrent non-compliance – Recurrence rate of the same types of non-compliance (2014-2018)

Sector	Number of stations in recurrent non-compliance (several consecutive license terms)			Rate of stations in recurrent non-compliance whose instances of non-compliance of the SAME NATURE repeat over multiple license terms
	Non-compliance of a DIFFERENT NATURE	Non-compliance of the SAME NATURE	Total	
Commercial	9	8	17	47%
Ethnic/specialty	7	4	11	36%
Campus/community	2	16	18	88%
Native	0	3	3	100%
Other	0	1	1	100%
TOTAL	18	32	50	64%

Appendix D: Nature of radio non-compliance issues – Detailed data**Table D1: Number of stations being renewed found non-compliant (ALL SECTORS, by type of non-compliance and since October 2014)**

	2014-15						2016			2017			2018							
	Commercial	Specialty/Ethnic	Campus/Community	Native	Other	Commercial	Specialty /Ethnic	Campus/Community	Native	Other	Commercial	Specialty /Ethnic	Campus/Community	Native	Other	Commercial	Specialty /Ethnic	Campus/Community	Native	Other
Annual Returns	7	2	8	10	1	3	0	7	3	0	1	2	5	4	3	1	3	7	3	0
DCC	4	1	NA	NA	1	7	0	NA	NA	NA	5	3	NA	NA	NA	3	3	NA	NA	NA
Monitoring material	2	1	1	0	0	9	1	0	0	0	6	2	0	0	1	6	3	4	1	0
Information request	2	1	2	0	0	2	0	0	0	0	0	0	0	1	1	2	1	2	2	0
Programming	4	0	0	1	0	0	2	0	0	0	3	2	0	0	1	1	3	2	0	0
NPAS	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	1	0	2	4	0	0	1	2	3	0
Total # of instances of non-compliance per sector	19	5	11	11	2	21	3	7	3	0	16	9	7	9	6	13	14	17	10	0
Total # of non-compliant stations	12	2	8	10	2	18	2	7	3	0	12	8	5	4	3	9	7	9	4	0
Total # of stations being renewed	56	11	12	13	6	67	4	17	3	4	78	9	10	4	4	26	12	18	4	0

Table D1: Commercial radio – Breakdown of types of annual instances of non-compliance observed

	2014-15	2016	2017	2018	TOTAL
Annual returns	7	3	1	1	12
CCD	4	7	5	3	19
Monitoring materials	2	9	6	6	23
Information request	2	2	0	2	6
Programming	4	0	3	1	8
NPAS	NA	NA	1	0	1
Total # of instances of non-compliance by type	19	21	16	13	69

Chart D1: Commercial radio: distribution of instances of non-compliance (2014-2018)

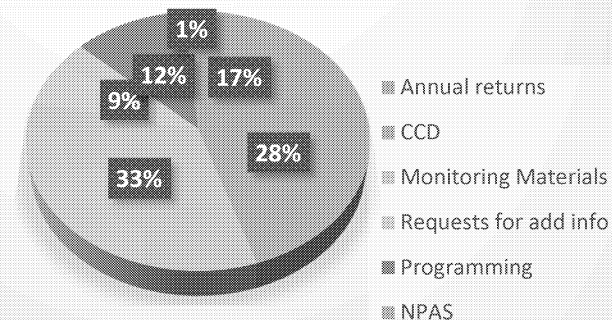


Table D2: Ethnic/Specialty radio – Breakdown of types of annual instances of non-compliance observed

	2014-15	2016	2017	2018	TOTAL
Annual returns	2	0	2	3	7
CCD	1	0	3	3	7
Monitoring materials	1	1	2	3	7
Information request	1	0	0	1	2
Programming	0	2	2	3	7
NPAS	NA	NA	0	1	1
Total # of instances of non-compliance by type	5	3	9	14	31

Chart D2: Ethnic/Specialty radio: distribution of instances of non-compliance (2014-2018)

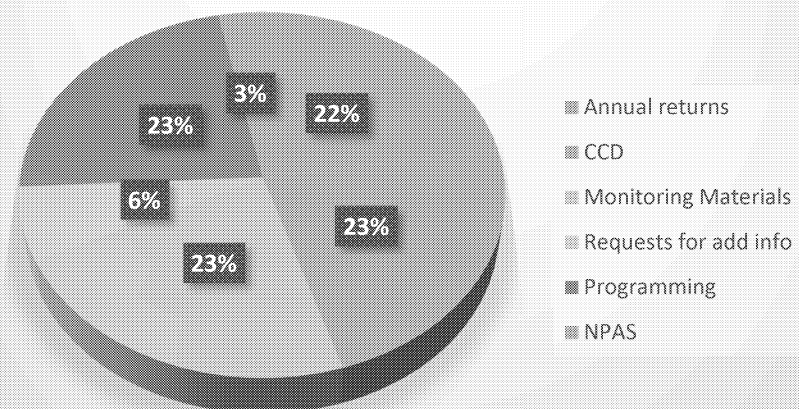


Table D3: Campus/community radio – Breakdown of types of annual instances of non-compliance observed

	2014-15	2016	2017	2018	TOTAL
Annual returns	8	7	5	7	27
CCD	NA	NA	NA	NA	NA
Monitoring materials	1	0	0	4	5
Information request	2	0	0	2	4
Programming	0	0	0	2	2
NPAS	NA	NA	2	2	4
Total # of instances of non-compliance by type	11	7	7	17	42

Chart D3: Campus/Community radio: distribution of instances of non-compliance (2014-2018)

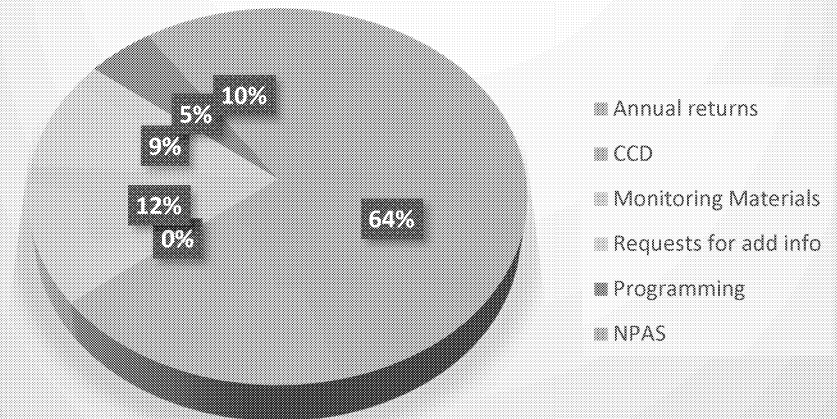


Table D4: Native radio – Breakdown of types of annual instances of non-compliance observed

	2014-15	2016	2017	2018	TOTAL
Annual returns	10	3	4	3	20
CCD	NA	NA	NA	NA	0
Monitoring materials	0	0	0	1	1
Information request	0	0	1	2	3
Programming	1	0	0	0	1
NPAS	NA	NA	4	3	7
Total # of instances of non-compliance by type	11	3	9	9	32

Chart D4: Native radio: distribution of instances of non-compliance (2014-2018)

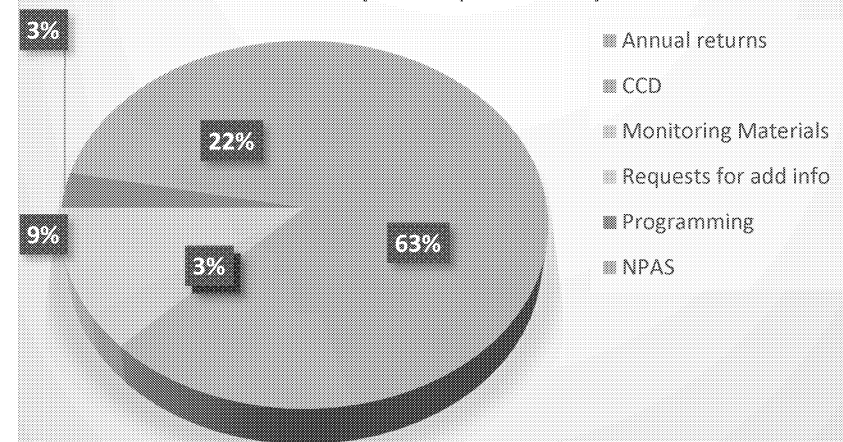
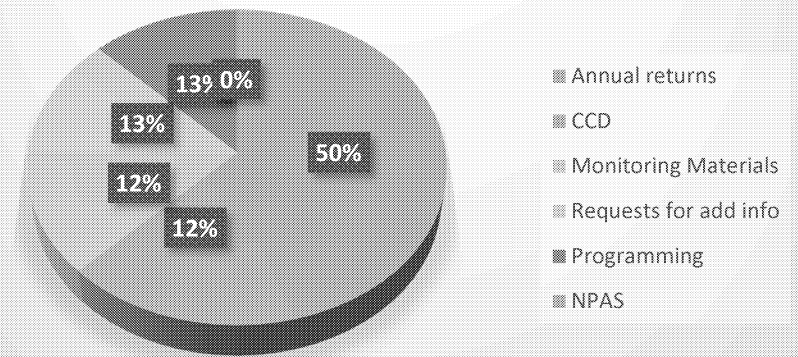


Table D5: Not-for-profit/other commercial radio – Breakdown of types of annual instances of non-compliance observed

	2014-15	2016	2017	2018	TOTAL
Annual returns	1	0	3	0	4
CCD	1	NA	NA	NA	1
Monitoring materials	0	0	1	0	1
Information request	0	0	1	0	1
Programming	0	0	1	0	1
NPAS	NA	NA	0	0	0
Total # of instances of non-compliance by type	2	0	6	0	8

Chart D5: Other sectors: distribution of instances of non-compliance (2014-2018)



Appendix E:
Commission's measures in cases of non-compliance

**Table E1: Number of non-compliant stations for which the Commission has imposed compliance mechanisms
(since October 2014)**

	2014-15					2016					2017					2018				
	<i>Commercial</i>	<i>Specialty /Ethnic</i>	<i>Campus/Community</i>	<i>Indigenous</i>	<i>Other</i>	<i>Commercial</i>	<i>Specialty /Ethnic</i>	<i>Campus/Community</i>	<i>Indigenous</i>	<i>Other</i>	<i>Commercial</i>	<i>Specialty /Ethnic</i>	<i>Campus/Community</i>	<i>Indigenous</i>	<i>Other</i>	<i>Commercial</i>	<i>Specialty /Ethnic</i>	<i>Campus/Community</i>	<i>Indigenous</i>	<i>Other</i>
ANNOUNCEMENTS	2	0	0	0	0	2	1	1	0	0	3	3	1	0	0	1	1	3	0	0
Additional CCD	6	0	NA	NA	NA	2	1	NA	NA	NA	2	4	NA	NA	NA	0	2	NA	NA	NA
Short-term renewal	7	1	3	5	2	3	2	5	3	0	7	4	5	4	3	7		8	3	1
Order	1	1	1	0	0	0	0	0	0	0	0	0	0	0	0	2	1	3	0	0
No measures	4	1	5	5	0	11	0	2	0	0	4	2	0	0	0	4	0	0	1	0
TOTAL # of measures	20	3	9	10	2	18	4	8	3	0	16	13	6	4	3	14	4	14	5	1

Chart E1: Frequency of imposition of corrective measures (commercial radio - 2014-2018)

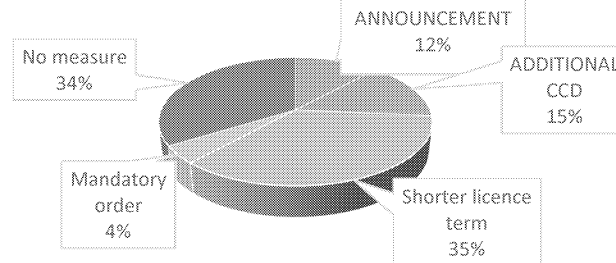


Chart E2: Frequency of imposition of corrective measures (ethnic/specialty radio 2014-2018)

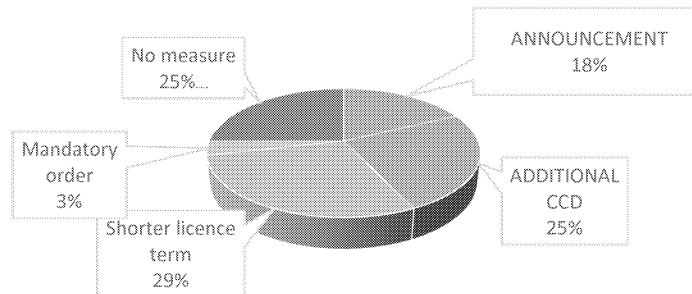


Chart E3: Frequency of imposition of corrective measures (campus/community radio 2014-2018)

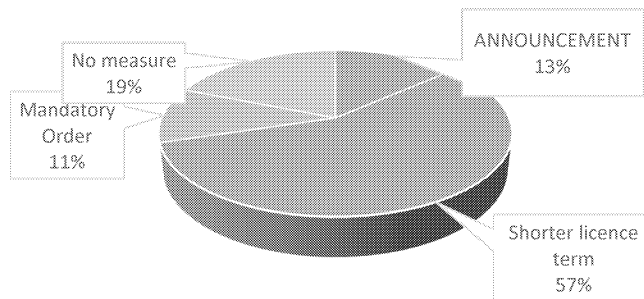
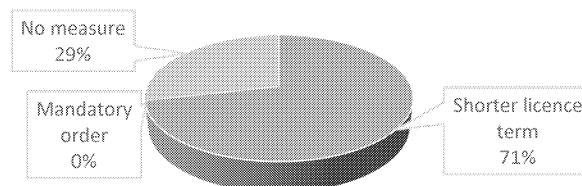


Chart E4: Native radio: Frequency of imposition of corrective measures (2014-2018)



Note: For the “Other” sector, the Commission has imposed a short-term renewal on six occasions. No other measures were used.

Table E2: List of non-compliant licensees on which the Commission has imposed a CoL regarding the obligation to made additional CCD contributions

Licensee	Station	Type	Decision	Next licence renewal	Non-compliance for which this measure was imposed ⁴²	Amount
(2014-2015 renewals)						
RNC MÉDIA Inc.	CHLX-FM Gatineau, QC	FL commercial	2015-395	2022	CoL - subcategory 34 (jazz and blues) music content	\$540
CKPM-FM Radio Ltd.	CKPM-FM* Port Moody, BC	EL commercial	2015-372	2019	Regulation re: Canadian content and CoL re: subcategory 34 (jazz and blues) music content	\$600
9116-1299 Québec Inc.	CFOR-FM* Maniwaki, QC	FL commercial	2015-324	2017	CoLs re: CTD and CCD contributions following past instances of non-compliance	\$1,760
CPAM Radio Union.com Inc.	CJWI Montréal*, QC	AM commercial, FL ethnic	2015-409	2017	CCD contributions	\$2,500
Harvard Broadcasting Inc.	CKEA-FM Edmonton, AB	EL commercial	2015-391	2022	CoL re: category 3 music	\$3,750
Golden West Broadcasting Ltd.	CHOO-FM Drumheller, AB	EL commercial	2015-375	2020	CoL re: subcategory 32 music	\$5,766
(2016 renewals)						
Newcap Inc.	VOCM St. John's, NFL-L	EL commercial	2016-286	2023	CCD contributions	\$5,671

⁴² In some cases, these stations had multiple instances of non-compliance. However, the staff indicated only those instances of non-compliance resulting in the imposition of the payment of additional CCD contributions. The full compliance status of these licensees will be reviewed at the time of the station's next license renewal.

Groupe CHCR Inc.	CKDG-FM Montréal, QC	Ethnic commercial	<u>2016-301</u>	2021	Regulation re: Canadian content during periods of ethnic programming	\$4,000
Newcap Inc.	CFCB Corner Brook, NFL-L	EL commercial	<u>2016-286</u>	2023	CCD contributions	\$874
(2017 renewals)						
Cochrane Christian Radio	CFCJ-FM Cochrane, ON	Specialty commercial	<u>2017-360</u>	2024	CCD contributions	\$200
International Harvesters for Christ Evangelistic Association Inc.	CJLU-FM Halifax, NS	Specialty commercial	<u>2017-351</u>	2024	CoL re: Canadian content for category 3 music	\$603
RNC MÉDIA Inc.	CHXX-FM Donnacona, QC	FL commercial	<u>2017-390</u>	2024	Regulation re: French-language vocal music (FVM)	\$920
DARR FM Radio Ltd.	CJRP-FM Saint John, NB	Specialty commercial	<u>2017-397</u>	2021	Regulation re: Canadian content and subcategory 35 music (non-classic religious)	\$1,000
CFPV-FM Radio Ltd.	CFPV-FM* Pemberton, BC	EL commercial	<u>2017-354</u>	2019	Regulation re: Canadian content and CCD contributions	\$3,000
I.T. Productions Ltd.	CJRJ Vancouver, BC	Ethnic commercial	<u>2017-454</u>	2020	CCD contributions	\$70,000
(2018 renewals)						
Intercity Broadcasting Network Inc.	CKFG-FM Toronto, ON	Specialty commercial	<u>2018-325</u>	2021	Regulation re: Canadian content	\$111,060

Multicultural Broadcasting Corporation Inc.	CKYR-FM Calgary, AB	Ethnic	<u>2018-328</u>	2025	CCD contributions	\$135,617
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Notes:

The stations whose call letters are in bold are those on which the Commission also imposed the requirement to broadcast an announcement as a corrective measure.

