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## **FM RADIO IN CANADA -**

**A POLICY TO ENSURE A VARIED AND  
COMPREHENSIVE RADIO SERVICE.**

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FM Radio in Canada

A Policy to Ensure a Varied and Comprehensive Radio Service

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January 20, 1975.

## PART I INTRODUCTION AND SUMMARY

### 1. What This Document is About

This document sets out the Commission's objectives and requirements for the development of FM radio in Canada. It does so in the broader context of a general discussion of sound broadcasting because the Commission considers that there must be a balanced development of all sound broadcasting in order to permit each element of it to make a distinctive contribution to the fulfilment of the objectives of the Broadcasting Act. In this connection, the Commission reiterates the statement made on this subject in its "Proposal for an FM Radio Policy in the Private Sector", dated April 19, 1973:

Each kind of broadcasting has its own unique characteristics and possibilities. Whether it be public or private television, or public or private AM or FM radio, or local origination on cable television systems, the fundamental problem remains the same: how does each kind of broadcasting suitably and distinctively contribute to the fulfilment of the Broadcasting Act's objective of providing diverse programming using predominantly Canadian resources?

Whenever new licensees have entered the broadcasting field, or when established licensees have encroached on the service provided by other licensees, the Commission has referred to the principle, flowing from the objectives of the Canadian broadcasting system set out in the Broadcasting Act, that broadcasters should complement and extend available programming, and avoid unnecessary duplication of service.

The Commission applied this principle in licensing second and third Canadian television services, in licensing student undertakings, and in encouraging local origination on cable systems. It used the same principle in deferring approval of CBC Radio I and II plans, basing its decision in part on the inherent risk that public radio might become merely an imitator of the style of radio in the private sector. This same principle is, in the opinion of the Commission, of paramount importance in evaluating proposals for ensuring that AM and FM radio serve different programming needs within the Canadian broadcasting system.

## 2. Background

The Commission has been concerned to establish an appropriate FM policy since its creation on April 1, 1968.

On May 28, 1968, in one of its first announcements, the Commission denied applications for four new FM stations, stating that the "applicants did not undertake to provide significantly new or different programming opportunities to the communities concerned. FM channels are public assets, and the Commission is determined that they be developed in such a way as to contribute to a more varied program service which will complement and enrich services already available from existing stations". The Commission also stated that "a study of FM broadcasting will be undertaken to ensure its orderly development".

The Commission has held two public hearings and has received hundreds of briefs and letters. In order to put this document in perspective, a summary is set out below of some of the major actions relating to FM policy taken by the Commission to date.

On June 10 to 13, 1969, the Commission held a public hearing in Montreal, inviting members of the general public, broadcasters and other interested parties to comment on the role of FM broadcasting in Canada. Concerns raised by the Commission at the hearing included: the growth and development of the FM band from a technical viewpoint, new licensing policies for FM and program content on FM in light of the objectives for the Canadian broadcasting system set out in the Broadcasting Act.

On April 19, 1973, the Commission released "A Proposal for an FM Radio Policy in the Private Sector", a document setting out the Commission's proposed policies regarding the licensing and regulation of private FM radio in Canada. In June, this document was supplemented with a proposed new set of content categories to be applicable to AM and FM radio programming.

On October 29 to 31, 1973, the Commission held a public hearing in Ottawa to consider representations on its "Proposal for an FM Radio Policy in the Private Sector" and its suggested new program content categories. At this hearing, representatives of the general public, FM broadcasters and other persons interested in the development of FM presented briefs and were questioned by the Commission.

Over the past three years, although the Commission has purposely not licensed any new commercial FM stations pending the development of its FM policy, it has considered and approved a number of applications for non-commercial "community FM" stations. Applications for FM stations were approved by the Commission for Kitchener in 1973, and Vancouver, Montreal and Chicoutimi in 1974. An application for a "student FM" station for Quebec City was approved in 1972. A similar application for Winnipeg was the subject of the Commission's public announcement of July 19, 1974.

The present document, together with the proposed amendments to the FM Regulations and the draft FM application form issued with it, set out the Commission's final determination, following the steps noted above, of its basic licensing and regulatory policies relating to FM in the private sector.

- 3. The Development of Canadian Radio Broadcasting

Radio broadcasting in Canada is developing in such a way that Canadians could well be in the enviable position, as appropriate policies are developed and implemented, of having four different kinds of radio service to choose from:

Public-AM    Public-FM    Private-AM    Private-FM

Within the public sector, there is the paramount countrywide role of the Canadian Broadcasting Corporation as the provider of the national broadcasting service. There are also a small number of radio services provided by educational bodies licensed by the Commission pursuant to order-in-council P.C. 1972 - 1569. In the private sector, in addition to the services provided by a large number of private commercial stations, there are the distinctive services provided by community and student FM stations.

There are of course gaps in these services which will persist into the foreseeable future. Nevertheless, it is useful to identify these four distinct types of service as a means to develop policy alternatives and to clarify long-term objectives.

CBC AM network services, both English and French, reach all but a very small percentage of Canadians. However, in many instances, only a limited number of hours of CBC network service are provided by private stations affiliated to the CBC networks. This is the case even in some large communities such as London, Kingston, Rimouski and Sudbury.

CBC FM network service is in an early stage of development as far as coverage of the country is concerned.

In the case of private AM service, Canadians are again served very extensively. Here too, though, many areas have little or no choice of programming because of the lack of multiple station service. In addition, some Canadians do not have local radio service in their own language. This is the case in northeastern New Brunswick, for example, where a large proportion of the population is French-speaking. Likewise, remote areas in the far North receive no local radio service and have no access to a local radio facility.

As for private FM service, it is very unevenly developed throughout the country.

In these circumstances, the challenge that faces Canadian radio broadcasting is to ensure:

1. that there are clear distinctions between each of the four different services, and
2. that as many Canadians as possible have access to as complete a choice of service as public funds and commercial revenue make possible.

In its public announcement of October 18, 1973 on CBC radio policy, the Commission noted the steps taken by the Corporation to ensure the maintenance and strengthening on both CBC-AM and CBC-FM of a full range of programming which would be distinctly different from that available on private radio.

While the regulations now proposed by the Commission, together with the new FM application form, will apply to the CBC, most of the objectives and requirements of this document are applicable only to FM radio in the private sector. Because of the nature of its mandate and its greater resources, however, the Commission would expect that the performance of the CBC would exceed most of these requirements.

The Commission's objective is the maintenance and development of two distinct CBC radio services in accordance with CBC policy, the maintenance and development of a lively private AM sector, and the addition of a new style of private radio on FM. It invites all those in the Canadian radio broadcasting system to cooperate in creating a choice and quality of radio broadcasting for Canadians that will fulfil the objectives of variety, comprehensiveness and high standards established by the Broadcasting Act.

#### 4. Concerns About Radio

Many groups and individuals have expressed their dissatisfaction with what is now available to them on private radio. The deficiencies most often mentioned at the Commission's public hearings, in correspondence and in discussions relating to radio include the following:

- radio is loud and strident
- radio lacks substance; it is trivial and uninteresting
- radio music is limited in scope and is noisy and repetitive
- radio is unduly commercialized
- radio is imitative; it sounds the same everywhere
- radio news presentation is repetitive, mechanized and too compressed
- radio entertainment programming is limited
- radio personalities are not involved in program development.

It would be unfair to contend that these criticisms can properly be applied to all private radio stations. Moreover, it must be recognized that, to a certain extent, the present situation arises from the very decentralization which is such a striking feature of the Canadian radio broadcasting system.

In most parts of the world, radio is highly centralized in terms both of administration and operation. So is television. In a country the size of Canada, a decentralized radio system has very real advantages, for example, in providing a local service to the many communities where there is not even a local newspaper. But, as in all things, there is a price to be paid and, in the case of private radio in Canada, this has taken the form of a certain standardization of programming.

It is essential to maintain the advantages of this distinctive Canadian radio system in moving to correct its imperfections. Thus the essential extension of physical facilities in Canada must be balanced by a judicious insistence on a growing quality and diversity of programming.

