



Broadcasting Information Bulletin CRTC 2009-251

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Clarifications regarding Canadian content development contributions made by commercial radio stations

In this information bulletin, the Commission clarifies certain issues for licensees of commercial radio stations with respect to Canadian content development (CCD) contributions. The Commission discusses deadlines for making “over and above” contributions, exceptions to the requirement to contribute to FACTOR and MUSICACTION, as well as CCD information that must be filed with annual returns.

1. In Broadcasting Public Notice 2006-158, the Commission adopted a new approach to the way commercial radio broadcasters provide financial support to the development and promotion of Canadian content. This new approach replaced the Canadian talent development plan set out in Public Notice 1995-196.
2. Radio broadcasters support Canadian content development (CCD) financially as a result of three regulatory processes: a basic annual CCD contribution required of all stations by Part III of the *Radio Regulations, 1986* (the Regulations); additional contributions over and above the basic CCD contribution, usually related to applications for new licences; and contributions made in relation to applications for transfers of ownership or control of radio programming undertakings.
3. Under the new CCD regime announced in Broadcasting Public Notice 2006-158, stations must make basic annual CCD contributions based on their total revenues in the previous broadcast year. Paragraph 116 of Broadcasting Public Notice 2006-158, and Broadcasting Public Notice 2008-67 provide specific details on how to determine the amount of a station’s basic contribution. In the case of a new station, since it would not have broadcast during the previous broadcast year, the basic CCD contribution for the first broadcast year¹ of operation would be \$0.

“Over and above” contributions

4. “Over and above” contributions are generally imposed by conditions of licence. Unless otherwise specified, all “over and above” contributions required by condition of licence must be made annually, starting in the first year of operation and continuing in each subsequent broadcast year. In light of this, annual contributions must be paid in full by the end of the broadcast year. If a payment is made after 31 August, the licensee will have failed to comply with its obligation to make CCD contributions during the applicable broadcast year. Furthermore, annual contributions required by condition of licence cannot be deferred, in whole or in part, to any subsequent broadcast year unless prior authority is sought and obtained from the Commission.

¹ A broadcast year means the period beginning on 1 September and ending on 31 August of the following year.

5. Notwithstanding the above, the Commission generally requires that a licensee, in its first year of operation, make a pro-rated payment related to its “over and above” CCD commitment in an amount representing the number of months the station was in operation during that broadcast year. For instance, if a station launches on 1 March, its minimum contribution would represent half of its total annual CCD commitment, since, by the end of its first broadcast year, it will have been on the air for only six months, or for half of the broadcast year. The total CCD amount for the station’s first seven years of operation does not change however. The licensee will be required to contribute an amount representing the remaining six months of its first year of operation in its seventh full broadcast year. In such cases, the licensee must contribute the total “over and above” CCD amount over seven consecutive full broadcast years following the commencement of operations.

Exceptions to contributions to FACTOR and MUSICACTION

6. Part III of the Regulations permits exceptions to the requirement to contribute to FACTOR or MUSICACTION. Ethnic licensees or those airing predominantly spoken word material can direct their payments to eligible initiatives that support their programming content.
7. Not-for-profit stations that are currently required by condition of licence to contribute to Canadian talent development are not subject to the basic CCD requirement set out in Part III of the Regulations. These licensees are still required, however, to contribute to the development of Canadian content under any existing conditions of licence.

CCD information to be filed with annual returns

8. Licensees are required to provide details about the CCD projects funded by their stations with their annual returns. Pursuant to section 9(2) of the Regulations, annual returns, for the year ending on the previous 31 August, must be submitted to the Commission no later than 30 November of each year. Failure to file these returns, in whole or in part, by the required date of 30 November of each year, will result in an apparent non-compliance.

Secretary General

Related documents

- *Amendments to the Radio Regulations, 1986 – Implementation of the Commercial Radio Policy 2006 and the Digital Radio Policy - Regulatory Policy*, Broadcasting Public Notice CRTC 2008-67, 23 July 2008
- *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006

- *Contributions by radio stations to Canadian talent development – A new approach*, Public Notice CRTC 1995-196, 17 November 1995

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