To date, staff has reviewed the complete compliance file of four of the 17 stations on which the Commission imposed additional CCD contributions as a measure following instances of non-compliance. All these stations are still in non-compliance, with multiple and recurrent instances of non-compliance for the current period despite the imposition of this measure. Among the instances of non-compliance, the licensees are in non-compliance with the very CoL requiring the payment of additional CCD contributions:

Licensee	Station, location	Type	Subsequent decision, if applicable	Notes
9116-1299 Québec Inc.	CFOR-FM Maniwaki, QC	French-language commercial	<u>2018-231</u>	The Commission reimposed the CoL requiring the payment of additional contributions for these two stations.
CPAM Radio Union.com Inc.	CJWI Montréal, QC	AM French-language commercial ethnic	<u>2018-168</u>	
CFPV-FM Radio Ltd.	CFPV-FM* Pemberton, BC	EL commercial	<u>N/A – the license will expire on August 31, 2019</u>	<u>These two stations are owned and operated by the same individual (Matthew McBride)</u>
CKPM-FM Radio Ltd.	CKPM-FM* Port Moody, BC	EL commercial		

Table E3: List of non-compliant licensees on whom the Commission imposed a CoL regarding the requirement to broadcast an on-air announcement.

Licensee	Station and location	Type	Decision	Next license renewal	Non-compliance for which this measure was imposed ⁴³	Compliance status (with CoL regarding the broadcasting of announcements only) ⁴⁴
(2014-2015 renewals)						
9116-1299 Québec Inc.	CFOR-FM Maniwaki, QC	FL commercial	<u>2015-324</u> & <u>2018-231</u>	2020	2015: CCD/CTD contributions 2018: Monitoring materials and other information requests, CCD contributions, previous CoL regarding the broadcasting of an announcement	2015: Non-compliant The licensee did not submit the material and documents required 2018: Compliant
CPAM Radio Union.com Inc.	CJWI Montréal, QC	AM FL commercial ethnic	<u>2018-168</u>	2020	Filing of annual returns (including NPAS), monitoring materials and other information requests, CCD contributions, previous CoL	Apparent non-compliance The licensee submitted some documents late and did not fully

⁴³ In some cases, these stations had multiple instances of non-compliance. However, the staff indicated only those instances of non-compliance resulting in the imposition of a condition of license requiring the licensee to broadcast an announcement regarding the violations.

⁴⁴ The full compliance status of these licensees will be reviewed at the time of the station's next license renewal.

					regarding the broadcasting of an announcement	adhere to the text on the air
(2016 renewals)						
CIMM-FM Radio Ltd.	CIMM-FM*Ucluelet, BC	EL commercial	<u>2016-297</u>	2019	Annual returns, monitoring materials and information requests	Apparent non-compliance The licensee did not submit the material and documents required
CHMZ-FM Radio Ltd.	CHMZ-FM* Tofino, BC	EL commercial	<u>2016-297</u>	2019	Monitoring materials	Apparent non-compliance The licensee did not submit the material and documents required
Radio communautaire de Radisson	CIAU-FM*Radisson, QC	FL community	<u>2016-229</u>	2019	Annual returns	Compliant
Hope FM Ministries Limited	CINU-FM*Truro, NS	Specialty commercial	<u>2016-241</u>	2019	Monitoring materials and Canadian content	Compliant
(2017 renewals)						
Radio Diffusion Sorel-Tracy Inc.	CJSO-FM*Sorel-Tracy, QC	FL commercial	<u>2017-294</u>	2019	Monitoring materials and implementation of NPAS (section 16 of the Regulations)	Apparent non-compliance The licensee did not submit the material and

						documents required
Bluewater Community Radio	CFBW-FM Hanover, ON	EL community				Compliant
International Harvesters for Christ Evangelistic Association Inc.	CJLU-FM Halifax, NS	Specialty commercial	<u>2017-351</u>	2024	Canadian content and CoL regarding balance programming (religious)	Compliant
RNC MÉDIA Inc.	CHXX-FM Donnacona, QC	FL commercial	<u>2017-390</u>	2024	FVM	Compliant
DARR FM Radio Ltd.	CJRP-FM Saint John, NB	Specialty commercial	<u>2017-397</u>	2021	Canadian content and subcategory 35 music (non-classic religious), and monitoring materials	Compliant
CFPV-FM Radio Ltd.	CFPV-FM* Pemberton, BC	EL commercial	<u>2017-354</u>	2019	Music lists (monitoring materials), Canadian content and CCD contributions	Apparent non-compliance Did not submit any material proving the broadcasting of the announcement
I.T. Productions Ltd.	CJRJ Vancouver, BC	Ethnic commercial	<u>2017-454</u>	2020	CCD contributions and annual returns	Compliant
(2018 renewals)						

Parrsboro Radio Society	CICR-FM Parrsboro, NS	EL community	2018-110	2020	Annual returns, monitoring materials and other information	Apparent non-compliance <u>The material was submitted a little less than a month late</u>
Wired World Inc.	CKWR-FM Kitchener, ON	EL community	2018-444	2020	Annual returns (including NPAS), Canadian content, implementation of NPAS	Compliant
CPAM Radio Union.com Inc.	CJWI Montréal, QC	FL ethnic	2018-168	2020	Annual returns, monitoring materials and other information, and CoL related to measures (additional CCD and broadcast of announcement imposed in 2015-409 CRTC Decision)	Compliant
La radio communautaire du comté	CKMN-FM Rimouski/Mont-Joli, QC	FL community	2018-468	2020	Annual returns, monitoring materials and other information	Compliant
Groupe Médias Pam Inc.	CJMS Saint-Constant, QC	FL commercial	2018-172	2020	Annual returns (including NPAS), monitoring materials and other information, and CoL related to a non-compliance measure (additional CCD imposed in 2014-641 CRTC Decision)	Compliant

Notes:

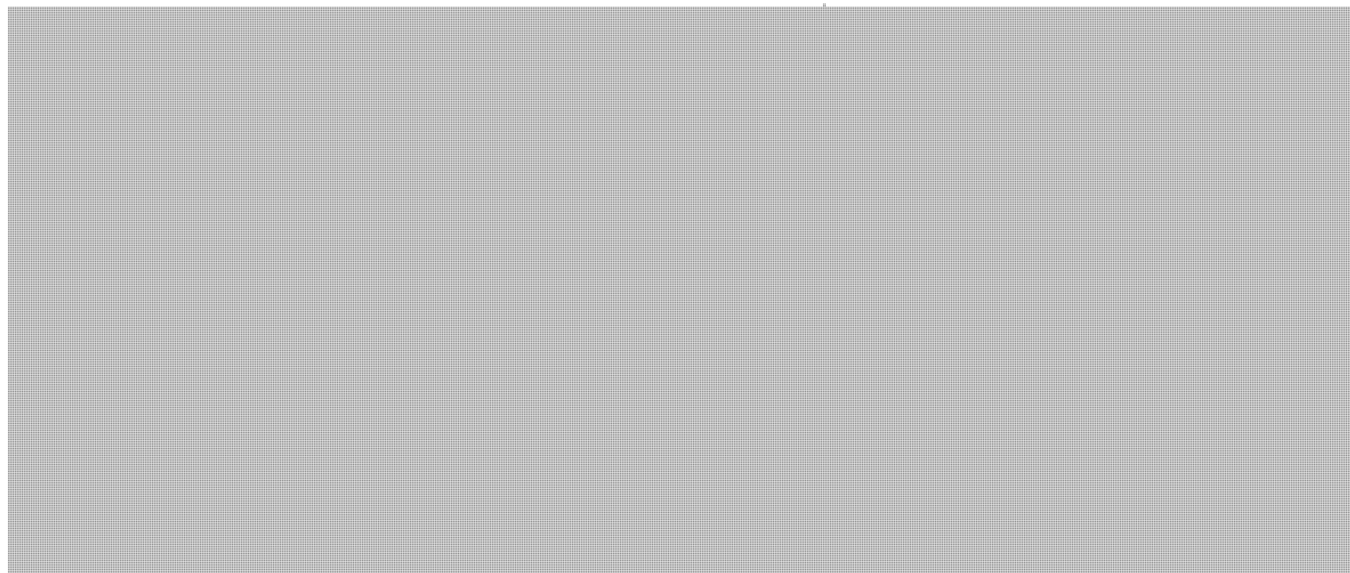
The stations whose call letters are in bold are those on which the Commission also imposed the payment of addition CCD contributions as a corrective measure.

In prevision of the 2019 licence renewals, staff has reviewed the whole compliance file for six of the 17 stations on which the Commission imposed the requirement to broadcast an announcement as a measure following instances of non-compliance. With the exception of the French-language community station CIAU-FM, all these stations are still in non-compliance, with multiple and recurrent instances of non-compliance for the current period despite the imposition of this measure. (such was also the case for CFOR-FM Maniwaki, for which the licence expires on 2020). Among the instances of non-compliance, some licensees are also in non-compliance with the very CoL requiring the broadcast of an announcement, as previously noted in the above table.

Licensee	Station, location	Type	Compliance status (current period)	Notes
CFPV-FM Radio Ltd.	CFPV-FM* Pemberton, BC	EL commercial	<u>Multiple and recurrent instances of non-compliance (including the requirement to broadcast announcement)</u>	<u>These three stations are owned and operated by the same individual (Matthew McBride)</u>
CKPM-FM Radio Ltd.	CKPM-FM* Port Moody, BC	EL commercial		
CHMZ-FM Radio Ltd.	CHMZ-FM* Tofino, BC	EL commercial		
Radio Diffusion Sorel-Tracy Inc.	CJSO-FM*Sorel-Tracy, QC	FL commercial	<u>Apparent multiple and recurrent instances of non-compliance (including the requirement to broadcast announcement)</u>	
Radio communautaire de Radisson	CIAU-FM*Radisson, QC	FL community	In apparent compliance	

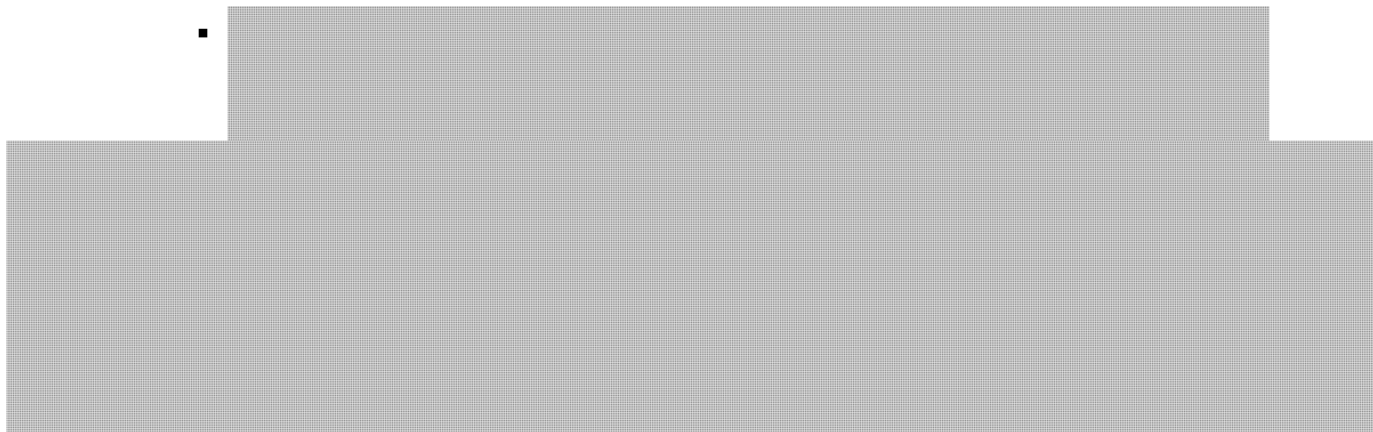
Hope FM Ministries Limited	CINU- FM*Truro, NS	Specialty commercial	Apparent multiple and recurrent non-compliances	Fourth consecutive period in non-compliance – <u>compliant</u> <u>with requirement to</u> <u>broadcast announcement</u>)
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Appendix F: Summary of Commission's internal guidelines⁴⁵ —



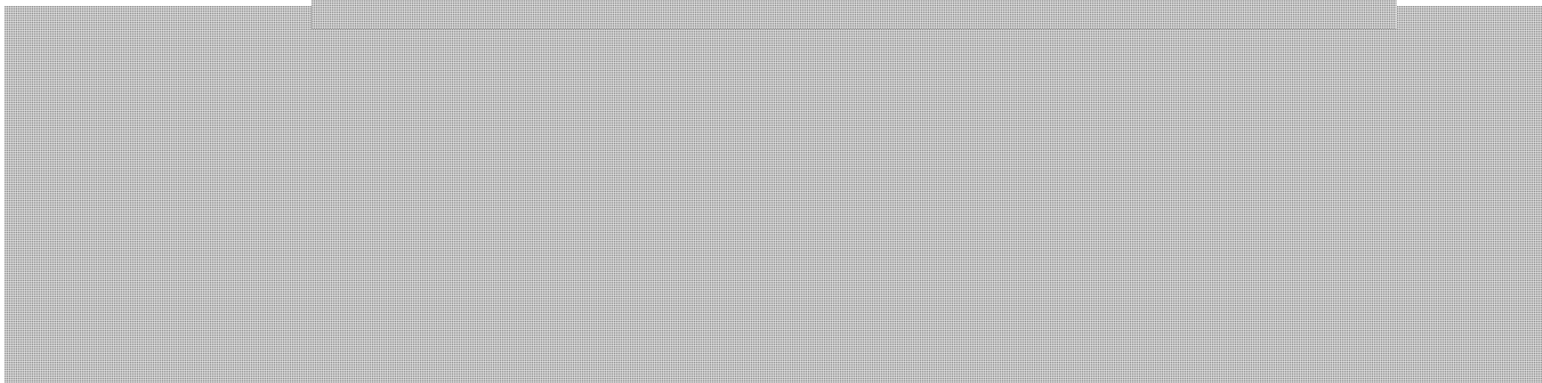
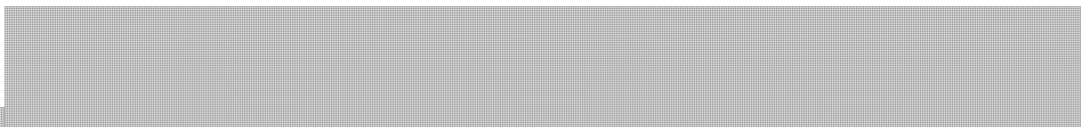
A- SHORT-TERM RENEWAL:

■



B- BROADCAST OF ANNOUNCEMENT:

■



**Pages 40 to / à 41
are withheld pursuant to sections
sont retenues en vertu des articles**

21(1)(b), 22

**of the Access to Information Act
de la Loi sur l'accès à l'information**

Briefing Note: Small radio [REDACTED] & findings of non-compliance 2014-2020

Small Radio Broadcasters & Non-Compliance

Definition of small radio [REDACTED] broadcasters
Sources of revenues for small radio [REDACTED] broadcasters

Commission staff proposes to define a small radio station as [REDACTED]

Instances of Non-compliance for the past 5 years
[REDACTED]

Commented [AC1]:

Commented [AC2]:

Commented [AC3]:

Commented [AC4]:

Commented [AC5]:

Common themes/arguments to the non-compliance by licensees

- Serve niche audiences, [REDACTED] in rural areas with low population density and are economically disadvantaged;
- [REDACTED] lack of understanding of conditions of licence;
- Have difficulty in attracting qualified staff or volunteers due to the geographic areas, declining population with less access to training/education on proper running of a station;
- Would like assistance from Commission staff;

- Unlike large broadcasting corporations such as Cogeco, Corus, Rogers or Bell, due to lack of financial resources, do not have access to legal representation when conducting business with the Commission.

Analysis of arguments presented by licensees

- [REDACTED]
- [REDACTED] the Commission could improve the type and quality of information provided to existing and prospective licensees;
- The licensees provide vital services to local communities especially during COVID-19 pandemic and other emergency events;
- The stations in rural areas may have lower access to quality high-speed internet or cell service;

Commented [AC6]:

Commented [AC7]:

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000044

of the Act. These orders then become orders of the Federal Court and are subject to contempt of court proceedings;

-
- o Suspend the license; or
-
- o Revoke the license, which usually happens during the license term. If the licensee is before the Commission with a license renewal application,

[REDACTED]

-
-
-
-
- In this case, each of the licensees were expressly asked about their respective issues of non-compliance and, in light of these issues, asked why their broadcasting licences should not be revoked and why their broadcasting licences should be renewed without suspension, mandatory orders or other corrective measures, as the case may be. Moreover, the licensees were given an opportunity at the hearing to review their non-compliance issues and update the Commission on the measures they have taken to address these issues.