It is the responsibility of the Commission to recognize the very real contribution made by private radio in Canada, evaluate the criticisms made of it and to ensure that private radio makes a distinctive contribution to the attainment of the objectives of the Broadcasting Act.

As noted by the Canadian Association of Broadcasters in its presentation at the FM hearing in 1973:

The development of the FM band should not result simply in the multiplication of services. We believe that it is necessary to elaborate new concepts of production and service . . .

FM should be. . . universal in its appeal, and I mean by that, open to everybody, with a very great choice of programs .

Excellence in Radio. Radio broadcasters, as all broadcasters, are charged in the Broadcasting Act to achieve high standards. The Commission wishes to see objectives developed in this area which are more than pious hopes and which will lead to the achievement of excellence.

There is little hope of excellence in radio if, for instance, a station simply retransmits material originating elsewhere that has little or no significance for its audience. There is an absence of life, of identity, of authenticity where creative individuals do not actively communicate with their audience. Commercial background music in a supermarket may or may not be calming and useful, but it hardly qualifies as a radio service as envisaged by the Broadcasting Act.

I am introducing here the idea of technological change which has affected the operations of radio. Everything can be pre-recorded, even voices, interviews, and so forth. Who cares if minute after minute, hour after hour it is good, agreeable and varied. What is missing is the life, the soul, the direct voice contact. The whole difference is the origin of the program. Hence, the main complaint is that the FM station is not a point of origin of the program - it is merely a transmission station of a program originating . . . elsewhere.

Dr. Pierre Camu  
President of the CAB  
FM of the Future Seminar



Excellence arises out of a conscious effort to present the best in any field - whether the best popular music or classical performance, the best literary work, or the best critical comment. The Commission believes that the best can readily be distinguished from the trivial by expert and public alike, and that indifference to the existence of such standards is a basic disservice to society.

High quality service exists where conscious attention is paid to the craft and profession of broadcasting at every level - from management and policy direction to the care taken by technicians and on-air hosts. These are all identifiable factors in what can be termed professional standards of radio broadcasting.

Radio stations which live by such standards are distinguished by the fact that they know their audiences, and broadcast information and entertainment that not only meet but also broaden tastes and needs. Such standards are basic to the role of radio as a distinctive and significant element of the Canadian broadcasting system.

In this context, radio programming cannot be permitted to remain in limited-subject ghettos. An average of seventy-five percent of radio programming is recorded music, and yet only a fraction of the recordings available is ever broadcast. When compared to the diversity of material that is available in bookshops, record stores, magazine racks, or in the events listed on newspaper entertainment pages, radio is a limited vehicle of expression. Radio must expand its offering of content with new opportunities for public discovery and appreciation of a greater spectrum of music and the spoken word.

Diversity is a critical factor in determining the richness of a society's culture. In radio, the size of a record library and the usage patterns of recordings within a variety of formats are among the more important aspects of the cultural functioning of that medium. The Commission is convinced that such characteristics can be rationally assessed and systematically and progressively developed.

It is an objective of the Broadcasting Act that radio, as part of the Canadian broadcasting system, should provide programming which is varied and comprehensive, of high standard, using predominantly Canadian creative and other resources. The disparate groups in Canadian society deserve to have available on their airwaves a clear choice of different kinds of programming which recognize their particular needs and concerns. Radio should serve the public when it wants to be entertained, and also when it wants to be informed or enlightened.

5. Summary of Measures Adopted by the Commission

In part II of this document, the Commission sets forth a number of measures in connection with defining a role for FM radio which is distinct from AM radio. Under this heading, the Commission proposes:

1. to replace the requirement that FM stations devote 20% of their programming to material in the "Arts, Letters and Sciences" category with the requirement that a percentage of programming be in a "foreground" or audience-involving format;
2. to replace the present program content categories with a comprehensive new set of program content categories applicable to both AM and FM radio and to use such categories to determine how and to what extent program content commitments set out in promises of performance made by applicants will make a distinctive contribution to the balance, diversity and comprehensiveness of the programming service available in the community to be served. This will be of particular importance in areas such as Montreal, for instance, where, due to historical circumstances, a lack of balance has developed;
3. to refuse to permit FM licensees who hold an AM licence in the same community the continued use of two public frequencies unless substantial efforts are made to offer an FM service that is distinctively different from usual AM programming and that adds to the other radio services available in the community;
4. to create separate classes of licence for holders of an FM licence who hold an AM licence in the same community ("joint FM licences") and holders of an FM licence who do not hold an AM licence in the same community ("independent FM licences") and to impose upon holders of "joint FM licences" requirements respecting "foreground format" programming and commercial messages which exceed those for holders of "independent FM licences";
5. to prohibit simulcasting between AM and FM stations except in special circumstances as permitted by condition of licence;
6. to require joint FM licensees to broadcast on a daily basis a statement outlining their relationship to the associated local AM station;
7. to encourage the syndication of FM material in a "foreground format";

8. to prohibit the entering into or renewal of contracts between FM stations and outside firms or consultants respecting the provision of certain prerecorded matter;
9. to prohibit FM stations from interrupting the first ten minutes of any newscast by commercial messages or public service announcements; and
10. to set maximum limits for the broadcasting of commercial messages during any clock hour, and during three six-hour periods during the broadcast day, with a lower limit set for joint FM licences than for "independent FM licences".

In Part III of this document, the Commission has set forth a number of measures relating to the requirement that FM licensees establish individual roles which distinguish themselves from each other. Here the Commission proposes to institute a revised procedure relating to the granting of new or renewed FM licences. In particular, the Commission proposes:

1. to issue and require all applicants for new or renewed FM licences to complete a new FM Application Form, containing a Part II entitled "Promise of Performance", which sets out commitments relating to their proposed broadcast service in ten specific areas such as news and information, involvement of the community, use of music, advertising, Canadian content, the use of automation, and the format and duration of programming;
2. to attach the Promise of Performance to each licence issued by it and to require licensees by conditions annexed to their licences to "make all reasonable efforts in good faith to substantially fulfil" each commitment in the Promise of Performance, and to obtain the prior approval of the Commission before broadcasting for a period longer than four weeks any programming which constitutes a substantial variation from any of the commitments in the Promise of Performance;
3. to require licensees to broadcast at least once a week in a prime listening period an announcement respecting the availability of the licence and the Promise of Performance and conditions attached to it for inspection by the public; and
4. to require FM stations, as is presently the case with AM stations, to keep a tape of all matter broadcast by the station for a period of at least four weeks.

The document then deals with other issues relating to FM radio, including the carriage of CBC programs on private FM stations, correcting imbalances in service in centres such as Montreal, Vancouver and Toronto, "community" FM stations and situations where first local radio service is proposed to be provided on FM.

The document concludes with a schedule which the Commission proposes to follow in carrying out the implementation of the policy. Of particular note in this regard is the intention to hold a public hearing of the Commission, in Ottawa, commencing March 11, 1975 to consider the proposed amendments to the AM and FM Broadcasting Regulations and the draft FM Application Form.

## PART II      ENSURING THAT FM SERVICE IS DISTINCT FROM AM SERVICE

### 1.      Introduction

With the advent of television, Canadian radio, with the principal exception of the CBC, drastically reduced "foreground" programming, that is programming requiring active attention on the part of the audience. It was assumed that the vast majority of the radio audience is "on the go" and that people listen sporadically, using radio as background for other activities.

The Commission considers that this assumption has prevented radio from developing programming types and forms to meet other kinds of listening needs. It is not convinced that all listeners are permanently unable to devote longer periods of time to listening to more engaging radio programs. The disavowal of "foreground" programming has led to radio programming which is imitative rather than innovative. Radio schedules composed of records, chatter and capsule news do not meet the range of interests, lifestyles and cultural patterns of all Canadians in different communities and regions.

The Commission's primary objective for radio programming is therefore to make it more diverse in both form and content and more responsive to a greater variety of listening needs, audience lifestyles and community interests, in order that it may provide what one commentator has called "islands in the sea of recordings".

