



Broadcasting Decision CRTC 2014-135

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Route reference: 2013-573

Ottawa, 25 March 2014

Canadian Broadcasting Corporation
Across Canada

Applications 2013-1304-8 and 2013-1306-4, received 25 September 2013

Espace Musique and Radio 2 networks and stations – Licence amendment

*The Commission **approves** applications by the Canadian Broadcasting Corporation to amend the broadcasting licences for the Espace Musique and Radio 2 networks and stations in order to make certain amendments to the conditions of licence pertaining to advertising.*

The applications

1. The Canadian Broadcasting Corporation (CBC) has filed applications to amend the broadcasting licences for the Espace Musique and Radio 2 networks and stations in order to make certain amendments to the conditions of licence relating to advertising.
2. In Broadcasting Decision 2013-263, the Commission renewed the broadcasting licences for the CBC services. In that decision, the Commission modified the conditions of licence relating to advertising in order to allow a limited amount of paid national advertising on Radio 2 and Espace Musique for a period of three years.
3. In the present applications, the CBC proposed to change condition of licence 11¹ and 13 as follows (changes in **bold**):

11. The licensee shall not broadcast any advertising (category 5) except:

- a) paid national advertising;
- b) during programs that are available only on a sponsored basis; or
- c) as required to fulfill the requirements of the legislation of the Parliament of Canada pertaining to elections.

For the purposes of this condition, the licensee may not broadcast more than four minutes of paid national advertising in any clock hour.

¹ Condition of licence 11 as shown reflects the amendment approved in Broadcasting Decision 2013-658.

Music programming may not be interrupted more than twice during any clock hour for paid national advertising. For the purposes of this paragraph, the mention of a sponsor's name or the inclusion of a sponsor promotion within a sponsored program shall not qualify as an interruption of the music programming.

13. Conditions of licence 11 and 12 expire on 31 August 2016. **Effective 1 September 2016, the licensee shall not broadcast any advertising (category 5) except:**

a) during programs available only on a sponsored basis; or

b) as required to fulfill the requirements of the legislation of the Parliament of Canada pertaining to elections.

4. In the same applications, the CBC also requested amendments to the condition of licence pertaining to advertising in order to allow programs that are available only on a sponsored basis. The Commission approved this request in Broadcasting Decision 2013-658.

Interventions and replies

5. The Commission received a comment from the Canadian Association of Broadcasters (CAB) as well as a joint comment from the Fédération nationale des communications and the Syndicat des communications de Radio-Canada (FNC/SCRC), to which the CBC replied. The public record for these applications can be found on the Commission's website at www.crtc.gc.ca under "Public Proceedings."
6. The CAB noted that the CBC filed the applications soon after its licences were renewed and argued that commercial radio operators should be afforded the same flexibility in seeking changes to conditions of licence so early after a decision. In this respect, the Commission concurs with the CBC's reply in which it said that the unique circumstances of the licence renewal process made it difficult to discuss the implementation of its advertising plans for Radio 2 and Espace Musique in greater detail.

Commission's analysis and decision

Amendment to condition of licence 11

7. In Broadcasting Decision 2013-263, the Commission authorized the CBC to broadcast a limited amount of paid national advertising on Radio 2 and Espace Musique for a period of three years. The condition of licence specifies that programming may not be interrupted more than twice during any clock hour for paid national advertising.
8. In the current applications, the CBC proposed to count any of the advertising accompanying an information break (news, weather) as a single interruption for the purpose of compliance with the limit of two interruptions for advertising per hour.
9. In Broadcasting Decision 2013-263, the Commission stated that it is confident that advertising can be introduced in such a manner as to minimize disruptions to the

programming and maintain the services' distinct nature. In its applications, the CBC provided the results of focus group research showing that listeners already considered that information breaks for news, without advertising, were interruptions to the flow of its music programming. From those results, the CBC concluded that placing several advertising elements within the existing information breaks each hour, and separating them from the music flow, would be the least annoying way of presenting national advertising.

10. In light of the above, the Commission is satisfied with the CBC's plan for the placement of commercial announcements.
11. The CBC also requested that the mention of sponsors' names or the airing of promotions with sponsor mentions during music programs not be counted as being an interruption. In this respect, the Commission notes that the CBC is aware of the opposition formally expressed by hundreds of its listeners to the idea of advertising on Espace Musique and Radio 2. The Commission expects that the CBC will implement its plans carefully and will limit the intrusiveness of its sponsor IDs and promotion with sponsor mentions.
12. In addition, the Commission does not deem it necessary to include the phrase "within a sponsored program" in the following clause: "the mention of a sponsor's name or the inclusion of a sponsor promotion shall not qualify as an interruption of the music programming."
13. In its intervention, the FNC/SCRC expressed concern that the CBC would broadcast more than four minutes of advertising per hour, the limit imposed by the Commission. In this respect, the Commission notes that the proposed changes would not affect this limit. Every advertising element—commercial announcements (subcategory 51), sponsor IDs (subcategory 52) and promotions with sponsor mentions (subcategory 53)—would be counted towards the four-minute limit, regardless of its placement within the programming of the two services.

Amendment to condition of licence 13

14. The proposed amendment to condition of licence 13 would reinstate the original condition of licence prohibiting paid national advertising once condition of licence 11 expires on 31 August 2016.
15. The Commission notes that the proposed change to condition of licence 13 would clarify an ambiguity in the renewal decision. It may have been argued by some that, as presently worded, the condition would expire on 31 August 2016 and would leave no advertising restrictions for the remainder of the licence term. This was obviously not the Commission's intention. The amendment proposed by the CBC would reinstate the historical advertising restrictions for Espace Musique and Radio 2 networks and stations in the event that the CBC does not file applications to continue broadcasting paid national advertising for the remainder of the licence term or that such applications, if filed, were to be denied.

Conclusion

16. In light of the above, the Commission **approves** the applications by the Canadian Broadcasting Corporation to amend the broadcasting licences for the Espace Musique

and Radio 2 networks and stations in order to make certain amendments to conditions of licence 11 and 13 set out in Appendix 4 to Broadcasting Decision 2013-263.²

17. The **conditions of licence** shall now read as follows:

11. The licensee shall not broadcast any advertising (category 5) except:

- a) paid national advertising;
- b) during programs that are available only on a sponsored basis; or
- c) as required to fulfill the requirements of the legislation of the Parliament of Canada pertaining to elections.

For the purposes of this condition, the licensee may not broadcast more than four minutes of paid national advertising in any clock hour.

Music programming may not be interrupted more than twice during any clock hour for paid national advertising. For the purposes of this condition, the mention of a sponsor's name or the inclusion of a promotion that includes the name of a sponsor shall not qualify as an interruption of the music programming.

13. Conditions of licence 11 and 12 expire on 31 August 2016. Effective 1 September 2016, the licensee shall not broadcast any advertising (category 5) except:

- a) during programs available only on a sponsored basis; or
- b) as required to fulfill the requirements of the legislation of the Parliament of Canada pertaining to elections.

Secretary General

Related documents

- *Espace Musique and Radio 2 networks and stations – Licence amendment*, Broadcasting Decision CRTC 2013-658, 5 December 2013
- *Canadian Broadcasting Corporation – Licence renewals*, Broadcasting Decision CRTC 2013-263, 28 May 2013

**This decision is to be appended to each licence.*

² Condition of licence 11 was subsequently amended in Broadcasting Decision 2013-658.