[REDACTED]

[REDACTED]

• Balancing the Public Interest

•

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Commented [AC8]:

- takes into account regional needs and concerns;
- facilitates the provision of broadcasting to Canadians; and
- is sensitive to the administrative burden that, as a consequence of such regulation and supervision, may be imposed on persons carrying on broadcasting undertakings.

² Because the radio frequencies that radio stations make use of are a limited public resource, holding a broadcasting licence is considered to be a privilege. Accordingly, licensed broadcasters are required to abide by a number of regulations and conditions of licence in order to operate a licensed radio station.

[REDACTED]

Another measure is licence suspension,

[REDACTED]

[REDACTED] During suspension, the service is simply not available to be picked up by other applicants or to be used by the public.

Analysis of appearing hearing & process to manage small radio station non-compliance vs. non-compliance large ownership radio groups

[REDACTED]

While regulatory language is legal in nature and as such the vocabulary must be precise, it is not entirely accessible to people who do not have engineering, accounting or legal educations.

[REDACTED]

[REDACTED]

Broadcasting Information Bulletin CRTC 2014-608 – Update on the Commission's approach to non-compliance by radio station (the Bulletin)

On 21 November 2014, the Commission published an information bulletin to dealing with non-compliance by stations applying for licence renewals and/or licence amendments. The Bulletin sets out rights accorded to licensees of stations in apparent non-compliance including the opportunity to provide comments in writing with respect to the nature and circumstances of the apparent non-compliance. The Bulletin also sets out possible measures to be imposed on

- obligations, earlier than at the time of license renewal. [REDACTED]
- [REDACTED]

- Based on licensee correspondence and submissions how Commission findings of non-compliance have affected
 - financial viability

[REDACTED]

- ability to provide Canadian Content, news & spoken word to listeners

Correspondence indicates that findings of non-compliance may be due to ○ Several licensees cite the lack of knowledge or understanding of their regulatory obligations to justify their problems of non-compliance; and

○ The Council's approach to non-compliance and the regulatory obligations for each radio sector are distributed and explained in different publications (Regulations, Regulatory Policies, Newsletters, Decisions, web pages, etc.).

[REDACTED]

→ Solution: Create a compliance web page for radio licensees on the Commission's site

[REDACTED]

○ Will allow the links to various Council publications relating to regulatory requirements (Regulatory policies, newsletters, etc.) to be grouped by subject so that users can find their way more easily. Measure 2: Annual reports - minor changes and better follow-ups

[REDACTED]

○ Staff follow up (phone call, emails and, in some cases, additional letter) with all licensees who do not file, in whole or in part, their annual reports.

[REDACTED]

s.21(1)(b)

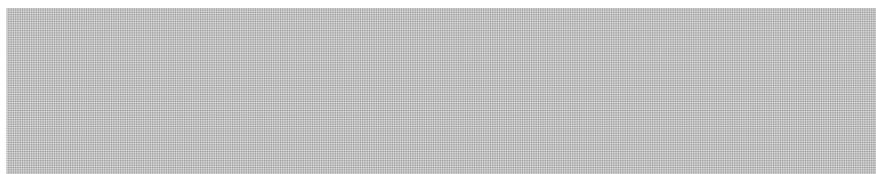
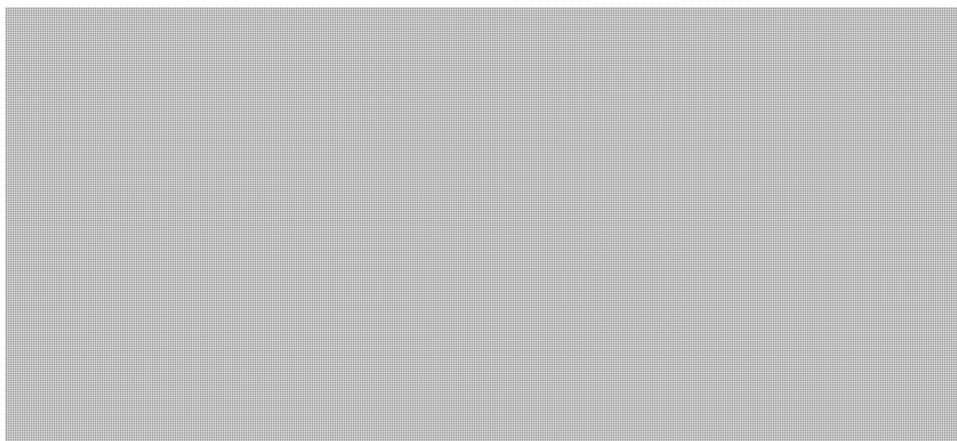
[REDACTED]

Solution: Clarify certain steps in the annual report filing and verification process, and ensure closer follow-up with holders:

[REDACTED]

] In the forms, remind more explicitly that the year to be covered is the broadcast year and not the calendar year, and also remind licensees that in certain cases, they must attach the following documents [REDACTED]; financial statements, and for CCD contributions, proof of payment and eligibility. To do this, holders will have to check one box which confirms that the period to be covered is the correct one and others which confirm that the related documents are attached to the form (one box per document).

[REDACTED]



In its policy review (Broadcasting Regulatory Policy CRTC [2014-554](#)), the Commission adopted the requirement to broadcast an announcement as a compliance mechanism. This is a condition of licence, requiring a licensee to read a statement ⁴ on the air of at least 30 seconds to announce their non-compliance for at least five consecutive days, one to three times a day during peak listening times. This measure is similar to the one used by the Canadian Broadcast Standards Council (CBSC) [when a member contravenes CBSC codes] and relates to **severe non-compliance cases**.

In the two weeks following the last on-air announcement, the licensee is also required to provide the Commission with an attestation of the broadcast and the audio recordings for the broadcast days during which the announcement was broadcast.

Relevance and effectiveness:

✓ **Self-regulation tool:**

As licensees want to make a good impression on their audience,



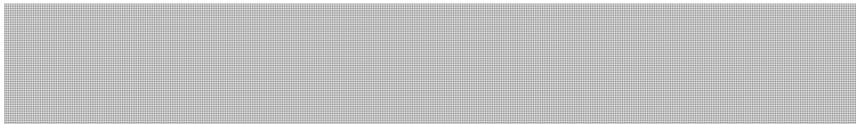
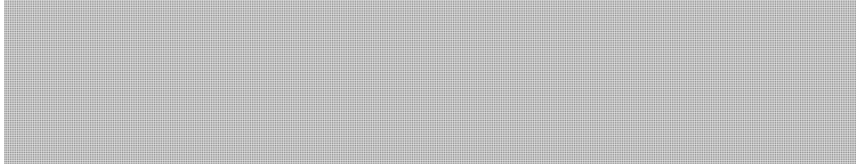
✓ **Forum for the Commission:**

The content of the message to be broadcast raises listeners' awareness about the Commission during peak times.

⁴ The script of the announcement to be broadcast on-air can be found in the Appendix to Broadcasting Information Bulletin CRTC [2014-608](#).

- ✓ **Deterrent Effect:**
Licensees lose air time that could have been dedicated to advertising during peak times.

Relevance and effectiveness:

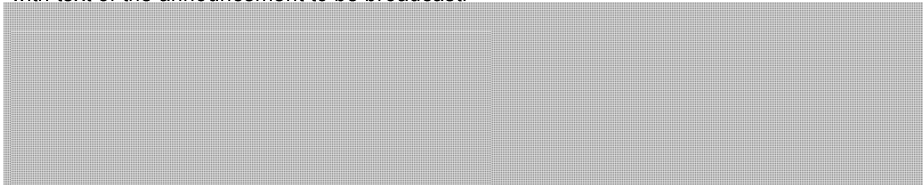
- ✓ 
- ✓ 

On-Air Announcements

The Commission introduced the requirement to broadcast on-air announcements as a new compliance measure in its targeted review of the commercial radio policy (Broadcasting Regulatory Policy [2014-554](#)). This measure was introduced as an alternative to the proposal of limiting the amount of advertising a licensee can broadcast.

According to Broadcasting Regulatory Policy [2014-554](#), the announcement is to be imposed by condition of licence to address instances of serious non-compliance on a case-by-case basis and requires the licensee to announce findings of non-compliance for broadcast over the air. This measure is similar to one used by the Canadian Broadcast Standards Council when its member stations are found to have breached the Canadian Association of Broadcasters' various codes.⁵

The Commission's current approach to non-compliance set out in Broadcasting Information Bulletin [2014-608](#)⁶ provides additional details for the on-air announcement, namely an Appendix with text of the announcement to be broadcast.



⁵ For an example, refer to *CKNO-FM re Crash & Mars*, CBSC Decision [17/18-0881](#), 2018 CBSC 15 11 July 2018.

⁶ See pre-hearing Overview (DM [3822279](#)), Appendix 2, pages 35 to 37.

⁷ See pre-hearing Overview (DM [3822279](#)), Appendix 3, pages 38 to 44.

[REDACTED]

However, more recently the Commission has required the announcement to be broadcast for 5 consecutive business days within the first 14 days of the new licence term. Since renewal decisions are generally issued before the new licence term begins and the Commission generally assesses compliance within a given licence term, this practice provides the licensee with additional time to prepare for the announcement and allows the Commission to consider compliance with the announcement as part of the subsequent renewal process.

Mandatory Orders

Section 12(2) of the *Broadcasting Act* allows the Commission to make an order requiring a person to do any act or thing that it is required to do under, or forbidding a person from doing anything contrary to, Part II of the *Broadcasting Act*, or any regulation, licence, decision or order made by the Commission under Part II. Section 13 of the *Broadcasting Act* allows a mandatory order to be made an order of the Federal Court and makes such orders enforceable by the Federal Court. Section 18(1)(d) of the *Broadcasting Act* provides that the Commission must hold a public hearing in connection with the making of a mandatory order. At a public hearing, the show cause approach puts the burden on the licensee to demonstrate why a mandatory order should not be imposed.

Mandatory orders can be issued by the Commission where there is a clear obligation or prohibition in the *Broadcasting Act*, regulations, licence, decision or order. It could not be used, for example, to ensure compliance with an expectation or encouragement expressed by the Commission. These orders may be used in cases of serious and repeated non-compliance, and where the Commission is of the view that a more serious measure should be taken to ensure compliance with regulatory obligations.

[REDACTED]

⁸ Refer to Broadcasting Decisions 2018-231 & 2018-168. In both cases, the licensees were found to be in non-compliance with their conditions of licence relating to the broadcast of the on-air announcement, among other regulatory obligations.

[REDACTED]

¹⁰ See pre-hearing Overview (DM 3822279), Appendix 3, pages 38 to 44.

s.21(1)(b)

s.23

[REDACTED]

In the past, the Commission has noted that the only purpose of imposing mandatory orders is to ensure that a licensee complies with what is already required of it. For this measure to be effective, however, the Commission has noted that it must be satisfied that the licensee understands its obligations and is committed to meeting them.¹¹

Commission Legal staff generally registers each mandatory order with the Federal Court. Once registered, these orders become enforceable in the same manner as Federal Court orders. Enforcing mandatory orders in the event of non-compliance would have to be undertaken by way of contempt of court proceedings.

[REDACTED]

Suspension

Pursuant to section 9(1)(e) of the *Broadcasting Act* the Commission has the authority to suspend or revoke any licence. This may be done, however, only on the application or consent of the licensee or after the Commission has held a public hearing pursuant to section 18(1)(b) and is satisfied that the licensee has contravened or failed to comply with any condition of licence, mandatory order or regulation [section 24(1)(a)].

Given the severe impact on the rights of a licensee, the Commission owes a great degree of procedural fairness to licensees whose licences it is considering suspending or revoking.

[REDACTED]

Although the Commission has revoked licences in a limited number of cases over the years (non-renewal being the more common approach),

[REDACTED] In April 2019, [REDACTED] the Commission was faced with TVA Sports' blatant disregard for the Commission's standstill rule when it withheld its signal from Bell during the Stanley Cup playoffs. TVA Sports was called to appear before the Commission to answer for its behaviour. Among other things, the Commission used a suspended suspension of TVA's licence as one of the regulatory measures to address the non-compliance [Broadcasting Decision 2019-109 and Broadcasting Order 2019-110]. The Commission again made use of a suspended suspension in the case of SuperChannel where the Commission had significant concerns with the licensee's willingness and ability to comply with its regulatory obligations in light of statements at the hearing that it would not make up shortfall in its CPE [Broadcasting Decision 2020-205 and Broadcasting Order 2020-206].

¹¹ The Commission expressed this view in Broadcasting Decision 2004-271. Details of Broadcasting Decision 2004-271 are provided for in the pre-hearing Overview (DM 3822279), Appendix 1, page 34.

In both of these cases the Commission suspended the licences but made the suspension conditional on the happening of a particular event – in the case of TVA Sport, the withholding of its signal from Bell, and, in the case of SuperChannel, the failure to pay the CPE shortfall to the CMF according to a particular schedule or the entry into creditor protection. [REDACTED]

[REDACTED]

[REDACTED]

Similarly, annual returns and log filing require an evaluation by staff as to completeness and accuracy. In the case of annual returns and log filing, although the requirement to file by a particular date is clear, [REDACTED]

[REDACTED]

[REDACTED]

s.21(1)(a)

s.21(1)(b)

How the public record explains findings of non-compliance and imposition of remedial measures

[REDACTED]

Analysis & Recommendations

[REDACTED]

Commented [AC9]: For the Analysis

[REDACTED]

Recommendations for

[REDACTED]

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Recommendations for

[REDACTED]

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s.21(1)(a)

s.21(1)(b)

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Annexe B

Stations de radio commerciale de langue française – Analyses de surveillance de la programmation (MVF)

Titulaire	Lettres d'appel et ville	Formule musicale	Nombre total de pièces diffusées au cours de la semaine étudiée	Niveaux de MVF diffusés		Analyse des montages (pour la semaine de radiodiffusion étudiée) -					Semaine de radiodiffusion étudiée
				Pour la semaine de radiodiffusion (exigence 65%)	Du lundi au vendredi de 6h à 18h (Exigence 55%)	Nombre de montages	Durée totale des montages	Part (%) de la programmation totale (en temps)	Part (%) de la programmation musicale (en pièces)	Nombre d'extraits dans les montages	
RNC Média inc.	CHLX-FM, Gatineau	CFA/Jazz	1338	66.9%	58.5%	Aucun montage identifié					20 au 26 octobre 2013
Bell Média inc.	CIMF-FM, Gatineau	AC	1365	64.6%	55.1%	Aucun montage identifié					30 mai au 5 juin 2010
Bell Média inc.	CKTF-FM, Gatineau	CHR	1346	54.6%	44.2%	75		/		331	23 au 29 mai 2010
Bell Média inc.	CKTF-FM, Gatineau	CHR	1361	65.8%	56.4%	77		8.76%		316	20 au 26 octobre 2013
Bell Média inc.	CKTF-FM, Gatineau	CHR	1412	65.2%	56.1%	81		9.3%		362	15 au 21 avril 2012
RNC Média inc.	CFTX-FM, Gatineau		1933	68.5%	62.6%	Aucun montage identifié					10 au 16 août 2014

Titulaire	Lettres d'appel et ville	Formule musicale	Nombre total de pièces diffusées au cours de la semaine étudiée	Niveaux de MVF diffusés		Analyse des montages (pour la semaine de radiodiffusion étudiée)					Semaine de radiodiffusion étudiée
				Pour la semaine de radiodiffusion (exigence 65%)	Du lundi au vendredi de 6h à 18h (Exigence 55%)	Nombre de montages	Durée totale des montages	Part (%) de la programmation totale (en temps)	Part (%) de la programmation musicale (en pièces)	Nombre d'extraits dans les montages	
FM?				63.1%		Présence de "montages" refusée par le Conseil (donc pièces uniques écourtées)					30 mai au 5 juin 2010
Cogéco Diffusion inc.	CFGL-FM, Laval	Hot AC	1331	65.2%	55.3%	10	2 heures et 6 mins.			40	23 au 29 mai 2010
Radio-Classique Montréal inc.	CJPX-FM, Montréal	CFA/Classique	1084	N/A	N/A	Aucun montage repertorié					27 janvier au 2 février 2013
RNC Média inc.	CKLX-FM, Montréal	Parlé/Jazz et Blues	906 total/250 cat.2	Cat 2 66.4%/cat 3 72.4%		8	2 heures 4 mins.	1.65%		49	11 au 17 août 2013
Bell Média inc.	CKMF-FM, Montréal	CHR	1372	65.2%	55.0%	81	11 heures 41 mins.	9.2%		356	15 au 21 avril 2012