The Commission's policy proposal dated April 19, 1973 stated that radio which basically reacts to and reinforces our immediate tastes and needs should be supplemented by radio which actively expands the horizons of our knowledge and extends our interest and appreciation of new forms of entertainment, enlightenment, and information. The proposal also spoke of a kind of radio which would try to anticipate our tastes, deepen our interests, activate our imaginations, and develop knowledge and appreciation of our spoken and musical heritage. To accomplish this will require a reorientation and extension of content and format in radio broadcasting.

Canada's cultural heritage arises out of the interesting and challenging facets of life in our different communities. Port Aux Basque is not Victoria, for one is conditioned by the Atlantic Ocean and the other by the Pacific. Radio in Moose Jaw or Prince Albert must respond to the harsh reality of winter weather in a much different way than radio in Thunder Bay, Quebec City, Moncton or Montreal. A blizzard in a metropolitan area may be a traffic inconvenience but it can be a matter of life or death to a prairie traveller. A choice of broadcast music to listen to in Toronto will be supplementary to other opportunities of hearing it, but it may be the only source available to residents of remote localities.

The historic development of FM broadcasting in Canada favours it as the instrument to initiate more comprehensive and diverse radio programming in the private sector:

- . FM has developed largely as an adjunct to established AM stations, providing the opportunity for cross-subsidization of new forms of radio services;
- . since the opening of the FM band in the 1930's there has been a widespread expectation that FM would provide an alternate radio service of higher quality;
- . FM frequencies are virtually the last we have as the AM spectrum has become increasingly congested and prone to interference, particularly in the night-time hours;
- . FM has superior sound transmission characteristics and, at the same time, can cover large areas with considerably less power than AM; and
- . FM is ideally suited for development of alternate approaches to radio, both by large metropolitan licensees and by broadcasters who want to exploit its potential for economical coverage of smaller areas.

The Commission wishes to see a rapid expansion in the number of FM stations available to Canadians, both independent and jointly owned, in order to provide increased diversity of programming choices. But this can only occur if private broadcasters establish new programming patterns on FM, and significantly decrease the present almost total dependence of FM on a limited repertoire of recorded music which is often of a type that is difficult to differentiate from that available on AM.

The Commission reiterates that there is a great danger that Canadians will continue to increase the number of outlets and channels available for broadcasting without making provision for the increase in productive and creative capacity which is essential if these outlets and channels are to be utilized by Canadians for Canadians. If the means of distribution are increased without, at the same time, a significant increase in original Canadian production, the Canadian system will simply become a sophisticated delivery system for easily obtainable homogenized foreign material. The expansion of FM in Canada must be accompanied by the expansion of imaginative and creative resources and capacity in Canada.

2. Distinctiveness of FM Programming - "Foreground" Programming - Content Categories

Program Format - Program Content. The programming service available on FM stations can be clearly distinguished from AM programming service by developing different approaches to the scheduling, pacing and organization of programming and by providing a choice of content not available on AM stations. Listeners should be able to hear on FM at various, regular, properly promoted times, programs with a sense of form and purpose. As CFMI-FM noted in its brief presented to the Commission at the 1973 public hearing on FM policy:

We agree that structured programs of special appeal can be scheduled successfully within daily programming fare, but it must be done carefully. We hope that FM stations will have the opportunity to target their programming, and then provide diverse services to that target audience, recognizing that such programming must provide an alternative, if possible, in the market.

The so-called "rolling formats" of AM are based on the assumption that listeners are "on the go" and are only "available" for limited and irregular time periods. The Commission considers that the needs of these audiences are in the main being provided for by existing AM outlets and, except for FM stations which are the first or only service in a community, the Commission will discourage the use of rolling formats on FM.

"Foreground" programming, or the type of programming that demands much closer attention from its audience, caters to the needs of listeners who work unusual hours or are at home, students, people in retirement or at leisure or those who seek a more involved listening experience. A program of this type can be described as a significant period of time reserved for the presentation of material with an essential unity of content or form. Areas of concern, range of content, and editorial policy must be clearly identifiable.

In order to ensure that there will be a substantial amount of this type of programming on FM, the Commission has decided to revoke the requirement that FM stations devote 20% of their programming to material in the "Arts, Letters and Sciences" category and, instead, to require that FM stations in Canada devote a certain proportion of their broadcast time to the presentation of material in a "foreground format".

Furthermore, as mentioned in the policy proposal of April 19, 1973, the Commission proposes to replace the present content categories with a comprehensive new set of program content categories applicable to both AM and FM radio. These categories are included in the proposed amendments to the AM and FM Broadcasting Regulations issued with this document and are further discussed in Part III of this document in relation to the Promise of Performance.



It is intended that these new content categories, which are much more detailed and extensive than those now in use, will stimulate a broader range of high quality programming on both AM and FM radio and contribute to the establishment of a clearly distinct style of FM programming. Using these categories, the Commission will examine FM applications to determine to what extent the program content commitments set out in promises of performance will make a distinctive contribution to the diversity of programming service available in the community proposed to be served.

It is the purpose of these regulations to ensure the achievement of the goal that all FM stations devote a substantial proportion of time to programs which are of a "foreground" or audience-involving nature and provide a programming service the content of which is distinctively different from that available on AM stations.

Classification of Program Format. For the purposes of its "foreground format" regulation, the Commission has defined four kinds of program formats: "gramophone format", "rolling format", "foreground format" and "mosaic format". Each format may be briefly described as follows:

**GRAMOPHONE FORMAT.** This format consists of the presentation of musical compositions without any discussion by an announcer of the nature or quality of the music. In other words, music is presented with nothing more than label information - for example, the name of the composition and the name of the writer or performer.

**ROLLING FORMAT.** This format is the same as gramophone format except that it is also characterized by the presentation of so-called "surveillance material", such as, time and weather announcements, made at frequent intervals.

**FOREGROUND FORMAT.** This format is characterized by the presentation of one particular theme, subject or personality for at least fifteen minutes without interruption by unrelated matter except station or program announcements or advertising material. It is also defined to exclude any programming in a gramophone format or in a rolling format.

**MOSAIC FORMAT.** This means any other kind of format of presentation of program material.

Under the proposed regulation, FM stations will be required to devote a certain percentage of the broadcast time between 7 a.m. and 12 midnight, in each broadcast week, to presentations in the "foreground format". In the case of FM stations which are commonly owned with AM stations in the same community ("joint FM licences") this requirement will be twenty-five per cent. Independently owned FM stations will be required to devote sixteen per cent of the same time periods in each week to material in the "foreground format". The regulation will not apply to FM stations which constitute the first local radio service in their communities, for which a separate class of licence will be created.



The Commission expects that each station will also schedule material in the foreground format at reasonable hours throughout the day and week and it will review the station's Promise of Performance with this in mind. Listeners may be offered more than one occasion to hear programs of exceptional quality and interest through the use of repeats. FM stations can develop and encourage new patterns of listener loyalty through active promotion and publication of detailed program schedules. It is obvious that diverse and imaginative programming will be wasted unless special efforts are made to inform the radio audience of its availability.

Examples of "Foreground Format". The "foreground format" regulation does not require FM stations to devote specified periods of time to any particular subject or topic. What is required is that the subject or topic chosen by the broadcaster be dealt with at more length, with more care and with more thorough preparation than is common in present AM formats. The following list provides examples of five types of programs which would qualify as "foreground format" under the regulation.

THEME PROGRAMS - in which existing material is selected and arranged for broadcast with a significant amount of commentary or explanation:

- . recordings of an individual group, artist or composer
- . recorded music devoted to the various forms of a particular musical genre (religious, jazz, classical)
- . news supplementation utilizing wire-service copy in a specific subject area (business, labour, medicine, science, agriculture)
- . lengthy, prepared interviews

EVENT COVERAGE PROGRAMS - in which local events are transmitted at length on either a live or tape delayed basis:

- . city council meetings
- . a seminar or symposium
- . public discussion of a controversial matter such as a land-zoning proposal or a new structure of municipal government
- . local sports events with descriptive commentary

STAGED PRESENTATION PROGRAMS - in which the station broadcasts events of a cultural or entertainment nature:

- . musical concerts (symphonic, folk, country, rock)
- . a drama, intended or adapted for radio broadcast
- . a community festival, fair or celebration

MAGAZINE PROGRAMS - programs of selection, in which various kinds of subject matter, with an overall purpose of reflecting a developed personal taste or personal opinion, are presented:

- . reviews of recent events, criticism or editorial comment
- . background information on matters of interest to the consumer, with an emphasis on comparative or investigative reporting and follow-up of consumer complaints
- . recordings of verbal or musical material of various artists or genres, integrated through the personal commentary of the program host

STRUCTURED PROGRAMS - in which there is thoughtful preparation, organization and presentation of material in a complex structure having intrinsic coherence and including the representation of an original concept or a studied interpretation of known material:

- . the treatment of specific community problems, in an area such as housing, industrial development, employment or environmental protection
- . a profile or "personality documentary" on a group or individual artist, combining biographical material and musical selections
- . folklore of native or ethnic peoples, or of the locality, through story, song and historical accounts.

### 3. Measures Relating to Common Ownership of AM and FM Stations

Although a small number of FM stations in Canada are independently owned, the overwhelming number of such stations are owned by licensees of AM stations in the same community. In its licensing decisions, the Commission has not permitted any person or organization to own more than one AM station or one FM station in any market, except when necessary to support a minority language service. But the Commission has permitted and will continue to permit licensees of AM stations to hold FM licences in the same community, as long as such licensees develop distinct FM programming consistent with these proposals.

The Commission reiterates that it is unwilling to permit FM licensees who hold an AM licence in the same community the privilege of controlling two scarce public frequencies unless substantial efforts are made to offer on FM a service that is distinctively different from usual AM programming and that adds to the other radio services available in the community. The widespread tendency to use FM stations as mere accessories to profitable AM operations, to program long stretches of the day with the use of automated equipment, rented music or disc jockey services, thus turning FM into a form of jukebox, will not be tolerated. The role of FM as an original radio voice in the community must be established and developed.

On the other hand, the Commission realizes that cost benefits can be achieved through common ownership and it will permit such arrangements provided the objectives of this policy are met. With this in mind, the Commission proposes to amend the present FM Regulations in a number of particulars.

Prohibition of Simulcasting. Since 1964, when the FM Regulations were first enacted in Canada, simulcasting of AM and FM stations has been permitted provided that at least six hours of separate programming per day are presented. In accordance with its proposals released on April 19, 1973, the Commission has now decided to completely prohibit simulcasting and it will amend the FM Regulations accordingly. The new regulation will only apply to AM and FM stations commonly owned and serving the same community. The regulation will therefore not apply to low power FM stations in small communities which are licensed as "fill-in" rebroadcasters of AM stations in nearby major centres.

Creation of Separate Classes of Licence for Independent and Jointly Owned FM Stations. In order to enable it to achieve its objectives where there is common ownership of AM and FM stations in a community, the Commission has decided to create a separate class of FM licence, called a "joint FM licence", to embrace all FM stations which are licensed to persons who are also licensed to operate an AM station in the same community. A licence to operate an FM station only in a community will be called an "independent FM licence". The Commission's regulations relating to "foreground format" programming and commercial content will be applied more strictly in the case of joint FM licences.

Separate Call Letters. In order to emphasize the distinction that the Commission wishes to see between AM and FM services, the Commission will permit different call letters to be used for AM and FM stations which are jointly owned. However, all such FM call letters must have the suffix "-FM" added to them. Furthermore, the Commission proposes to require that an announcement be made over the FM station at least once during every broadcast day identifying the station ownership in such a way as to make it clear to the public that the licence holder is also the licensee of an AM station in the same market.

4. Syndication of FM Programming

The kind of programming which the Commission intends to encourage on FM will require increased preparation and research and a substantial commitment in time and resources. In order to make better use of these resources, stations may find it is in their interest to enter into program exchanges or syndication arrangements, and the Commission anticipates that there will be a substantial increase in such arrangements.

The Canadian Association of Broadcasters provides a facility for the free exchange of program material, and it is hoped that the new FM policy will encourage an expansion of this service as well as the development of new mechanisms for program exchange. The Commission also hopes that the policy will stimulate the creation of specialized radio programs by Canadian professionals, suitable for distribution to FM stations across the country.

The Commission endorses regional networks for interchange and program feeds and will facilitate their establishment for the purpose of strengthening regional and national information and entertainment links. It will co-operate with broadcasters, performers, musicians' unions and the performing rights organizations to help effect practical networking and exchange arrangements for the benefit of all FM stations.

At the same time, however, such syndication or networking arrangements must not be used simply to distribute "background programming", or programming in conventional AM formats, to FM stations. A number of stations, both AM and FM, have entered into contracts with outside firms or consultants respecting the purchase and use of prerecorded music in a gramophone format, or the use of semi-automated disc jockey services. Such arrangements are inconsistent with the aims of the Commission's policy and will not be permitted on FM.

Accordingly, the Commission proposes to enact a regulation which will prohibit licensees of FM stations from entering into or renewing any contracts with outside firms or consultants respecting the provision of "prerecorded matter intended primarily for broadcast" where such matter is in a gramophone format or in a rolling format. The only exceptions to the proposed regulation will be contracts respecting news services, pre-recorded commercials or promotions, and certain brief prerecorded production items, such as musical themes, sound effects, and station IDs.

5. Restriction on Commercial Interruptions in FM Newscasts

As discussed in Part III of this document, the Commission wishes to see a variety of approaches to news and information develop on FM, differing from station to station consistent with the other elements of each station's Promise of Performance. FM news programs must not become mere duplicates of those available on the AM service. In this regard, as noted earlier, the Commission proposes to prohibit all simulcasting by joint FM licensees and this will preclude the simulcasting of news programs as well as other broadcast matter.

As another step towards the differentiation of FM from AM, however, the Commission also proposes to apply to FM news programs the same rule as to commercial interruption as is presently applicable to television broadcasting. A proposed new regulation, similar to that in section 7A of the Television Broadcasting Regulations, will prohibit FM stations from broadcasting "any newscast the first ten minutes of which is interrupted by any commercial message". To preclude news "teasers", news headlines and summaries are deemed to be part of the newscast, as is the case with regard to television.

6. Reduction of Maximum Commercial Time on FM Radio

A further measure the Commission proposes to adopt for the purpose of differentiating FM from AM service relates to the maximum commercial time permitted on FM stations. Since 1964, FM stations have been allowed up to 10 minutes of commercial messages per hour. The limit for AM stations is 1500 minutes per week, 6 a.m. to 12 midnight, which works out to an average of almost 12 minutes per hour.

The Commission proposes to amend section 7 of the FM Regulations concerning maximum permissible commercial content. Joint FM licensees will be limited to 40 minutes of commercial messages during each of the three six-hour periods between 6 a.m. and 12 noon, 12 noon and 6 p.m., and 6 p.m. and midnight. This limit will be 50 minutes, however, for independent FM stations.

The Commission will also retain a limit on the total time permitted for commercial messages in each hour. For joint FM stations, the limit will be 8 minutes, while for independently owned FM stations, the limit will be 10 minutes. These regulations are designed to permit broadcasters the flexibility of generating maximum revenues in certain time periods while carrying programs in other periods with considerably reduced commercial content.

Under the proposed regulation, commercial content will not include promotional announcements for a program or programming element where such announcements do not mention an advertiser or refer to a sponsored contest or promotion on behalf of an advertiser or the licensee.

7. Measures Relating to the Technical Reception of FM Stations

The Commission has considered a number of issues relating to the technical quality of FM reception, and the capability of radio receivers to receive FM.

Stereophonic Broadcasting. Although the Commission does not intend to enact a regulation to this effect, it will expect that all new or renewal applications for FM licences will make provision for broadcasting the FM signal in a stereophonic mode. This requirement will not, of course, preclude the broadcasting of monaural material.

Quadrophonic Broadcasting. In view of the present state of development of quadrophonic sound broadcasting equipment and, in particular, the lack of technical standardization which could result in unnecessary expenses to listeners and broadcasters for equipment which would have to be replaced at some later date, the Commission does not intend, for the immediate future, to encourage broadcasting in this mode. It will keep informed of developments, and will welcome comments and suggestions from all interested persons.