Titulaire	Lettres d'appel et ville	Formule musicale	Nombre total de pièces diffusées au cours de la semaine étudiée	Niveaux de MVF diffusés		Analyse des montages (pour la semaine de radiodiffusion étudiée) -					Semaine de radiodiffusion étudiée
				Pour la semaine de radiodiffusion (exigence 65%)	Du lundi au vendredi de 6h à 18h (Exigence 55%)	Nombre de montages	Durée totale des montages	Part (%) de la programmation totale (en temps)	Part (%) de la programmation musicale (en pièces)	Nombre d'extraits dans les montages	
Cogeco	CKOI-FM, Montréal	Hot AC		pas de résultat dû à l'entrée en vigueur du bulletin CRTC 2011-728 sous peu							
Cogeco	CKOI-FM, Montréal	Hot AC	1272	50.6%	34.6%	101	3m23sec par pièce*	17.9% (décision CRTC 2011-726)		399	30 mai au 5 juin 2010
Cogeco Diffusion Acquisitions inc.	CKOI-FM, Montréal	Hot AC	1362	65.1%	55.1%	67		9.69%		298	20 au 26 octobre 2013
Bell Média inc.	CHIK-FM, Québec	CHR	1602	51.6%	42.4%	105 (17 disqualifiés)	12 heures 28 minutes	10%		275	15 au 21 avril 2012
RNC Média inc.	CHXX-FM, Donnacona	Rock	1785	60.8%	50.3%	Montages disqualifiés mais pas répertoriés dans nos documents/sont responsables de la non-conformité par rapport à la MVF					23 au 29 mai 2010
Leclerc Communication inc.	CJEC-FM, Québec	Rock	1487	63.7%	55.1%	Montages disqualifiés mais pas répertoriés dans nos documents/sont responsables de la non-conformité par rapport à la MVF					30 mai au 5 juin 2010

Titulaire	Lettres d'appel et ville	Formule musicale	Nombre total de pièces diffusées au cours de la semaine étudiée	Niveaux de MVF diffusés		Analyse des montages (pour la semaine de radiodiffusion étudiée) -					Semaine de radiodiffusion étudiée
				Pour la semaine de radiodiffusion (exigence 65%)	Du lundi au vendredi de 6h à 18h (Exigence 55%)	Nombre de montages	Durée totale des montages	Part (%) de la programmation totale (en temps)	Part (%) de la programmation musicale (en pièces)	Nombre d'extraits dans les montages	
Leclerc Communication inc.	CJEC-FM, Québec	Rock	1418	66.1 %	55.6%	69	11 heures et 44 minutes	9.31%		274	20 au 26 octobre 2013
Bell Média inc.	CFIX-FM, Saguenay	AC	1372	64.4%	55.4%	Aucun montage répertorié/mentionné					30 mai au 5 juin 2010
Bell Média inc.	CFIX-FM, Saguenay	AC	1387	65.4%	56.9%	62	8 heures et 59 minutes.	7.13%		272	15 au 21 avril 2012
Radio saguenay inc.	CKRS-FM, Chicoutimi	AC	508	63.0%	56.5%	Présence de "montages" , mais non-comptabilisés					13 au 19 novembre 2011
Cogeco Diffusion inc.	CKOB-FM, Trois-Rivières	Parlé	592	71.3%	61.1%	Aucun montage répertorié					13 au 19 novembre 2011
Bell Média inc.	CFEI-FM, St-Hyacinthe	Non Disp.	1435	65.3%	53.1%	34	7 heures et 12 minutes	5.7%		209	12 au 21 avril 2012
Radio Haute Mauricie inc.	CFLM-FM, La Tuque		1668	67.3%	71.6%	Aucun montage répertorié					5 au 11 mai 2013

Titulaire	Lettres d'appel et ville	Formule musicale	Nombre total de pièces diffusées au cours de la semaine étudiée	Niveaux de MVF diffusés		Analyse des montages (pour la semaine de radiodiffusion étudiée) -					Semaine de radiodiffusion étudiée
				Pour la semaine de radiodiffusion (exigence 65%)	Du lundi au vendredi de 6h à 18h (Exigence 55%)	Nombre de montages	Durée totale des montages	Part (%) de la programmation totale (en temps)	Part (%) de la programmation musicale (en pièces)	Nombre d'extraits dans les montages	
Radio du Golfe inc.	CFMV-FM, Chandler		1480	72.8%	70.0%	Aucun montage répertorié					18 au 24 novembre 2012
9116-1299 Québec inc.	CFOR-FM, Maniwaki (Gatineau)	Rock	1954	73.8%	69%	Aucun montage répertorié mais doutes sur programmation locale					20 au 26 octobre 2013
9174-8004 Québec inc.	CHEQ-FM, Sainte-Marie (Beauce)	AC, soft rock	1224	68.3%	62.1%	59	13 heures et 59 minutes	11.1%		235	13 au 19 novembre 2011
Radio CJFP (1986) Itée	CIEL-FM-4, Trois-Pistoles	AOR	1497	72.2%	66.6%	Aucun montage répertorié					8 au 14 juillet 2012
Radio Port-Cartier inc.	CIPC-FM, Port-Cartier		1805	68.6%	55.2%	Aucun montage répertorié					18 au 24 novembre 2012
Bell Media inc.	CJDM-FM, Drummondville	AC/CHR	1357	65.7%	55.9%	81	11 heures et 42 minutes	9.2%		362	15 au 21 avril 2012

Titulaire	Lettres d'appel et ville	Formule musicale	Nombre total de pièces diffusées au cours de la semaine étudiée	Niveaux de MVF diffusés		Analyse des montages (pour la semaine de radiodiffusion étudiée) -					Semaine de radiodiffusion étudiée
				Pour la semaine de radiodiffusion (exigence 65%)	Du lundi au vendredi de 6h à 18h (Exigence 55%)	Nombre de montages	Durée totale des montages	Part (%) de la programmation totale (en temps)	Part (%) de la programmation musicale (en pièces)	Nombre d'extraits dans les montages	
Radio Edmundston inc.	CJEM-FM, Edmundston, NB		1499	68.5%	66.1%	Aucun montage répertorié					30 mai au 5 juin 2010
Radio du Golfe inc.	CJMC-FM, St-Anne-des-Monts		1848	74.0%	72.2%	Aucun montage répertorié					8 au 14 juillet 2012
Groupe Médias Pam inc.	CJMS, Saint-Constant	Country	N/A	Non soumis		N/A					N/A
Bell Media inc.	CJMV-FM, Val d'Or	CHR	1341	66.1%	57.2%	76	11 heures 2 minutes	8.76%		336	15 au 21 avril 2012
Bell Media inc.	CJOI-FM, Rimouski	AC	N/A	65.8%	58.1%	62	8 heures 59 minutes	7.13%		272	15 au 21 avril 2012
Radio Diffusion Sorel-Tracy inc.	CJSO-FM, Sorel-Tracy		1447	67.8%	62.2%	Aucun montage répertorié/cat.3 déficiente en CANCON					27 au 2 février 2013
Radio Sept-Îles inc.	CKCN-FM, Sept-Îles		1629	71.9%	60.3%	Aucun montage répertorié					4 au 10 mars 2012

Titulaire	Lettres d'appel et ville	Formule musicale	Nombre total de pièces diffusées au cours de la semaine étudiée	Niveaux de MVF diffusés		Analyse des montages (pour la semaine de radiodiffusion étudiée) -					Semaine de radiodiffusion étudiée
				Pour la semaine de radiodiffusion (exigence 65%)	Du lundi au vendredi de 6h à 18h (Exigence 55%)	Nombre de montages	Durée totale des montages	Part (%) de la programmation totale (en temps)	Part (%) de la programmation musicale (en pièces)	Nombre d'extraits dans les montages	
La radio communautaire du comté	CKMN-FM, Rimouski		1203 cat.2 seulement	68.4%	66%	Radio communautaire/aucun montage répertorié					21 au 27 novembre 2010
Cogeco Diffusion inc.	CKOY-FM, Sherbrooke		555	67.2%	60.4%	Aucun montage répertorié					13 au 19 novembre 2011
Radio Péninsule inc.	CKRO-FM, Pokemouche, NB		1323 total/1257 cat.2	78.5%	85.0%	Aucun montage répertorié					20 au 26 octobre 2013
Radio Témiscamigne incorporée	CKVM-FM, Ville-Marie		1796	71.9%	68.4%	Aucun montage répertorié					8 au 14 juillet 2012
176100 Canada Inc.	CKYQ-FM, Plessisville	MOR (Middle of the road)	1469	68.6%	55.1%	107 (inclus 75 "doubler")	14 heures 58 minutes	11.87%		347	5 au 11 mai 2013

Annexe C

Stations de radio commerciale de langue française – Analyses détaillées de certaines stations par marché

Lettres d'appel	Période de diffusion des montages	Formule musicale	Nombre de montages	Nombre d'extraits dans les montages	Nombre total de pièces/sem (si 1 montage = 1 pièce)	Nombre total de pièces ajusté/sem (si chaque extrait des montages compte pour 1 pièce)	Part (%) de la programmation totale (en termes de temps)	Part (%) de la programmation musicale occupée par les montages (si 1 montage = 1 pièce)	Part (%) de la programmation musicale occupée par les montages (en termes de pièces si 1 extrait = 1 pièce)	Niveaux de MVF diffusés		Niveaux ajustés de MVF (si 1 extrait = 1 pièce)		Écart entre le niveau de MVF si on considère ou non le montage comme une pièce	
										65%/se m.	55%/peak	65%/sem.	55%/peak	65%/sem.	55%/peak
Marché de Montréal															
CKMF-FM (Bell)	N/D	CHR	81	356	1372	1647	9.20%	25.95%	21.62%	65.2%	55%	54.28%		-10.92%	
CKOI-FM (Cogeco)	64/67 la semaine entre 9h et 16h	CHR	67	298	1361	1592	9.69%	21.90%	18.72%	65.1%	55.1%	55.65%	39.33%	-9.45%	-15.77%
CFGL-FM (Cogeco)	N/D	AC	10	40	1329	1359	2 heures 6 minutes/sur 126 heures?	3.01%	2.94%	65.2%	55.3%	63.8%	54.7%	-1.40%	-0.60%

Lettres d'appel	Période de diffusion des montages	Formule musicale	Nombre de montages	Nombre d'extraits dans les montages	Nombre total de pièces/sem (si 1 montage = 1 pièce)	Nombre total de pièces ajusté/sem (si chaque extrait des montages compte pour 1 pièce)	Part (%) de la programmation totale (en termes de temps)	Part (%) de la programmation musicale occupée par les montages (si 1 montage = 1 pièce)	Part (%) de la programmation musicale occupée par les montages (en termes de pièces si 1 extrait = 1 pièce)	Niveaux de MVF diffusés		Niveaux ajustés de MVF (si 1 extrait = 1 pièce)		Écart entre le niveau de MVF si on considère ou non le montage comme une pièce	
										65%/se m.	55%/peak	65%/sem.	55%/peak	65%/sem.	55%/peak
Marché d'Ottawa Gatineau															
CKTF-FM (Bell)	la majorité la semaine entre 6h et 18h*	CHR	77	316	1361	1600	8.76%	23.22%	19.75%	65.80%	56.4%	56.0%	42.48%	-9.80%	-13.92%
Marché de Québec															
CHIK-FM (Bell)	N/D	AOR/CHR	105, mais 17 ont été disqualifiés	275*	1600	1770**	10%	14.63% (seulement les montages acceptés par le Conseil)	15,54%**	51.60%	42.4%	46.61%		-4.99%	
CJEC-FM (Leclerc)	N/D	Rock	69	274	1418	1623	9.31%	19.32%	16.88%	66.10%	55.6%	57.73%		-8.37%	

*275 pièces, mais 41 pièces disqualifiées et comptabilisées individuellement

**Si nous incluons les montages disqualifiés

APPENDIX 5: Corrective measures most frequently imposed by the Commission in instances of non-compliance by radio licensees

In Broadcasting Information Bulletin [2014-608](#), the Commission provided an update on its approach for dealing with non-compliance by licensees of radio stations. (As noted in that Information Bulletin, the Commission considers each instance of non-compliance in its own context and in light of factors such as the quantity, recurrence and seriousness of the non-compliance. The Commission also considers the circumstances of the non-compliance, arguments provided by the licensee, as well as actions taken to rectify the situation.

Measure	Description	Relevance and effectiveness:
Short term licence renewal	Licence renewal for periods less than the maximum period of seven years, [REDACTED]	[REDACTED]
On-air announcement	<p>In its policy review, (Broadcasting Regulatory Policy CRTC 2014-554), the Commission adopted the requirement to broadcast an announcement as a compliance mechanism. This is a condition of licence, requiring a licensee to read a statement on the air of at least 30 seconds to announce their non-compliance for at least five consecutive days, one to three times a day during peak listening times. This measure is similar to the one used by the Canadian Broadcast Standards Council (CBSC) [when a member contravene to its various codes] and relates to severe non-compliance cases.</p> <p>In the two weeks following the last on-air announcement, the licensee is also required to provide the Commission with an attestation of the broadcast and the audio recordings for the broadcast days during which the announcement was broadcast.</p>	<p>Self-regulation tool: As licensees want to make a good impression on their audience, [REDACTED]</p> <p>Deterrent Licensees lose air time that could have been dedicated to advertising and revenues during peak times.</p>
Additional CCD contributions	In its policy review (Broadcasting Regulatory Policy 2014-554), the Commission adopted a measure to require licensees of certain commercial radio stations to make additional CCD contributions that are over and above the existing ones. This measure concerns certain instances of non-compliance :	<p>Rectify the harm caused to the broadcasting system: It is important for licensees to meet their obligation to broadcast specific levels of Canadian content and FVM, which ensure that Canadian artists enjoy a certain level of exposure and receive royalties from radio station licensees. Similarly, it is important that licensees pay all CCD contributions in a timely manner, because the initiatives not only help to develop and advance the careers of emerging Canadian artists, but increase the</p>

Measure	Description	Relevance and effectiveness:
	<ul style="list-style-type: none">• programming (Canadian content and French-language vocal music [FVM]); and• CCD contributions (unpaid contributions). <p>Since implementing this measure on October 28, 2014, the Commission has imposed the requirement to make additional CCD contributions on 17 stations in non-compliance. These amounts total \$347,861.</p>	<p>supply of high-quality Canadian music in a variety of genres and the demand for Canadian music by listeners. In the event of non-compliance with CCD contributions or music programming requirements, harm could be caused to the broadcasting system.</p> <p>Deterrent:</p>
Imposing a Mandatory Order	<p>Following a public hearing (appearing or non-appearing), imposing a mandatory order pursuant to section 12(2) of the <i>Broadcasting Act</i>, requiring a licensee to comply with regulatory obligations. Such orders are registered with the Federal Court and are made orders of that Court, pursuant to section 13 of the <i>Broadcasting Act</i>. They can be enforced through contempt of court proceedings which can result in measures imposed by the court in the event of non-compliance with the order. Section 12(2) of the <i>Broadcasting Act</i> allows the Commission to make an order requiring a person to do any act or thing that it is required to do</p>	<p>Mandatory orders are useful tools to impress upon licensees the importance of complying with their obligations under the <i>Radio Regulations, 1986</i> and their conditions of licence.</p> <p>At a public hearing, the show cause approach puts the burden on the licensee to demonstrate why a mandatory order should not be imposed</p>

Measure	Description	Relevance and effectiveness:
	<p>under, or forbidding a person from doing anything contrary to, Part II of the <i>Broadcasting Act</i>, or any regulation, licence, decision or order made by the Commission under Part II.</p> <p>Section 13 of the <i>Broadcasting Act</i> allows a mandatory order to be made an order of the Federal Court and makes such orders enforceable by the Federal Court.</p> <p>Section 18(1)(d) of the <i>Broadcasting Act</i> provides that the Commission must hold a public hearing¹ in connection with the making of a mandatory order. Recently, the Commission has at times obtained the written consent of licensees to have a mandatory order imposed, in lieu of holding an appearing hearing before imposing such an order.</p> <p>Mandatory orders can be issued by the Commission where there is a clear obligation or prohibition in the <i>Broadcasting Act</i>, regulations, licence, decision or order. It could not be used, for example, to ensure compliance with an expectation or encouragement expressed by the Commission.</p>	<p>[REDACTED]</p> <p>Commission Legal staff generally registers each mandatory order with the Federal Court. Once registered, these orders become enforceable in the same manner as Federal Court orders. Enforcing such orders in the event of non-compliance would have to be undertaken by way of contempt of court proceedings.</p> <p>[REDACTED]</p>
Licence Suspension	<p>A licence suspension temporarily removes the right to broadcast over an assigned frequency for a period of time determined by the Commission. A suspension may last a few hours to several days or weeks.</p> <p>[REDACTED]</p> <p>In Broadcasting Decision CRTC 1988-512, the Commission suspended the licence of CKFM for a period of three consecutive days, excluding Saturday</p>	<p>This mechanism has an important negative impact on the public in that during the suspension period, the public is deprived of the station's radio services. This is to be contrasted with licence revocation or non-renewal, where another applicant may apply to provide the discontinued service. During suspension, the service is simply not available to be picked up by other applicants or to be used by the public.</p> <p>[REDACTED] The primary impact of suspension from the licensee's perspective is financial, in the form of lost advertising revenue.</p>

[REDACTED]