AM-FM Set Capability. In its proposal of April 19, 1973, the Commission raised the question as to whether a requirement ensuring the availability of low cost radio receivers having both an AM and an FM capability would be desirable in the public interest. On the basis of the already high and increasing penetration of AM/FM receivers in Canadian homes and the general availability of low cost AM/FM receivers, the Commission has concluded that a recommendation that there be such a requirement is not warranted.

### PART III THE PROMISE OF PERFORMANCE

NOTE: As used in this part, the term "market" has the same meaning as in the FM Broadcasting Regulations, that is, the geographical service area from which a station receives advertising revenue.

1. Introduction. While the Commission intends to ensure that FM radio provides a service which is distinct from AM radio in Canada, it is equally concerned with the performance of individual FM stations: FM licensees must establish individual roles which distinguish themselves from each other.

In this context, each present FM licensee has an obligation to initiate creative and professional changes appropriate to its particular circumstances. In some cases, this process has already started, and a number of experiments are presently underway or are being planned, which will test new concepts and forms of FM programming. The Canadian Association of Broadcasters, in promoting dialogue on the future of FM among its members, has held a well attended programming seminar.

The Commission must be concerned with the means to achieve its goals. Many members of the general public, including representatives of the creative community - writers, performers, musicians - have emphasized the need for firm, detailed regulations if any significant improvements or additions are to be accomplished in Canadian radio broadcasting.

The Commission has considered these opinions against strong indications from the private broadcasting sector that creative renewal can best be effected with a minimum of generally applicable regulations which would inhibit the very experimentation and diversity the Commission seeks to encourage. The Commission has attempted to find a practical solution for this dilemma.

While, therefore, precise regulations of general application to all FM stations are proposed in connection with defining a role for FM which differs from AM, the Commission does not intend to enact regulations of general application with regard to the principle of differentiation among individual FM licensees. Instead the Commission will rely upon the licensing process and the Promise of Performance.

It is the intention of the Commission, in adopting this solution, to permit and encourage a wide variety of programming proposals from FM broadcasters which will differ from market to market and from station to station and demonstrate a high level of creativity and innovation.



In this connection, the comprehensive new set of content categories to be incorporated into the proposed amendments to the AM and FM Regulations will furnish an accurate guide to the nature of radio programming in order to enable both the Commission and the industry to evaluate the proposals made in promises of performance as well as the actual performance of stations within their respective markets.

In addition, the Commission has decided, in line with the Policy Proposal of April 19, 1973, to integrate the Promise of Performance made by each licensee more closely into the application for licence as well as the licence itself. Although the requisite changes are only proposed to be applied at this time to FM licensees, they have also been framed with AM licensing in mind, and it is the intention of the Commission to implement similar policies with regard to AM radio in due course.

Since its inception, the Commission has been concerned that broadcasters be held more accountable to the public and to the Commission for their stewardship of the public airwaves, both at the time of licence renewal, and whenever substantial changes are proposed to be made in the nature of their service. The Commission will, therefore, stress accountability as the central principle by which a renewal of private FM radio broadcasting will be accomplished.

New FM Application Form. To accomplish this end, the Commission is issuing with this document a proposed new application form for use by applicants for FM licences. Following comments at a public hearing, the Commission intends to issue the application form as a final document to govern applications regarding new or renewed FM licences made to the Commission thereafter.

As in the past, the application form will call, in Part I, for complete details on such matters as the ownership, financing, management, staff, physical facilities, service contours, capital costs, projected financial statements, and related economic data. Most of these matters have been dealt with in similar detail in the past, and so will be familiar to FM licensees who have made previous applications to the Commission.

There will, however, be a new Part II of the application form, which will be entitled the Promise of Performance. In this part of the application form, applicants will be required to make detailed commitments regarding the nature of the broadcasting service they propose to offer to the community. The Promise of Performance will be broken up into ten sections, each of which deals with a different facet of the total broadcast service, as follows:



## PROMISE OF PERFORMANCE

Section A	Language of Broadcast Programming
Section B	Network or Other Affiliation
Section C	Duration of Programming in Each Content Category
Section D	General Policy and Plans - Spoken Word
Section E	General Policy and Plans - Music
Section F	General Policy and Plans - Promotion and Advertising
Section G	Canadian Content
Section H	Automation
Section I	Format of Programming
Section J	Scheduling of Programming

Under each section, applicants will be required to set out commitments relating to their broadcasting plans. Some of the sections call for general statements of intent, which purposely allow for considerable flexibility of approach. Other sections require applicants to make specific commitments relating to the number of hours per week to be devoted to programming of different kinds. In a later section of this policy statement the Commission provides more detailed guidance on how each section of the Promise of Performance is to be completed.

### Conditions of Licence Relating to the Promise of Performance.

In order to integrate the Promise of Performance more fully into every licence the Commission proposes to annex four conditions to each FM licence in the following terms:

1. that the licensee make all reasonable efforts in good faith to substantially fulfil, subject to the special conditions set out in paragraph 4 hereof, each section of the Promise of Performance attached hereto and made a part of this licence.
2. that the licensee notify the Commission immediately where, during any broadcast week, due to circumstances beyond its control, the programming broadcast by it constitutes a substantial variation from any section of the said Promise of Performance.
3. that the licensee obtain the prior approval of the Commission before broadcasting, for a period longer than four broadcast weeks, any programming which constitutes a substantial variation from any section of the said Promise of Performance.
4. that the following special conditions be observed:

(here the Commission will insert special conditions based on oral commitments made by the licensee at the public hearing or on factors that in the Commission's view require that the written commitments set out in the Promise of Performance should be modified).

Upon the granting of an FM licence, the Commission will physically attach a copy of the Promise of Performance to the licence. In the right-hand column on each page of the Promise of Performance, a space has been left in which the Commission may insert a reference to the special conditions set out in paragraph 4 where these modify the written commitments. Hence the licence, with the Promise attached to it, will constitute a complete statement of the individual FM station's commitment to radio service in the community.

The Commission does not intend by these new proposals to inhibit the flexibility of FM licensees. Certain sections of the Promise of Performance, particularly sections C, I and J, require the applicant to break down its proposed programming schedule for a typical broadcast week into detailed categories. These breakdowns are not intended to freeze the scheduling format of the FM station in every particular. Instead, the Commission will expect the licensee to fulfil substantially the programming objectives set forth, taking the schedule as a whole. Each section of the Promise of Performance will similarly be read as a whole in interpreting the requirement for substantial compliance. Thus some variation in programming schedules and formats will be permitted without requiring notification to the Commission or prior consent.

Where licensees are unclear as to what kinds of programming changes are substantial enough to require either notification or prior approval of the Commission, they may obtain rulings from the Commission. In making such rulings, the Commission will have in mind its desire to encourage experimentation and variety on FM. On the other hand, where the licensee intends to broadcast programming which constitutes a substantial variation from any section of the Promise of Performance over an extended period of time, the Commission will require that its approval be first obtained. In such cases, the licensee will be required to submit a revised Promise of Performance setting out the proposed new commitments, and the Commission will treat it as it would an application for amendment of a licence.

Publicizing the Promise of Performance. It is the Commission's view that each licence issued by it, with the Promise of Performance and the conditions attached to it, should be readily accessible to the staff and management of the station as well as to members of the public who may wish to examine it, and that this should be so publicized. For this reason, the Commission proposes to enact a regulation requiring every FM licensee to announce at least once a week, in a peak listening hour, an announcement in the following form:

Radio station, CXYZ-FM, owned and operated by XYZ  
Broadcasting Limited, is licensed by the Canadian Radio-  
Television Commission to operate an FM broadcasting station

on frequency 101.3 Megahertz in Anytown, Canada. Radio frequencies are public property in Canada, and at the time XYZ Broadcasting Limited applied for a licence to operate on this frequency, it filed a comprehensive Promise of Performance with the Commission. In this document, the station made specific commitments as to its operations and programming. The licence issued by the Commission requires CXYZ-FM to honour these commitments and to comply with the FM Broadcasting Regulations. A copy of the licence issued to CXYZ-FM with the Promise of Performance and the conditions attached to it is available for inspection by any member of the public. These copies may be inspected at the offices of the Commission in Ottawa, or at the offices of this station at 1013 Main Street, Anytown, during normal business hours.

The regulation will also require that the licence, with the Promise of Performance and conditions attached to it, be made available by each licensee accordingly at its offices.

Provision of Program Logs and Tapes. At present, section 4 of the AM and FM Regulations requires radio stations in Canada to maintain program logs, under which "all programs are to be classified into one of the subclasses as set forth in Schedule A". The section also requires AM stations (but not FM stations) to have an exact copy (air check) of all material broadcast by that station available for a period of four weeks.

As indicated earlier, the Commission proposes to replace Schedule A with a comprehensive new set of content categories. These categories are incorporated into the proposed amendments to the AM and FM regulations which the Commission has issued together with this document. On the date the draft amendments come into effect, both AM and FM stations will be required to use the new content categories in completing their program logs.

In evolving the new content categories, the Commission has sought to create categories that are sophisticated enough to be useful in evaluating performance but also simple enough to be used in preparing program logs or in completing the Promise of Performance. In the program logs, licensees will be required only to classify their programs, advertisements and announcements by one or more of eleven basic categories, as follows:

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0	News	5	Spoken Word - Other
1	Community Services	6	Music - General
2	Backgrounding	7	Music - Traditional/Special Interest
3A	Hobbies	8	Production
3B	Sports	9	Advertising and Station Contests
4	Human Interest		

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This breakdown is intended to provide the Commission with a basic indication of the nature of the licensee's programming and a readily available check as to whether the licensee has complied with the maximum limits set for commercial messages (content category 9).

For the purposes of the Promise of Performance, however, the above eleven categories are not detailed enough to be useful in evaluating the nature of the service proposed. The reason for this is that music, which usually occupies between fifty and eighty per cent of station time, is only broken down into two categories. Accordingly, in filling out the Promise of Performance, applicants will be required to classify their music proposals into the following eleven subcategories which have been designated in accordance with accepted industry practice:

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CATEGORY 6: MUSIC-GENERAL

- 61 General Popular
- 65 Rock and Rock-Oriented
- 66 Country and Country-Oriented
- 67 Folk-Oriented
- 68 Jazz-Oriented

CATEGORY 7: MUSIC-TRADITIONAL/  
SPECIAL INTEREST

- 71 Classic
  - 72 Opera
  - 73 Operetta Musical
  - 77 Folk
  - 78 Jazz
  - 79 Non-Classic Religious
- 

In its analysis of station programming, the Commission will rely on the program logs only to a limited extent. The basic tool for the evaluation of station performance will be the tapes of the actual programming broadcast by each station. Where the Commission wishes to review a station's service in light of its Promise of Performance it will obtain tapes of the programming for such purpose. The Commission will also carry out its own monitoring of stations

FM stations are not now required to keep a tape or air check of their broadcast programming. The Commission proposes to amend the FM Regulations to require FM stations to keep such tapes available for at least four weeks from the time of broadcast, as is presently required for AM stations. In proposing this regulation, the Commission also wishes to draw the attention of both AM and FM stations to the technical inadequacy of many of the present taping systems used by radio stations. The Commission will take a strict view of the obligation of broadcasters to maintain technically adequate tapes for review by the Commission and members of the public.

## 2. Completing the Promise of Performance

NOTE: In reading this section, reference should be made to Part II of the draft FM Application Form entitled the Promise of Performance

In order to assist applicants in completing Part II of the new application form, the Commission has addressed itself below to each section of the Promise of Performance. The discussion also includes comments on the nature of the commitments which the Commission will expect from applicants under each heading.

Section A. Language of Broadcast Programming. In this section, the applicant will be required to specify the main language of broadcast programming. Where more than one language is intended to be broadcast, the duration of the programming in each language during each broadcast week is to be specified in a schedule.

This section will be particularly important for applicants for "multilingual" FM stations. The Commission will deal with applications for broadcasting in languages other than English, French or Canada's native languages on a case-by-case basis.

Section B. Network or Other Affiliation. This section deals with the affiliation of the FM station to the Canadian Broadcasting Corporation or with a private network. It also includes a promise relating to the maximum number of hours to be simulcast with a jointly-owned AM station.

As noted in Part II of this document, simulcasting will be generally prohibited between AM and FM stations in the same market by regulation. Since there may be special circumstances where limited amounts of simulcasting might be desirable, however, a licensee may be permitted by a condition of its licence to do a certain amount of simulcasting. Under this section, the maximum number of hours per week desired to be simulcast should be specified.

Section C. Duration of Programming in Each Content Category. In this section, the applicant is required to attach a schedule setting out the duration in hours and minutes of its proposed programming, broken down into the eighteen categories and subcategories mentioned in the section. For the convenience of applicants, definitions of all the content categories and subcategories as well as the formats of programming will be set out on the reverse side of the Promise of Performance.

Section D. General Policy and Plans - Spoken Word. In this section, the applicant is required first of all to set out in a schedule its plans and policies respecting each of the following content categories:

- |                                   |                       |
|-----------------------------------|-----------------------|
| 0 News                            | 3B Sports             |
| 1 Community Services              | 4 Human Interest      |
| 2 Backgrounding                   | 5 Spoken Word - Other |
| 3A Hobbies, Games, Crafts, Skills |                       |

The Commission will expect the applicant to deal with each of these categories in turn, setting out details of the programming planned, and the human and technical resources intended to be used for each.

News and information programming (categories 0 and 2) is considered by the Commission to be of particular importance, and close attention will be paid to proposals in this area. AM stations are a more than adequate source of frequent headlines and compact capsule reporting of news events. There is no justification for FM stations simply providing more of the same. Instead, the Commission will expect FM licensees to develop a broader and deeper treatment of news and information.

This might involve establishing a news policy which, for example, provides for a continuing examination in depth of how people are affected by external factors and events, or which provides for explanation of information in a manner designed to assist listeners to understand and cope with the complex situations affecting their lives.

There are many sources of informed opinion on matters of public concern which are never used in AM formats. Many areas of life and human endeavour in the arts, business, labour, science, and medicine deserve serious consideration. These topics generate little of the "news" that makes up regular wire service copy but are of great interest and importance to society. These sources should be drawn on for FM news programming.

The Commission will, therefore, expect applicants to propose innovative and challenging commitments in the areas of news and information programming. However, it will not necessarily require the provision of news other than for basic informational purposes on those FM stations which undertake to program virtually entirely in specialized subject areas, such as classical music.

A separate promise in this section relates to the applicant's proposed use of open-line programming. Its plans and policies in this regard are required to be set out in a schedule.

While FM broadcasters can make use of telephone link-ups to ensure accessible platforms for public debate on topical issues, the use of AM open-line techniques of programming will not be acceptable to the Commission on FM unless an applicant proposes a format which is consistent with the concern for FM programming quality expressed in this document. For instance, in contrast to the random use of audience input in most open-line formats, the phone-in device can be used as an effective method of local listener contribution within a more structured program format. Audience opinion or requests for information can be used to stimulate in-depth investigative reporting.

An equally important area dealt with under this section of the Promise of Performance is the question of community involvement. Here, applicants will be required to specify the hours during each week they will devote to locally produced programming including the time they will make available for programming provided by community groups.



A community is the entire complex constituency covered by a broadcast transmitter. It is more than a statistic for rating purposes. A community provides an almost limitless resource for program material that can be developed into various participatory formats.

For example:

- . The community is the source of a variety of events which can be broadcast in their entirety, allowing the listening audience to participate in them more fully. These include meetings, seminars, discussions and public forums, as well as entertainment and cultural activities with community participation.
- . Radio stations can make use of the telephone on a phone-out basis to provide members of the community with the opportunity to express opinions on local issues and concerns. This can take the form of comments within a thematic program structure. An example would be an explanation, including telephone interviews, of a local land rezoning issue.
- . The community has a heritage, a collective memory and an oral history in the reminiscences of its audience. Broadcasters, by utilizing this material, can strengthen the contemporary sense of community.