Measure	Description	Relevance and effectiveness:
	<p>and Sunday during the month of September 1988. Rather than require dead air on the station, the Commission encouraged the licensee “to broadcast public service announcements, announcements on behalf of charitable organizations and promotional messages in support of Canadian musical and artistic talent in place of commercial announcements, promotional contests and sponsorship mention”</p> <p>https://crtc.gc.ca/eng/archive/1988/db88-512.htm</p>	

Briefing Note: Small radio [REDACTED] & findings of non-compliance 2014-2020

Small Radio Broadcasters & Non-Compliance

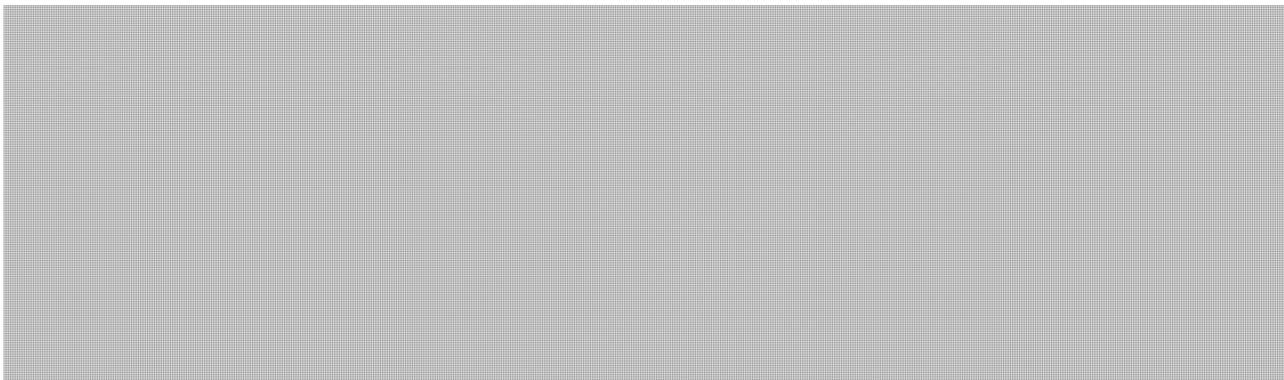
Definition of small radio broadcasters & Sources of revenues for small radio broadcasters

Commission staff proposes to define a small radio station as [REDACTED]

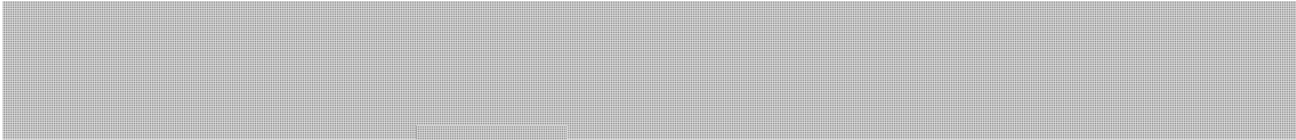
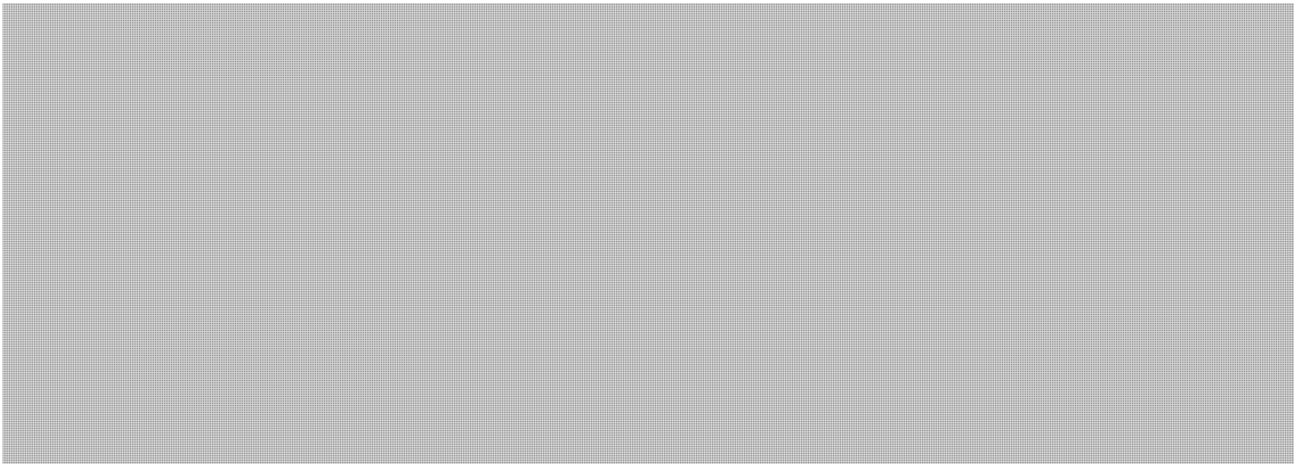
[REDACTED] Levels of contributions to Canadian Content Development (CCD) may also reflect the size of a commercial broadcaster; a broadcaster with revenues of less than \$1.25 million is not required to make CCD contributions. As such, a broadcaster such as Sirius XM Canada Ltd, a licensee who holds two licenses but makes significant basic CCD contributions [REDACTED]

Revenue sources for non-commercial stations may be derived from fundraising, or from selling advertising and air time for brokered programming. Campus based stations usually benefit from subsidies from the host educational institutions and some Indigenous stations may receive funds from the Department of Canadian Heritage and/or the host Indigenous community. However, because non-commercial stations and small commercial stations may serve niche audiences such as religious, ethnic or indigenous communities, their ability to attract advertisers is limited. Consequently, small broadcasters are less attractive to advertisers when they compete in the same market as commercial stations offering programming that appeals to a larger percentage of the population served.

Instances of Non-compliance for the past 5 years



Most common types of non-compliance for small radio stations

- 
- Serve niche audiences, [REDACTED] in rural areas with low population density and are economically disadvantaged;
 - [REDACTED] lack of understanding of conditions of licence;
 - Have difficulty in attracting qualified staff or volunteers due to the geographic areas, declining population with less access to training/education on proper running of a station;
 - Would like assistance from Commission staff;
 - Unlike large broadcasting corporations such as Cogeco, Corus, Rogers or Bell, due to lack of financial resources, do not have access to legal representation when conducting business with the Commission.
- 

In addition to non-compliance related to the filing of annual returns, since 2014, small licensees have been found in non-compliance for incomplete or failure to submit broadcasting surveillance reports, not meeting Canadian content broadcast requirements as well as not implementing the National Public Alerting System (NPAS). Most licensees who were found in non-compliance with implementing the NPAS, explained that they were either unaware of the requirement or were not in a financial position to incur the cost of implementing the system.

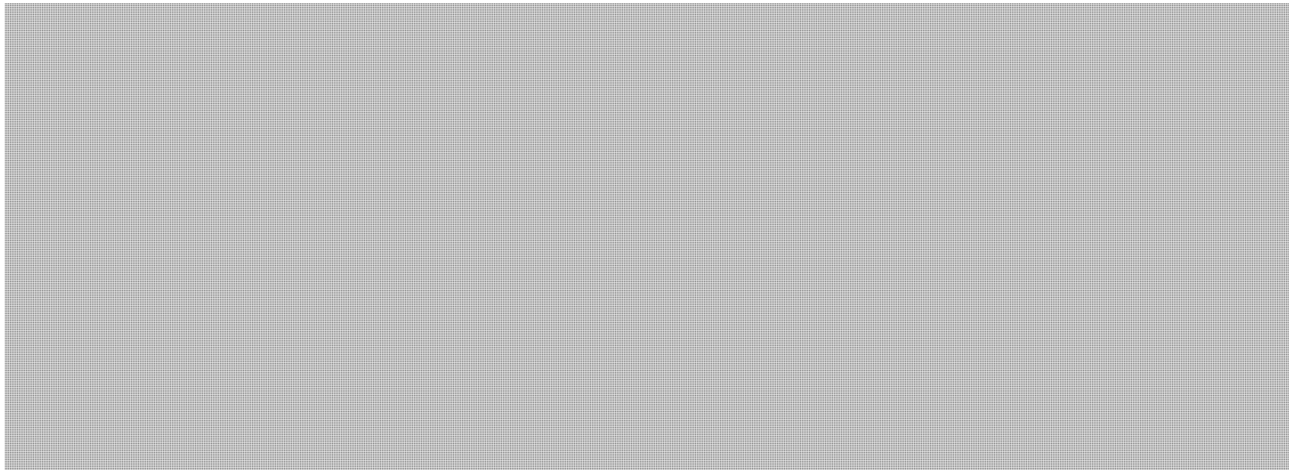
Most Common reasons for non-compliance



Based on the public record, including correspondence between staff and licensees, and presentations at appearing hearings, small commercial and non-commercial licensees have fewer financial and human resources, and therefore have more difficulty ensuring that they remain in compliance on a regular basis.

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27 July 2020

DM#3889775



the broadcasters presented the following common themes and arguments as reasons for their repeated non-compliance:

- Serve niche audiences, [redacted] in rural areas with low population density and are economically disadvantaged;
- [redacted] lack of understanding of conditions of licence;
- Have difficulty in attracting qualified staff or volunteers due to the geographic areas, declining population with less access to training/education on proper running of a station;
- Would like assistance from Commission staff;
- Unlike large broadcasting corporations such as Cogeco, Corus, Rogers or Bell, due to lack of financial resources, do not have access to legal representation when conducting business with the Commission.



The most popular reasons for non-compliance according to licensees

Analysis of arguments presented by licensees

- [redacted]
- [redacted]

- 1

- 000074

- Following a public hearing:
- o Impose an order under section 12 of the Act requiring the licensee to comply with regulatory requirements and license conditions. These orders may be considered orders of the Federal Court under section 13 of the Act. These orders then become orders of the Federal Court and are subject to contempt of court proceedings;

-
- o Suspend the license; or
-
- o Revoke the license, which usually happens during the license term. If the licensee is before the Commission with a license renewal application,

[REDACTED]

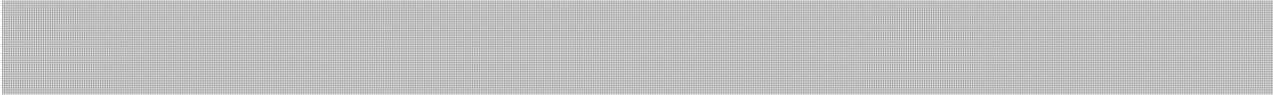
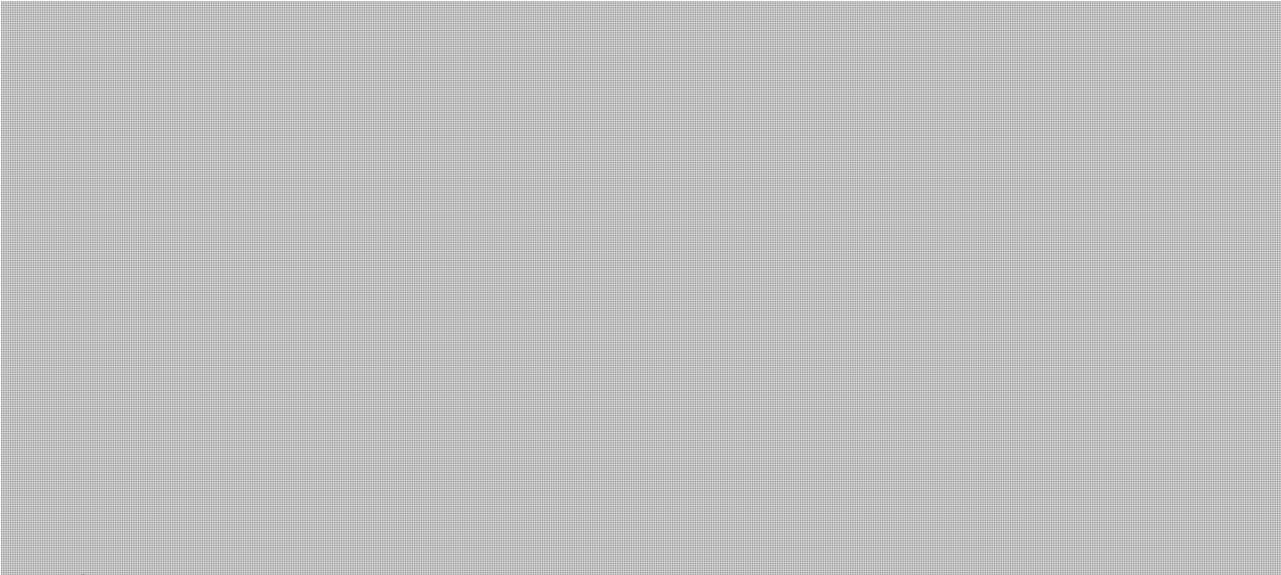
[REDACTED]

- In this case, each of the licensees were expressly asked about their respective issues of non-compliance and, in light of these issues, asked why their broadcasting licences should not be revoked and why their broadcasting licences should be renewed without suspension, mandatory orders or other corrective measures, as the case may be. Moreover, the licensees were given an opportunity at the hearing to review their non-compliance issues and update the Commission on the measures they have taken to address these issues.

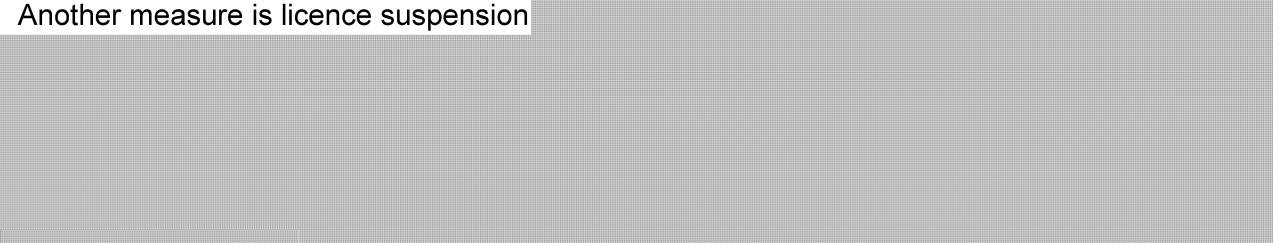
- **Balancing the Public Interest**

[REDACTED]

[REDACTED]

- 
- takes into account regional needs and concerns;
 - facilitates the provision of broadcasting to Canadians; and
 - is sensitive to the administrative burden that, as a consequence of such regulation and supervision, may be imposed on persons carrying on broadcasting undertakings.
- 


Another measure is licence suspension



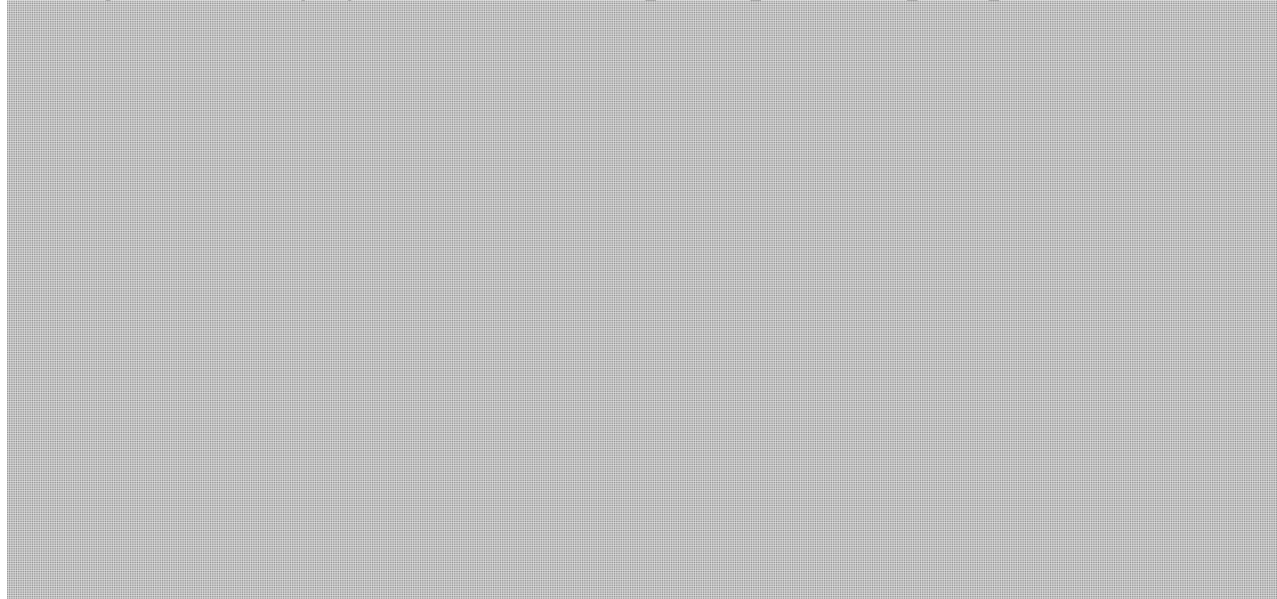
During suspension, the service is simply not available to be picked up by other applicants or to be used by the public.