The Commission expects FM licensees to help counteract the present media neglect of local needs that has developed through the use of excessively centralized pools of information and entertainment. FM broadcasters have a responsibility to detect and fill gaps in information and entertainment, and discover and encourage the potential for expression within the community. Responsive and innovative programming formats can contribute to meeting the first responsibility, and a commitment to local talent and resources, the second.

In their efforts to develop community resources of talent, creativity and expression, FM broadcasters should give consideration to the emphasis placed by "community" stations on participation in program production through the provision of resource people for training in equipment, research, operation, and in technical and programming skills. Such operations include studio equipment that is technically accessible, portable and flexible, providing for easy use outside the studio.

The necessary staff for these purposes should be chosen from the locality and trained. In addition, support and exposure of local talent should be provided. Programs may also be purchased from local production groups or houses. Program and idea sources can be further diversified by encouraging local freelance personnel, with suitable provision for training and the use of portable equipment and editing facilities.

There are a number of well known devices frequently used by stations to promote a local identification. These include jingles, the promotion and announcement of local activities, on-the-spot broadcast inserts and traffic and weather reports. The Commission expects FM applicants to go well beyond such limited devices in providing specific services to meet community needs and tastes.

Section E. General Policy and Plans - Music. In this section, the applicant will be required to set out in a schedule its plans and policies respecting each of the following content subcategories:

6: MUSIC GENERAL	7: MUSIC-TRADITIONAL/ SPECIAL INTEREST
61 General Popular 65 Rock and Rock-Oriented 66 Country and Country-Oriented 67 Folk-Oriented 68 Jazz-Oriented	71 Classic 72 Opera 73 Operetta Musical 77 Folk 78 Jazz 79 Non-Classic Religious

In describing its plans for music in these subcategories, the applicant should include specific reference to such matters as:

- . the approximate ratio of vocal to instrumental selections
- . the average number of distinct musical selections, excluding repeats, which are to be broadcast weekly (the playlist)
- . the maximum times any selection will be repeated during the course of a typical week
- . the proposed size of its record library.

The applicant should also set out the degree to which it intends to program:

- . hits, cover-versions of hits and non-hits
- . musical selections from current, recent or past repertoires
- . new musical material for which popularity has not yet been established.

In describing its plans for music in category 7, the applicant should indicate the extent to which the programming will reflect the full range of artistic expression (such as, for example, eras, schools, styles, forms) in each of the subcategories, and the proposed size of its record library.

The introduction of the requirement for "foreground format" programming will not preclude, of course, the use of recorded music in FM schedules. At least in the transition period, when new kinds of content are being devised, recorded music will be a basic element, and where FM listening habits are developed on this basis, they should not suddenly be disrupted. Nevertheless, the Commission is determined that recorded music on FM not be presented in an unplanned or random manner or with deliberate unobtrusiveness.



While the presentation of music on FM will be considerably influenced by the regulation requiring a minimum quota of material in a "foreground format", the remainder of the programming in the broadcast day is equally important in evaluating the overall performance of the station. Stations will be discouraged from programming substantial periods of time in a gramophone or rolling format. In particular, the Commission notes that virtually all the music programmed on AM stations falls into subcategories 61, 65, 66 and 67. The Commission does not intend to permit there to be such an absence of diversity on FM and will use the licensing process to evaluate the contribution of applicants to the diversity of service available to the community in this area of programming.

The Commission is also concerned with the manner of presentation of music on FM. The relationship between "on-air" personnel and a discriminating audience for recorded music is essentially based on skill and knowledge. Skill and knowledge are not only necessary requirements for those who present classical music, they are also required for the presentation of all forms of music.

Finally the Commission considers that FM stations should present live as well as recorded music. It will accordingly seek commitments from applicants to set aside a specified budget, in keeping with their individual revenues, for station-produced music so that live concerts may be scheduled with reasonable frequency.

Section F. General Policy and Plans - Promotion and Advertising. In this section of the application, applicants will be required to set forth in a schedule their "commercial policy". This should consist of a statement which outlines the licensee's overall policy for commercial acceptance and commercial interruptions.

As mentioned in the Commission's proposal of April 19, 1973, the Commission does not intend to impose rigid limits on the number of commercial interruptions permitted during the hours of FM service. The Commission expects, however, that a new approach to commercial production, time sales and placement will be developed on FM, reducing annoyance and improving the commercial usefulness of the band. Commercials should have a new, positive role on FM. Fewer, less objectionable commercials, directed more specifically to distinct audience segments, can provide necessary revenue levels.

In its brief to the Commission presented at the 1973 public hearing on FM policy, the Association of Canadian Advertisers stated:

Our committee fully endorses, in principle, the objective of developing on the FM band, "a diversity of programming aimed to attract audiences on a selective basis". The new pattern

of signals which emerges could at once segregate and serve diverse population interests and hopefully apprehend useful target market segments for advertisers . . . There would also be an opportunity for advertisers to "tailor" their commercials precisely to these target audiences.

The Commission agrees with this approach. FM can and should provide a less cluttered, more valuable environment for messages. If distinctive sales approaches are adopted, which are consistent with the objectives of programmers, and whose intent is adequately conveyed to advertisers, the development of new sources of revenue is possible. The Commission seeks to encourage a re-examination of the relationship between programming and advertising functions so as to improve the value of advertising on FM.

A second part of this section requires the applicant to set forth in a schedule its policies regarding advertising to children. In this connection, applicants should consult CRTC Circular No. 193, published by the Commission on December 7, 1973.

Section G. Canadian Content. In this section, applicants will be expected to set out in a schedule their specific commitments for the encouragement of Canadian composing and performing talent as well as the use of Canadian recorded music. The nature and extent of these commitments will vary according to the programming mix, the locality, and the resources available to each station.

Applicants will also be required to specify the percentage of musical compositions qualified as Canadian under the AM Radio Regulations which they will broadcast in each day. In this regard, the Commission will consider that, except in unusual circumstances, stations programming selections from Category 6, Music - General, should achieve at least thirty per cent Canadian content and stations programming selections from Category 7, Music - Traditional/Special Interest, should achieve at least seven percent Canadian content.

The Commission will also encourage the use of Canadian syndicated programs or the networking of programs on a co-operative basis. While no Canadian quota on this material is proposed, the use of foreign syndicated programs will be allowed only on the basis of demonstrated need. Accordingly, applicants will be asked to set out the nature of the foreign syndicated programs they intend to use, the reasons for such use, and the applicant's policies towards the increased use of Canadian material.

Section H. Automation. Applicants who wish to use automated equipment must demonstrate that the same professional attention is being given to the presentation and identification of programming elements as is the case with "live" broadcasts.

In this section, the applicant will be required to set out in a schedule its plans and policies with respect to the use of automated programming systems.

In particular, the Commission wishes the applicant to state the periods when the station will use such systems and the source of the pre-recorded programming. Applicants will also be required to state the total amount of time during which they will utilize such systems.

Section I. Format of Programming. In this section, applicants will be required to set out the percentage of time to be devoted to each of the four program formats, gramophone, rolling, mosaic and foreground, in the periods from 6 a.m. to 12 midnight during each broadcast week.

In completing this section, applicants will, of course, be required to meet the minimum requirements for foreground format set out in section 12 of the FM Regulations, that is, 16% in the case of independent FM licences, and 25% in the case of joint FM licences.

Applicants are also reminded that the Commission will discourage any applications proposing a heavy reliance on AM-style formats, particularly rolling format.

Section J. Scheduling of Programming. The schedule called for in this commitment is intended to give the Commission an indication of the manner in which the programming described in earlier parts of the Promise of Performance is to be distributed over the broadcast week. With this in mind, the schedule should include, as an illustration, the specific times during which programming in each of the basic content categories will be broadcast throughout the sample week. The schedule should also indicate the times, if any, during which the station will simulcast or carry network programming. Where the applicant intends to broadcast in more than one language, an indication should be given as to when programs in each language would be broadcast. Finally, applicants are required to identify on the program schedule all matter to be broadcast in a foreground format, as defined in the Regulations.