Analysis of appearing hearing & process to manage small radio station non-compliance vs. non-compliance large ownership radio groups

² Because the radio frequencies that radio stations make use of are a limited public resource, holding a broadcasting licence is considered to be a privilege. Accordingly, licensed broadcasters are required to abide by a number of regulations and conditions of licence in order to operate a licensed radio station.







While regulatory language is legal in nature and as such the vocabulary must be precise, it is not entirely accessible to people who do not have engineering, accounting or legal educations.



Broadcasting Information Bulletin CRTC 2014-608 – Update on the Commission’s approach to non-compliance by radio station (the Bulletin)

On 21 November 2014, the Commission published an information bulletin to dealing with non-compliance by stations applying for licence renewals and/or licence amendments. The Bulletin sets out rights accorded to licensees of stations in apparent non-compliance including the opportunity to provide comments in writing with respect to the nature and circumstances of the apparent non-compliance. The Bulletin also sets out possible measures to be imposed on licensees found to be in non-compliance such as short-term licences, requiring additional CCD contributions, non-renewal or revocation of the licence. Any measures to be imposed will be considered on a case-by-case basis based on the nature and circumstances of the non-compliance as well as the number of terms that the licensee has been found in non-compliance.

The Commission current approach to non-compliance aims to provide corrections and to render the Broadcasting system whole. The current approach does not serve to prevent instances of non-compliance.

- 
- 
- • Moreover, the representatives of certain radio sectors mentioned the need to be better informed and supported by the Council in order to effectively meet their regulatory obligations, earlier than at the time of license renewal. 


- Based on licensee correspondence and submissions how Commission findings of non-compliance have affected
 - financial viability

- ability to provide Canadian Content, news & spoken word to listeners

Correspondence indicates that findings of non-compliance may be due to ○ Several licensees cite the lack of knowledge or understanding of their regulatory obligations to justify their problems of non-compliance; and

○ The Council's approach to non-compliance and the regulatory obligations for each radio sector are distributed and explained in different publications (Regulations, Regulatory Policies, Newsletters, Decisions, web pages, etc.).

→ Solution: Create a compliance web page for radio licensees on the Commission's site

○ Will allow the links to various Council publications relating to regulatory requirements (Regulatory policies, newsletters, etc.) to be grouped by subject so that users can find their way more easily. Measure 2: Annual reports - minor changes and better follow-ups

[REDACTED]

o Staff follow up (phone call, emails and, in some cases, additional letter) with all licensees who do not file, in whole or in part, their annual reports. [REDACTED]

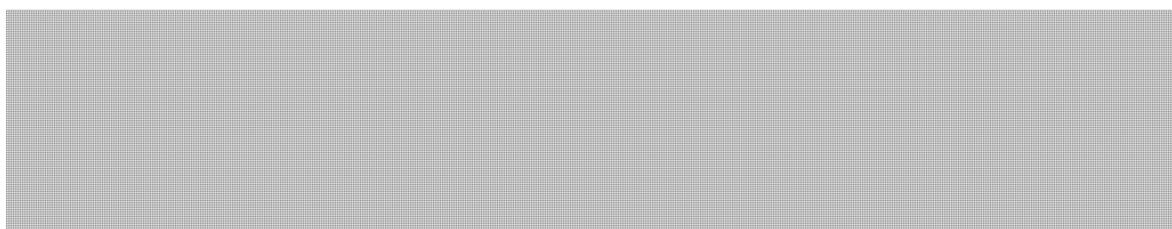
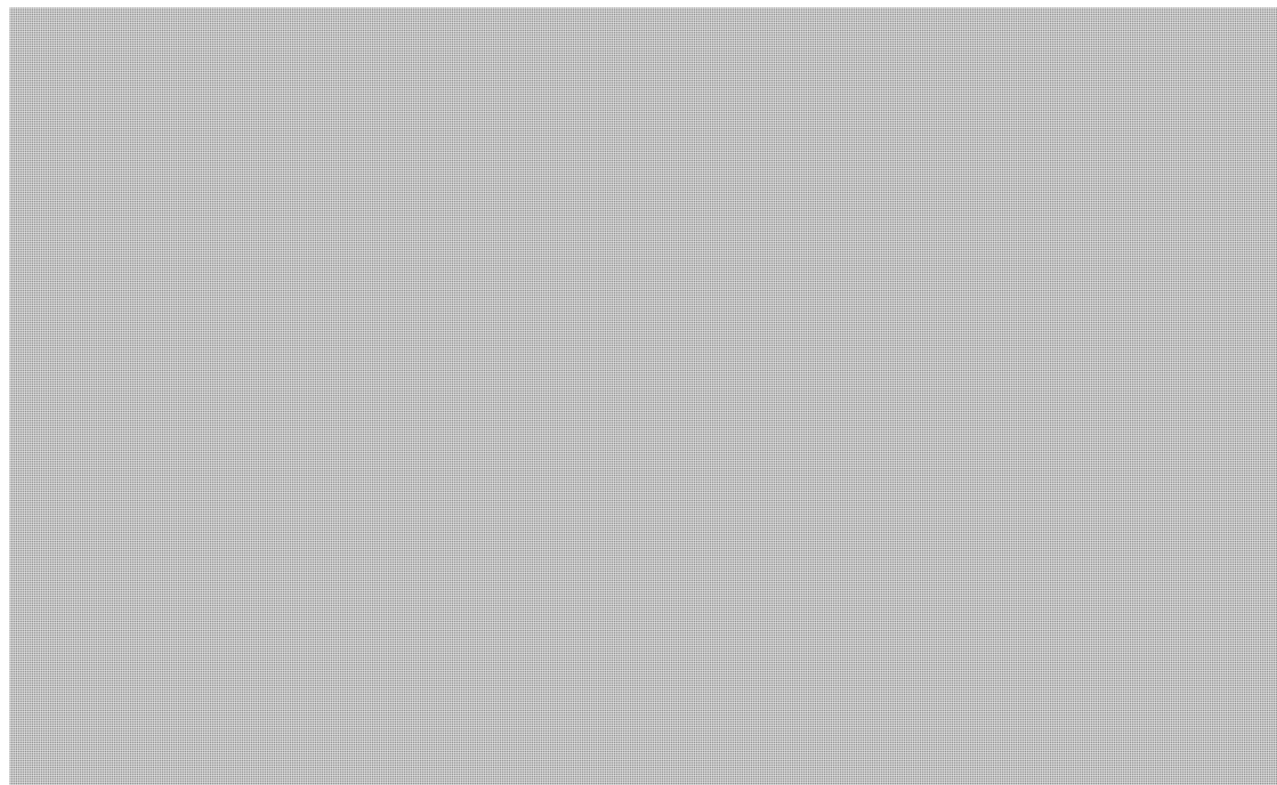
[REDACTED]

Solution: Clarify certain steps in the annual report filing and verification process, and ensure closer follow-up with holders:

[REDACTED]

] In the forms, remind more explicitly that the year to be covered is the broadcast year and not the calendar year, and also remind licensees that in certain cases, they must attach the following documents ([REDACTED]): financial statements, and for CCD contributions, proof of payment and eligibility. To do this, holders will have to check one box which confirms that the period to be covered is the correct one and others which confirm that the related documents are attached to the form (one box per document). [REDACTED]

[REDACTED]



In its policy review (Broadcasting Regulatory Policy CRTC 2014-554), the Commission adopted the requirement to broadcast an announcement as a compliance mechanism. This is a condition of licence, requiring a licensee to read a statement ⁴ on the air of at least 30 seconds to announce their non-compliance for at least five consecutive days, one to three times a day during peak listening times. This measure is similar to the one used by the Canadian Broadcast Standards Council (CBSC) [when a member contravenes CBSC codes] and relates to **severe non-compliance cases**.

In the two weeks following the last on-air announcement, the licensee is also required to provide the Commission with an attestation of the broadcast and the audio recordings for the broadcast days during which the announcement was broadcast.

Relevance and effectiveness:

⁴ The script of the announcement to be broadcast on-air can be found in the Appendix to Broadcasting Information Bulletin CRTC 2014-608.

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27 July 2020

- ✓ **Self-regulation tool:**
As licensees want to make a good impression on their audience, [REDACTED]
[REDACTED]
- ✓ **Forum for the Commission:**
The content of the message to be broadcast raises listeners' awareness about the Commission during peak times.
- ✓ **Deterrent Effect:**
Licensees lose air time that could have been dedicated to advertising during peak times.

Relevance and effectiveness:

- ✓ [REDACTED]
- ✓ [REDACTED]

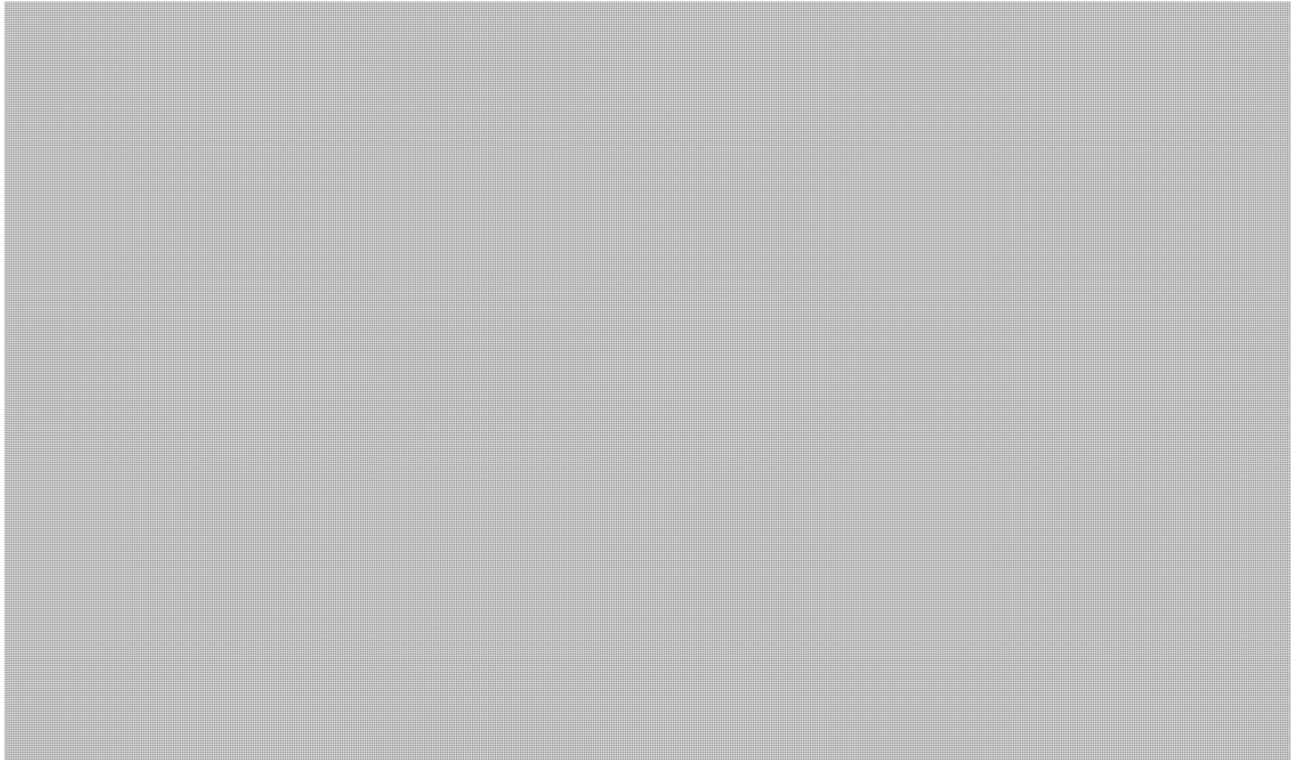
On-Air Announcements

The Commission introduced the requirement to broadcast on-air announcements as a new compliance measure in its targeted review of the commercial radio policy (Broadcasting Regulatory Policy 2014-554). This measure was introduced as an alternative to the proposal of limiting the amount of advertising a licensee can broadcast.

According to Broadcasting Regulatory Policy 2014-554, the announcement is to be imposed by condition of licence to address instances of serious non-compliance on a case-by-case basis and requires the licensee to announce findings of non-compliance for broadcast over the air. This measure is similar to one used by the Canadian Broadcast Standards Council when its member stations are found to have breached the Canadian Association of Broadcasters' various codes.⁵

⁵ For an example, refer to *CKNO-FM re Crash & Mars*, CBSC Decision 17/18-0881, 2018 CBSC 15 11 July 2018.

The Commission's current approach to non-compliance set out in Broadcasting Information Bulletin 2014-608⁶ provides additional details for the on-air announcement, namely an Appendix with text of the announcement to be broadcast.



However, more recently the Commission has required the announcement to be broadcast for 5 consecutive business days within the first 14 days of the new licence term. Since renewal decisions are generally issued before the new licence term begins and the Commission generally assesses compliance within a given licence term, this practice provides the licensee with additional time to prepare for the announcement and allows the Commission to consider compliance with the announcement as part of the subsequent renewal process.

Mandatory Orders

Section 12(2) of the *Broadcasting Act* allows the Commission to make an order requiring a person to do any act or thing that it is required to do under, or forbidding a person from doing anything contrary to, Part II of the *Broadcasting Act*, or any regulation, licence, decision or order made by the Commission under Part II. Section 13 of the *Broadcasting Act* allows a mandatory order to be made an order of the Federal Court and makes such orders enforceable by the Federal Court. Section 18(1)(d) of the *Broadcasting Act* provides that the Commission must hold a public hearing in connection with the making of a mandatory order. At a public hearing, the

⁶ See pre-hearing Overview (DM 3822279), Appendix 2, pages 35 to 37.

⁷ See pre-hearing Overview (DM 3822279), Appendix 3, pages 38 to 44.

⁸ Refer to Broadcasting Decisions 2018-231 & 2018-168. In both cases, the licensees were found to be in non-compliance with their conditions of licence relating to the broadcast of the on-air announcement, among other regulatory obligations.

show cause approach puts the burden on the licensee to demonstrate why a mandatory order should not be imposed.

Mandatory orders can be issued by the Commission where there is a clear obligation or prohibition in the *Broadcasting Act*, regulations, licence, decision or order. It could not be used, for example, to ensure compliance with an expectation or encouragement expressed by the Commission. These orders may be used in cases of serious and repeated non-compliance, and where the Commission is of the view that a more serious measure should be taken to ensure compliance with regulatory obligations.

In the past, the Commission has noted that the only purpose of imposing mandatory orders is to ensure that a licensee complies with what is already required of it. For this measure to be effective, however, the Commission has noted that it must be satisfied that the licensee understands its obligations and is committed to meeting them.¹¹

Commission Legal staff generally registers each mandatory order with the Federal Court. Once registered, these orders become enforceable in the same manner as Federal Court orders. Enforcing mandatory orders in the event of non-compliance would have to be undertaken by way of contempt of court proceedings.

Suspension

Pursuant to section 9(1)(e) of the *Broadcasting Act* the Commission has the authority to suspend or revoke any licence. This may be done, however, only on the application or consent of the licensee or after the Commission has held a public hearing pursuant to section 18(1)(b) and is satisfied that the licensee has contravened or failed to comply with any condition of licence, mandatory order or regulation [section 24(1)(a)].

Given the severe impact on the rights of a licensee, the Commission owes a great degree of procedural fairness to licensees whose licences it is considering suspending or revoking.

¹⁰ See pre-hearing Overview (DM 3822279), Appendix 3, pages 38 to 44.

¹¹ The Commission expressed this view in Broadcasting Decision 2004-271. Details of Broadcasting Decision 2004-271 are provided for in the pre-hearing Overview (DM 3822279), Appendix 1, page 34.

Although the Commission has revoked licences in a limited number of cases over the years (non-renewal being the more common approach), [REDACTED]

[REDACTED] In April 2019, [REDACTED] the Commission was faced with TVA Sports' blatant disregard for the Commission's standstill rule when it withheld its signal from Bell during the Stanley Cup playoffs. TVA Sports was called to appear before the Commission to answer for its behaviour. Among other things, the Commission used a suspended suspension of TVA's licence as one of the regulatory measures to address the non-compliance [Broadcasting Decision 2019-109 and Broadcasting Order 2019-110]. The Commission again made use of a suspended suspension in the case of SuperChannel where the Commission had significant concerns with the licensee's willingness and ability to comply with its regulatory obligations in light of statements at the hearing that it would not make up shortfall in its CPE [Broadcasting Decision 2020-205 and Broadcasting Order 2020-206].

In both of these cases the Commission suspended the licences but made the suspension conditional on the happening of a particular event – in the case of TVA Sport, the withholding of its signal from Bell, and, in the case of SuperChannel, the failure to pay the CPE shortfall to the CMF according to a particular schedule or the entry into creditor protection. [REDACTED]

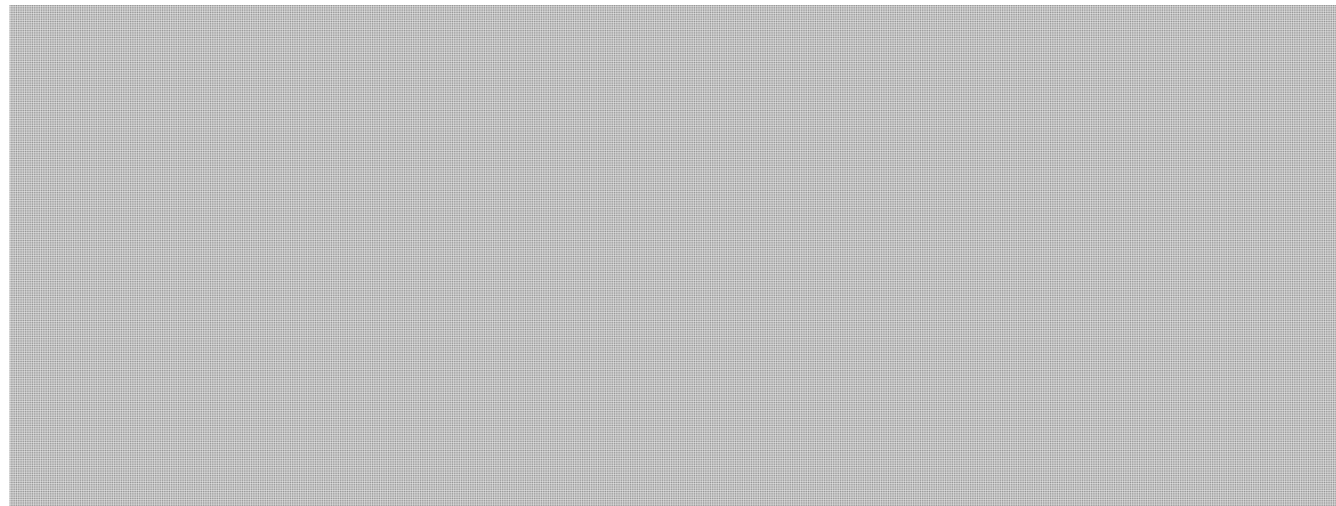
[REDACTED]

[REDACTED]

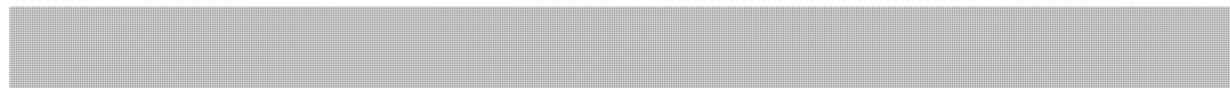
Similarly, annual returns and log filing require an evaluation by staff as to completeness and accuracy. In the case of annual returns and log filing, although the requirement to file by a particular date is clear, [REDACTED]

[REDACTED]

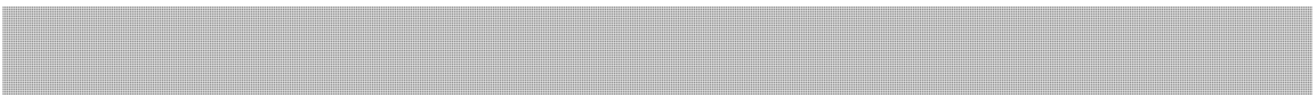
[REDACTED]



How the public record explains findings of non-compliance and imposition of remedial measures



Analysis & Recommendations



Recommendations for



- [Redacted]
- [Redacted]
- [Redacted]

- [Redacted]
- [Redacted]

s.21(1)(a)

s.21(1)(b)

Recommendations for

•

•

•

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•

•



Date: 30 July 2020

DM5#: 3916113

Classification: Protected

FOR INFORMATION**MEMORANDUM TO THE EXECUTIVE DIRECTOR BROADCASTING****ISSUE / PURPOSE:**

- To discuss whether remedial measures levied against small radio broadcasters found in non-compliance with regulatory requirements endanger financial viability or negatively affects their abilities to serve their audiences;
- To compare how corrective actions imposed on small television broadcasters found in non-compliance differ from those levied against non-compliant small radio broadcasters.

METHODOLOGY**RADIO**

- Staff examined public records for licence renewals as well as a memo presented to the Full Commission Meeting (FCM) on 30 April 2019 (DMXXXXXX) as well as briefing and debriefing materials presented to the Commission as part of the June 2020 licence renewals appearing hearing.

TELEVISION

- Staff reviewed briefing materials presented to the Commission as part of the *2020 Independent television licence renewal process* as well as decisions and the public record related to the 2018 licence renewal of independent television stations found to be in non-compliance.

BACKGROUND:**Broadcasting Licences, Enforcing Compliance and the Public Interest**

As set out in subsection 3(1) of the *Broadcasting Act*, the Commission's regulatory policy objectives in subsection 5(2) of the *Broadcasting Act* state that the broadcasting system should be regulated and supervised in a flexible manner.

Commission's approach to non-compliance by radio stations - Broadcasting Information Bulletin CRTC 2014-608 (the Bulletin)

- Staff is guided by its internal guidelines for assessing non-compliances that it approved at the September 25, 2014, FCM to make recommendations to the Commission and updates to the guidelines were approved by the Commission at the 30 April 2019 FCM.

Definition of small radio broadcasters

- A small radio station is any non-commercial radio station or any commercial licensee with less than 10 undertakings, not including any rebroadcasting transmitters;
- A broadcaster with revenues of less than \$1.25 million who is not required to make CCD contributions.

Sources of revenues for small radio broadcasters

Revenue sources for non-commercial stations may be derived from fundraising, selling advertising. Campus based stations receive from subsidies from the host educational institutions. Some Indigenous

stations may receive funds from the Department of Canadian Heritage and/or the host Indigenous community and may also derive revenues from fundraising activities.

Small radio station expenses

According to the table in **APPENDIX XX**, small radio stations expenditures related primarily to: programming and production including technical, sales and promotions, administrative costs.

Instances of Non-compliance 2014-2019

The memo presented by Commission staff at the 30 April 2019 Full Commission Meeting (FCM) outlined the following statistics and findings of non-compliance from 2014 to 2019:

- Indigenous radio stations were most found to be in non-compliance rate;
- Most non-compliance issues for commercial and non-commercial stations arise from failures related to filing and accuracy of annual returns;
- Small licensees are frequently found in non-compliance for incomplete or failure to submit broadcasting surveillance reports and not meeting Canadian content broadcast requirements as well as not implementing the National Public Alerting System (NPAS).

Common themes/explanations for non-compliance by licensees & how small radio licensees' financial health and abilities to serve their audiences are affected by Commission findings of non-compliance

- Non-commercial stations and small commercial stations serve niche audiences such as religious, ethnic or Indigenous communities, which may hold less appeal for advertisers;
- Have difficulty in attracting qualified staff or volunteers;
- Expressed a need to be better informed and supported by the Commission staff in order to effectively meet their regulatory obligations;
- Most licensees found in non-compliance with implementing the NPAS explained that they were either unaware of the requirement or were not in a financial position to incur the cost of implementing the system.

Most Common reasons for non-compliance based on staff research

- As stated in the memo presented to the FCM of 30 April 2019 small commercial and non-commercial licensees have fewer financial and human resources, and have more difficulty ensuring that they remain in compliance on a regular basis;
- Many licensees do not appear to understand the importance of complying with their obligations at all times but most expressed a willingness to comply with regulatory obligations;
- Licensees who are found in repeated non-compliance express a commitment to serving their communities;
- It appears that meeting certain regulatory requirements that necessitate important expenditures such as implementing the NPAS systems may hinder small broadcaster licensee's abilities to operate in compliance and serve their communities, specifically as regards Canadian Content, news & spoken word.

Current approach to radio non-compliance and corrective measures most frequently imposed by the Commission

The Commission can impose a number of measures to enforce regulatory obligations, correct issues of non-compliance and encourage licensees to remain compliant with their regulatory obligations;

- Short term licence renewal
- On-air announcement
- Additional CCD contributions
- Mandatory orders
- Suspension, revocation or non-renewal of licence

For a detailed description of the above noted remedial measures see [Appendix \(XXXX\)](#).

Of these measures, licence suspension, licence revocation or non-renewal are rarely used, and have generally been reserved for severe and repeated issues of non-compliance. Revocation or non-renewal is generally considered as a final measure.

Comparison of types of non-compliance by radio vs. television licensees

There are few overlaps in the types of non-compliance by radio and television licensees. Much of this can be attributed to differences in how television stations are regulated and the type of regulatory requirements imposed on television licensees. See [Appendix CCC](#) for comparison between non-compliance by radio vs television licensees and licence suspensions.

Staff approach to analysis of common types of non-compliance by television broadcasters

- Most television services are found to be compliant with their regulatory requirements. This can be attributed to various factors, including the regular monitoring of licensee performance;
- Television staff consider each instance on a case-by-case basis, and evaluate in terms of severity, and frequency to ensure that instances of non-compliance are treated fairly;
- In most cases, staff does not recommend short-term licence renewals;
- The Broadcasting Act does not give the CRTC's television sector the ability to impose AMPS in response to findings of non-compliance.
- Staff recommendations take into account financial health when considering imposing remedial measures.

Licence Suspension: radio vs. television

Licence non-renewal or revocation is generally the last step following a long series of decisions in which the Commission imposed measures and detailed its expectations of the licensee to allow them the opportunity to restore compliance with its obligations. P;;

Analysis of arguments presented by licensees

- Ignorance of Commission regulations is not an excuse for non-compliance but regulatory obligations are not expressed in a way that is accessible for licensees who do not have access to accounting and legal advice;
- The Commission could improve the type and quality of information provided to existing and prospective licensees;
- Commission staff is limited to providing information as it is not appropriate for staff to provide advice on regulatory matters;

- Any remedial measure against a rural, non-compliant station may have deleterious effect on Canadians living in rural areas who may have lower access to quality high-speed internet or cell service.

CONSIDERATIONS:

In staff's opinion, the current approach does not serve to prevent instances of non-compliance.

The measurement tools used by Commission staff to make recommendations weighs the severity of non-compliance and is intended to foster fairness. However, potential impact on the community/audience served does not factor into the published decisions.

Commission could impose a mandatory system for submitting surveillance reports. However, it appears that small radio stations might have some financial and technical difficulties in maintaining compliance if any type of system were to be imposed.

Recommendations for future licence renewals for small radio stations in repeated non-compliance and for preventative measures to ensure on-going compliance by small radio licensees

- Commission staff and Commissioners should receive cultural competency training to improve communication with broadcasters who have a lack of financial resources;
- The Commission should ensure that any of findings of non-compliance and subsequent remedial measures should have parity between the radio and television sectors;
- Improve due diligence by analysts to ensure the Commission do not grant licences to licensees who cannot demonstrate their understanding of regulatory obligations;
- The Commission website should offer an interactive and easy to use web page with information in plain language

NEXT STEPS:

Staff in the television and radio groups should coordinate to ensure parity in evaluations as well as base recommendations on the analysis of financial health of licensee and subsequent economic impact on ability to maintain compliance.

Consider the financial and human resources available to small broadcasters when imposing remedial measures

(Signature) _____

Name (print)

<input type="checkbox"/> I have read the memorandum	<input type="checkbox"/> No briefing required
<input type="checkbox"/> I would like an oral briefing	



Date: 24 September 2020

DM5#: 3920598

Classification: Protected

FOR INFORMATION

MEMORANDUM TO THE EXECUTIVE DIRECTOR BROADCASTING

ISSUE / PURPOSE:

To discuss whether remedial measures levied against small radio broadcasters found in non-compliance with regulatory requirements endanger financial viability or negatively affects their abilities to serve their audiences. A comparison with how corrective actions imposed on small television broadcasters found in non-compliance differ from those levied against non-compliant small radio broadcasters will determine whether Commission decisions are consistent as regards radio and television broadcasters.

METHODOLOGY

RADIO

- Staff examined public records for licence renewals as well as a memo presented to the Full Commission Meeting (FCM) on 30 April 2019 (DM3627317) that provided a statistical study of the most frequent instances of non-compliance affecting radio broadcasters. Several observations and analysis presented below reiterate those suggested in the April 2019 memo to FCM.
- Staff also reviewed briefing and debriefing materials presented to the Commission as part of the June 2020 appearing hearing to consider licence renewals for stations in apparent non-compliance.

TELEVISION

- Staff reviewed briefing materials presented to the Commission as part of the *2020 Independent television licence renewal process*;
- Staff examined decisions and the public record related to the 2018 licence renewal of independent television stations found to be in non-compliance.

BACKGROUND:

Broadcasting Licences, Enforcing Compliance and the Public Interest

As set out in subsection 3(1) of the *Broadcasting Act*, the Commission's regulatory policy objectives in subsection 5(2) of the *Broadcasting Act* state that the broadcasting system should be regulated and supervised in a flexible manner that, among other things:

- Takes into account regional needs and concerns;
- Facilitates the provision of broadcasting to Canadians; and
- Is sensitive to the administrative burden that, as a consequence of regulation and supervision, may be imposed on persons carrying on broadcasting undertakings.

As indicated in staff recommendations for the JUNE 2020 debriefing book (DM3886494), Commission decisions should seek to:

- Promote the importance of complying with fundamental regulatory obligations to respect the privilege of holding a broadcasting licence in Canada;
- Avoid imposing overbearing or punitive measures that could effectively discontinue the services of small, non-profit radio stations with a role to provide unique local access to programming for niche audiences who may be underserved by other radio licensees in the market.

Commission's approach to non-compliance by radio stations - Broadcasting Information Bulletin CRTC 2014-608 (the Bulletin)

- Until 2014, the Commission addressed non-compliance by radio stations by imposing a short term licence renewal. As part of its *Targeted policy review of the commercial radio sector*¹ (the policy review), the Commission identified additional measures, imposed by condition of licence, intended to prevent and address non-compliance in radio licensees;
- On 21 November 2014, the Commission published an information bulletin dealing with non-compliance by stations applying for licence renewals and/or licence amendments to set out possible measures to be imposed on licensees found to be in non-compliance such as short-term licences, requiring additional CCD contributions, non-renewal or revocation of the licence;
- The Commission generally deals with instances of non-compliance in a progressive and gradual manner, and the same applies to measures imposed on licensees in repeated non-compliance;
- To ensure recommendations for measures to be imposed are fair, predictable and consistent for the industry, staff is guided by its internal guidelines for assessing non-compliances approved at the September 25, 2014, FCM to make recommendations to the Commission and updates to the guidelines were approved by the Commission at the 30 April 2019 FCM.

Definition of small radio broadcasters

- Commission staff proposes to define a small radio station as any non-commercial radio station or any commercial licensee with less than 10 undertakings, not including any rebroadcasting transmitters;
- Levels of contributions to Canadian Content Development (CCD) may also reflect the size of a commercial broadcaster; a broadcaster with revenues of less than \$1.25 million is not required to make CCD contributions. For example, a broadcaster such as Sirius XM Canada Ltd, a licensee who holds only two licenses but makes significant basic CCD contributions would not meet the definition of a small broadcaster.

Sources of revenues for small radio broadcasters

According to the table in APPENDIX 3 (DM#3924292) and to Commission policies, revenue sources for non-commercial stations may be derived from;

- fundraising;
- selling advertising and/or air time for brokered programming;
- Campus based stations receive from subsidies from the host educational institutions;
- Some Indigenous stations may receive funds from the Department of Canadian Heritage and/or the host Indigenous community and may also derive revenues from fundraising activities;

Small radio station expenses

According to the table in APPENDIX 4, (DM 3924293) small radio stations expenditures related primarily to: programming and production including technical, sales and promotions, administrative and general as well as programming expenses for the past five years were approximately 38% of all station costs.

¹ A *targeted policy review of the commercial radio sector*, Broadcasting Regulatory Policy CRTC 2014-554, October 28, 2014.

Instances of Non-compliance 2014-2019

The memo presented by Commission staff at the 30 April 2019 Full Commission Meeting (FCM) outlined the following most frequent statistics and findings of non-compliance from 2014 to 2019:

- Commercial radio licensees have the lowest rate of non-compliance (24% on average over 4 years) compared to all other types of licensees;
- Indigenous radio stations were most found to be in non-compliance rate (94% on average over 4 years).

Most common types of non-compliance for small radio stations

Most non-compliance issues for commercial and non-commercial stations arise from failures related to filing and accuracy of annual returns (39% of all instances of non-compliance);

- In addition to non-compliance related to the filing of annual returns, since 2014, small licensees have been found in non-compliance for:
 - incomplete or failure to submit broadcasting surveillance reports;
 - not meeting Canadian content broadcast requirements as well as not implementing the National Public Alerting System (NPAS).

Common themes/explanations for non-compliance by licensees & how small radio licensees' financial health and abilities to serve their audiences are affected by Commission findings of non-compliance

- Non-commercial stations and small commercial stations may serve niche audiences such as religious, ethnic or indigenous communities, therefore their ability to attract revenue from advertisers tends to be lower than commercial stations offering programming that appeals to a larger percentage of the population served;
- Some ignorance of regulations and lack of understanding of conditions of licence;
- Have difficulty in attracting qualified staff or volunteers due to the geographic areas, declining population with less access to training/education on proper running of a station;
- Expressed a need to be better informed and supported by the Commission staff in order to effectively meet their regulatory obligations, earlier than at the time of license renewal
- Would like assistance from Commission staff;
- Unlike large broadcasting corporations such as Corus, Rogers or Bell, due to lack of financial resources, small radio stations do not have access to legal representation when conducting business with the Commission;
- Most licensees who were found in non-compliance with implementing the NPAS explained that they were either unaware of the requirement or were not in a financial position to incur the cost of implementing the system.

Most Common reasons for non-compliance based on staff research

- As stated in the memo presented to the FCM of 30 April 2019, it appears that small commercial and non-commercial licensees have fewer financial and human resources, and therefore have more difficulty ensuring that they remain in compliance on a regular basis;
- In conversation with Commission staff, some licensees in northern and rural areas have expressed anecdotally that online commerce sites such as Amazon have negatively affected local retailers who would normally purchase radio advertising which has resulted in a decline in station revenues.

- Staff has observed that many licensees do not appear to understand the importance of complying with those obligations at all times but most expressed a willingness to comply with regulatory obligations and outlined specific measures implemented to address non-compliance issues;
- Licensees who are found in repeated non-compliance express a commitment to serving their communities;
- Small, non-commercial stations who are found in non-compliance often have limited access to human and financial capital;
- It appears that meeting certain regulatory requirements that necessitate important expenditures such as submitting annual returns, implementing and maintaining broadcast surveillance and, NPAS systems may hinder small broadcaster licensee's abilities to operate in compliance and serve their communities, specifically as regards Canadian Content, news & spoken word;
- Imposing an on-air public announcement regarding findings of non-compliance may deprive licensees of advertising revenues, which would have a negative impact on licensee financial health.

Current approach to radio non-compliance and corrective measures most frequently imposed by the Commission

The Commission current approach to non-compliance aims to provide corrections and to render the Broadcasting system whole. The Commission can impose a number of measures to enforce regulatory obligations, correct issues of non-compliance and encourage licensees to remain compliant with their regulatory obligations;

- Short term licence renewal
- On-air announcement
- Additional CCD contributions
- Mandatory orders
- Suspension, revocation or non-renewal of licence

For a detailed description of the above noted remedial measures see [Appendix 5 \(DM 3924903\)](#).

Comparison of types of non-compliance by radio vs. television licensees

There are few overlaps in the types of non-compliance by radio and television licensees. Much of this can be attributed to differences in how television stations are regulated and the type of regulatory requirements imposed on television licensees. For example, television licensees are required to submit regular reports on programming schedules through an automated system. Any discrepancy between the reported programming schedule and regulatory requirements can be efficiently reviewed by Commission staff and can be subsequently addressed with the licensee prior to undertaking the licence renewal process. However, instances of non-compliance by radio licensees tend to be addressed through the licence renewal process. An exception to this practice relates to audits of annual returns; since 2014, the audit process has been decoupled from the licence renewal process which allows licensees to adjust their practices during a licence term in order to maintain compliance if informed of issues by the Commission. See [Appendix CCC](#) for comparison between non-compliance by radio vs television licensees and licence suspensions.

Staff approach to analysis of common types of non-compliance by television broadcasters

- Most television services, whether owned by large groups or independently, are found to be compliant with their regulatory requirements and, generally, when issues of non-compliance are found in the licence renewal processes, most are minor in nature. This can be attributed to various factors, including the regular monitoring of licensees performance through programming logs, the requirement to file annual reports related to a number of expense and other requirements, and the general experience and relative size of television licensees;
- The Commission's Television staff employs certain evaluation practices during licence renewal processes to ensure that instances of non-compliance are evaluated and treated fairly;
 - Each instance is considered on a case-by-case basis, and evaluated in terms of severity, and frequency of instances of the same nature;
 - Licensee responses to clarification questions and information from the financial summaries in considering what remedial measures would be appropriate, given the financial standing of the licensee. For example, imposing a remedial measure that would be unachievable due to limited financial means would be redundant, as it would not serve to remedy a situation of non-compliance;
 - Hinder the licensee's ability to comply with its other regulatory obligations;
 - Whether the licensee has been in non-compliance in the past, based on previous licensing decisions. If the apparent non-compliance is the first occurrence for a licensee, remedial measures may differ from a licensee who has had many repeated instances of apparent non-compliance.
 - In most cases, staff does not recommend short-term licence renewals unless there are repeated instances across multiple years and multiple licence terms by the same licensee, thus demonstrating that further regulatory measures are required to ensure the licensee's long-term compliance with its regulatory obligations. Staff also considers the licensee's rationale and whether, during the licence term, the licensee quickly adopted corrective measures and brought itself back into compliance with its requirements;
 - The Broadcasting Act does not give the CRTC's television sector the ability to impose AMPS in response to findings of non-compliance. Remedial measures can include shortened licence terms, reporting requirements, or the imposition of conditions of licence.
- With respect to non-compliance related to the failure to implement a NPAS, certain stations provided evidence of very limited financial capabilities, while others provided projections that indicated a profitable operating situation for the next five years. Consequently, financial viability played a large role in staff's recommendation as to remedial measures to be taken by the licensee along with the licensee's proposed timeline to implement such a system;

Licence Suspension: radio vs. television

Pursuant to section 9(1)(e) of the *Broadcasting Act* the Commission has the authority to suspend or revoke any licence with the consent of the licensee or after the Commission. Although the Commission has revoked radio licences in a limited number of cases over the years (non-renewal being the more common approach), suspension of radio licenses has never really been viewed as a practical solution to non-compliance;

- Licence non-renewal or revocation is generally the last step following a long series of decisions in which the Commission imposed measures and detailed its expectations of the licensee to allow them the opportunity to restore compliance with its obligations.

Analysis of arguments presented by licensees

In staff's opinion, non-compliance related to annual returns may be explained in part by the administrative burden of the regulatory requirement, but also be as a result of the systematic monitoring in the year prior to the license renewal of stations;

- Ignorance of Commission regulations is not an excuse for non-compliance but it appears that regulatory obligations are not expressed in a way that is accessible for licensees who, likely due to lack of financial resources, do not have access to regular professional accounting, engineering and legal advice;
- The Commission does not exist to help licensees to the extent that many would like but the Commission could improve the type and quality of information provided to existing and prospective licensees;
- The Commission provides does provide the following resources to licensees:
- The Single point of contact for small undertakings provides quick and efficient service to small radio and television broadcasters seeking information on Commission processes
- Commission staff in radio, television and the audit groups are available for telephone conversations and occasional in-person meetings for licensees seeking specific information related to regulatory obligations such as annual returns, CCD contributions and matters related to broadcast programming.
- Commission staff is limited to strictly providing only information as it is not appropriate for staff to provide advice on regulatory matters. Commission staff has:
 - Observed that small radio broadcasters sometimes contact staff in order to obtain advice on how to interpret their conditions of licence or other regulatory obligations as stated in the Act;
 - Suggested contacting organizations such as relevant community radio associations or the radio committee of the Canadian Association of Broadcasters. When no other relevant organization exists, such as with Indigenous radio, or non-profit religious stations, staff has occasionally suggested communicating with other organizations with similar licences.

CONSIDERATIONS:

In staff's opinion, the current approach does not serve to prevent instances of non-compliance.

Because of the complex nature of regulatory language the vocabulary is not entirely accessible to people who do not have engineering, accounting or legal educations. As stated above, non-compliance issues disproportionately affect small, non-commercial stations that serve Indigenous and third-language ethnic communities. The measurement tools used by Commission staff to make recommendations weighs the severity of non-compliance is intended to foster fairness when imposing remedial measures on broadcasters, however, potential impact on the community/audience served does not factor into the published decisions, though they may be considered as part of internal deliberations.

The memo presented to the FCM of 30 April 2019, suggested that the Commission could impose a mandatory system for submitting surveillance reports. However, it appears that small radio stations might have some financial and technical difficulties in maintaining compliance if any type of system were to be imposed on them. Furthermore, the possibility of insisting on the uniformity of a reporting software, would contribute to future instances of non-compliance by stations that are already struggling to maintain compliance, which could reasonably be construed as systematically discriminatory to small, less sophisticated broadcasters.

Staff suggests that before imposing any mandatory system, the Commission may wish to gather information from application forms (new and renewal licences) from all broadcasters on the types of systems currently in operation. Moreover, any decision to implement a compulsory system should take into consideration the additional financial burden that will be incurred by small broadcasters. In addition, any changes to regulatory requirements must be widely and clearly communicated to all licensees with special attention paid to small broadcasters.

Recommendations for future licence renewals for small radio stations in repeated non-compliance

- Ensure Commission staff and Commissioners are sensitized to licensees lack of resources;
- Provide information on possible assistance (for example, the NCRA, ARC, CAB) in all communication with licensee including clarification letters and notice of consultations;
- Annual returns should (if they don't already) request information on specific costs related to regulatory compliance (for example, investments in new surveillance systems, costs associated with legal representation, hiring accounting firms);
- By requesting such data, Commission staff will be able to establish a baseline of information on the type of costs incurred by stations by size of operation, market, etc.;
- Commission staff may be able to communicate with licensee to troubleshoot future possible non-compliance during licence term if costs seem too low for the type of station

While it is each licensee's responsibility to ensure that they comply with regulations, policies and conditions of licence at all times, the Commission could provide guidance in plain language to licensees as well as review how remedial measures are imposed. Moreover it is in the Commission's interest to remove or reduce barriers to compliance for small licensees who may have limited financial and human resources. The processes to manage non-compliance require additional staff resources when licensees do not have a good grasp of Commission regulations and find themselves in non-compliance. The Commission should also ensure that any of findings of non-compliance and subsequent remedial measures should have parity between the radio and television sectors.

The table in [Appendix XXX](#) compares the types of non-compliance and remedial measures imposed on radio and television licensees. The table demonstrates that overlap between the types of non-compliance by radio and television licensees is primarily related to the failure to implement the NPAS and the filing of annual returns. As regards common areas of non-compliance and corrective measures, it appears that the Commission has tended to be more severe with radio licensees than television licensees. This disparity may be explained by methods used by radio staff to evaluate the severity of non-compliance. As noted above, radio staff measure the severity of non-compliance by considering the nature of non-compliance and the number of consecutive licence terms that the licensee has been found in non-compliance but unlike television staff, radio does not include evaluations of the licensees'

financial health. While the methods used to measure the severity of non-compliance by radio licensees is intended to ensure fairness and that remedial measures appropriately address the various natures of non-compliance, because evaluations of television broadcasters include financial capacity, it may be argued that assessments of non-compliance by radio and television staff are not equitable.

Of these measures, licence suspension, licence revocation or non-renewal are rarely used, and have generally been reserved for extreme cases involving significant complaints from the public, stations that have gone off-air or stations with severe and repeated issues of non-compliance that operate in large markets where other parties would be willing and better suited to make use of the public frequency. The primary impact of suspension from the licensee's perspective is financial, in the form of lost advertising revenue. Moreover, revocation or non-renewal is generally considered as a final measure, following several findings of non-compliance and after exhausting other measures that have proven to be ineffective in bringing the licensee into compliance.

The 23 September 2020 Speech from the Throne recognized that Canadians living in rural areas may have lower access to quality high-speed internet or cell service when it indicated that the Federal government will prioritize "accelera[ting] the connectivity timelines and ambitions of the Universal Broadband Fund to ensure that all Canadians, no matter where they live, have access to high-speed internet"². Therefore, local radio and television stations provide vital services that aims to keep their communities informed especially during the COVID-19 pandemic and other emergency events. Any remedial measure against a rural, non-compliant station may have deleterious effect on the community served, particularly in areas where a station is the sole news provider. Suspension, non-renewal or revocation of a licence of a station that is in a single station in a market may in effect create a news desert which could have serious consequences for public safety, for example, in the instance of extreme weather events, or other public emergency situations.

Recommendations for preventative measures to ensure on-going compliance by small radio licensees

- Application forms should explicitly ask questions about systems that are or will be put in place for ensuring complete log recordings and accounting for annual returns, such information should be requested but confidentiality could be granted for proprietary tools;
- Improve due diligence by analysts to ensure recommendations to the Commission do not result in licences granted to licensees who cannot demonstrate their understanding of regulatory obligations;
- Commission staff and Commissioners should receive cultural competency training to improve communication with broadcasters that are not fluent in regulatory style language;
- The Commission website should offer:
 - An interactive and easy to use web page for licensees must be written in simple and concise language to summarize and explain the main regulatory requirements to licensees by sector (commercial, campus / community, Indigenous, etc.) and by subject (CCD programming obligations, filing of annual reports, etc.);
 - Information in plain language about costs associated with operating a radio station;

² <https://www.canada.ca/en/privy-council/campaigns/speech-throne/2020/stronger-resilient-canada.html>

- Encourage CAB Radio committee to offer guidance to small, unique undertaking owners on ensuring compliance with Commission regulations;
- Staff are currently exploring various technical and operational solutions to clarify the information to be filed in annual reports and to more quickly notify holders of a situation of apparent non-compliance with the filing of annual reports.

NEXT STEPS:

Ensure parity between radio and television broadcasters found in non-compliance by reviewing practices, analysis and evaluation. Specifically, staff in the television and radio groups should coordinate to ensure parity in evaluations as well as base recommendations on the analysis of financial health of licensee and subsequent economic impact on ability to maintain compliance. Consider the financial and human resources available to small broadcasters when imposing remedial measures

(Signature) _____

Name (print)

<input type="checkbox"/> I have read the memorandum	<input type="checkbox"/> No briefing required
<input type="checkbox"/> I would like an oral briefing	

Radio 1 template (audit) - 2019 - F-S

21/07/20 9:41 AM

CRTC - COMMERCIAL FINANCIAL SUMMARY - RADIO

Canada - All Languages

(\$)	2015	2016	Var %	2017	Var %	2018	Var %	2019	Var %	CAGR (%)
Reporting Units	148	147		154		164		165		
Revenue										
Local Time Sales	159,450,233	155,229,673	-2.65	162,813,694	4.89	166,046,044	1.99	161,343,205	-2.83	0.3
National Time Sales	32,942,701	32,156,917	-2.39	32,718,477	1.75	33,914,841	3.66	33,847,888	-0.20	0.7
Syndication-Production	1,329,703	1,510,361	13.59	1,668,657	10.48	1,574,712	-5.63	1,695,707	7.68	6.3
Government/Corporate Grants	140,342	164,341	17.10	192,169	16.93	369,289	92.17	4,514,543	>999±	181.9
Other Revenue (incl. subs pre 2017)	10,050,810	9,571,662	-4.77	11,140,927	16.39	9,365,174	-15.94	4,887,520	-47.81	-16.5
Total Revenue	203,913,789	198,632,954	-2.59	208,533,924	4.98	211,270,060	1.31	206,288,863	-2.36	0.3
Expenses										
Programming and Production	69,802,381	69,493,246	-0.44	70,918,799	2.05	73,211,587	3.23	70,303,899	-3.97	0.2
Technical	10,836,246	10,875,821	0.37	12,660,509	16.41	12,286,704	-2.95	12,100,034	-1.52	2.8
Sales and Promotion	53,545,376	52,125,356	-2.65	52,828,767	1.35	54,963,701	4.04	53,970,758	-1.81	0.2
Administration and General	46,853,604	48,424,661	3.35	50,700,666	4.70	51,840,480	2.25	51,262,407	-1.12	2.3
Total Expenses	181,037,607	180,919,084	-0.07	187,108,741	3.42	192,302,472	2.78	187,637,098	-2.43	0.9
Operating Income	22,876,182	17,713,870		21,425,183		18,967,588		18,651,765		
Depreciation	6,199,861	6,668,659	7.56	7,898,198	18.44	8,082,472	2.33	7,309,090	-9.57	4.2
P.B.I.T.	16,676,321	11,045,211		13,526,985		10,885,116		11,342,675		
Interest Expense	1,166,443	1,237,337		2,219,355		2,440,092		2,003,923		
Adjustments Gain(Loss)	1,419,107	-2,662,076		-636,150		-706,900		208,235		
Pre-tax Profit	16,928,985	7,145,798		10,671,480		7,738,124		9,546,987		
Programming (%)										
Programming Expense / Expense Total	38.6	38.4		37.9		38.1		37.5		
Programming Expense / Revenue Total	34.2	35.0		34.0		34.7		34.1		
Staff										
Total Remuneration	97,232,098	97,418,664	0.19	101,839,814	4.54	104,642,793	2.75	103,015,670	-1.55	1.5
Avg Staff Count	2,089.4	2,064.8	-1.18	2,106.3	2.01	2,107.5	0.06	2,028.3	-3.76	
Avg Remuneration (\$)	46,536	47,182	1.39	48,350	2.48	49,653	2.70	50,790	2.29	2.2
Avg Remuneration excl. Benefits (\$)	42,738	43,056	0.74	44,029	2.26	45,217	2.70	46,582	3.02	2.2
Profitability (%)										
Operating Margin	11.2	8.9		10.3		9.0		9.0		
P.B.I.T. Margin	8.2	5.6		6.5		5.2		5.5		
Pre-tax Margin	8.3	3.6		5.1		3.7		4.6		

CAGR = Compound Annual Growth Rate