### 3. Other Important Issues Relating to FM Radio

Over the years, imbalances in radio service have developed in certain areas of Canada. Also, specialized roles have evolved and new ones are likely to emerge. Private FM stations will be expected to take account of these matters in preparing their own Promise of Performance.

Carrying CBC Programs on Private FM Stations. Canadians continue to expect that their support of the CBC through public funds will assure them a programming service which is national in scope and purpose and of a standard that would be difficult for strictly commercial broadcasters to attain. This special role of the CBC is historically established and forms a fundamental guarantee of variety and depth in the Canadian radio broadcasting system.

However, many localities in Canada still do not receive a full CBC radio service, either AM or FM. Also, there are continuing problems in assuring an adequate, balanced service of CBC radio programming through

private AM affiliates. There appear to be two possible immediate solutions to the problem of providing more Canadians with a broader selection of CBC radio service:

1. Where CBC AM service is available only through a private AM affiliate, CBC AM network programming could be provided on a private FM station, particularly one commonly owned with an AM station.
2. Where there is a CBC owned and operated AM station providing full CBC service, but there are no immediate plans for a CBC FM station, private FM stations could carry a proportion of CBC FM network programming.

Correcting Imbalances in Radio Service in Centres such as Montreal, Vancouver and Toronto. The Commission is committed to correcting other historic imbalances in radio service. In larger metropolitan centres, such as Toronto and Vancouver, where the number of radio signals is considerable, certain imitative patterns have grown up which have tended to reduce the diversity of programming choice instead of increasing it. In other areas such as Calgary, for example, where fewer FM radio stations exist, there has been an inadequate diversity of choice. Of particular concern is the smaller relative choice of radio stations available to the majority French-speaking population of Montreal as compared to the choice of stations available to the minority English-speaking population. The solution of such basic problems will be an urgent priority of the Commission in discussion with the CBC and with private broadcasters and in its consideration of applications for new and renewed licences.

Community and other Non-Commercial FM Stations. The Commission has, in the past, licensed a number of community, student and educational stations, both for AM and FM radio, as well as television. Some of these stations have been set up to serve isolated communities, while others are located in urban centres. These stations have attempted to make their operations accessible and responsive to the community. Although differing from private commercial stations in terms of objectives, ownership, management, and financial resources, they provide examples of innovation in the areas of program formats and audience feedback.

Although the Commission will deal with existing community and student stations and with new applications for such stations on a case by case basis, it will be apparent that the Commission's objectives for FM are consistent with the basic orientation and objectives of these stations. They should, therefore, strive to exceed the minimum programming expectations of this policy.

The Commission considers community and student radio to be experimental. Accordingly, it will consider a limited number of additional experiments in regions where there are no such licensees at present.

First Local Radio Service on FM. Because of the congestion of the AM spectrum in many areas of Canada, and because increasing FM set penetration will make the FM band available to more and more potential listeners, the Commission anticipates that it may receive FM applications which, if approved,

would establish a first radio service in certain localities. Since there are no precedents to guide it, the Commission will not set out precise programming and commercial content guidelines at this time.

In order to assist the development of first local radio service, however, the Commission proposes to create a special class of FM licence, a "first local FM licence", for FM stations which constitute the first local station in a market. Such licensees will not be subject to the regulations respecting maximum commercial content on FM and imposing a minimum required proportion of material in the foreground format. Instead, programming and commercial service considerations will be examined on the basis of the circumstances and proposals in each application.

#### 4. Implementation of the FM Policy

As mentioned in Part I of this document, the development of a policy for FM radio in Canada has been a preoccupation of the Commission since its inception. Throughout the hearings and discussions held in the course of developing this policy, it has been gratified by the co-operative response of the industry, both in terms of presenting creative new ideas and in the commitment of individual broadcasters to implementing a new role for FM radio. Comments taken from the FM seminar held in the Fall of 1973 by the Canadian Association of Broadcasters illustrate this positive attitude:

It is obvious that we are going to have to make some changes in FM in Canada. For many of us that poses quite a problem. It poses a problem of quality, retaining our listenership - it's a problem of cost as well.

There are two possible attitudes to all this change. The first is to do nothing and to see what happens. This is a negative position - an after-the-fact-position, not a creative element. The alternative to change is to adopt a positive leadership role . . . this is difficult because it requires imagination, creativity, exploring the new and the untried.

In the following sections, the Commission outlines in detail the stages and processes by which it will hear new and renewal applications for FM licences, and the means by which it intends to implement its objectives for FM radio in Canada.

Public Hearing Commencing March 11, 1975 to Discuss Regulations.  
Together with this document, the Commission has released a draft FM Application Form containing a new Part II entitled the Promise of Performance as discussed earlier in this document. It has also issued draft amendments to the AM and FM Broadcasting Regulations containing the changes in regulations made necessary by this policy including the new program content categories.

Both the amendments to the Regulations and the draft FM Application Form, particularly Part II (the Promise of Performance), will be the subject of a public hearing of the Commission, to be held in Ottawa on March 11, 1975. Following this hearing, the Commission, after making such changes as it considers appropriate in the light of comments and

submissions received from broadcasters and from the public, intends to enact the amendments to the AM and FM Broadcasting Regulations which will be effective as of September 1, 1975. At the same time, the Commission, after taking into account the comments and submissions made to it, will issue the new FM Application Form which will be applicable to all applications thereafter for new or renewed FM licences.

The Commission considers that the basic FM policy has now been adequately discussed. The purpose of the hearing in March, 1975 is not therefore to reopen a consideration of the basic policies which the Commission has adopted. The Commission is concerned instead to discuss the form and content of the proposed regulations and the Promise of Performance section of the application form in relation to the implementation of the objectives of the policy. While the Commission remains open at all times to consider submissions on FM policy in general, it will expect those appearing at the hearing in March to deal with these matters rather than those already dealt with in the Commission's policy proposal of April 18, 1973 and discussed at the Commission's public hearing in October of that year.

In particular, the Commission invites broadcasters and members of the public to comment at the hearing in March, 1975 on the following issues:

1. The deletion of the Arts, Letters and Sciences quota in section 12 of the FM Regulations, and its replacement by a quota to be devoted to broadcast matter presented in a "foreground format" as defined in the said section 12, which quota is proposed to be 16% for independent FM licences and 25% for joint FM licences.
2. The replacement of the present program content categories in the AM and FM Broadcasting Regulations by a new comprehensive set of program content categories.
3. The proposed amendment of the simulcasting provisions in the FM Regulations to prohibit all simulcasting except as specifically provided by any condition of licence.
4. The proposed requirement that the holders of "joint FM licences" broadcast on a daily basis a statement outlining their relationship to the associated local AM station.
5. The proposed addition of a regulation prohibiting the entering into or renewal of contracts with outside firms of consultants respecting the provision of pre-recorded matter in a "gramophone format" or "rolling format", as defined.
6. The proposed addition of section 7A to the FM Regulations, prohibiting the interruption of the first ten minutes of any newscast by commercial messages or public service announcements.
7. The proposed amendment to section 7 of the FM Regulations setting maximum limits for the broadcasting of commercial messages during any clock hour, and during the three six-hour periods during the broadcast day, with a lower limit set for joint FM licences than for independent FM licences.



8. With respect to the Promise of Performance, the suitability of the language of the precise commitments required to be made by the applicant under each of its ten sections.
9. With regard to the Promise of Performance, the suitability of the wording of the licence conditions requiring the Promise of Performance to be substantially fulfilled.
10. The proposed addition of a regulation, sections 12(5), (6), and (7), requiring FM stations to broadcast an announcement respecting its licence and the Promise of Performance and conditions of licence attached to it and requiring the licence and such Promise and conditions to be available for inspection at the offices of the station during normal business hours.
11. The amendment of section 4 of the FM Broadcasting Regulations to require FM stations to keep a tape of all matter broadcast for a period of at least four weeks.

Phase One - Interim Licensing Period - Requirement to Revise Programming Plans. Following the public hearing in March, 1975 and the publication of the amendments to the FM Regulations and the new FM Application Form, the Commission proposes to implement the policies set forth in this document in two phases.

Phase One will consist of the three-year period from April 1, 1975 to March 31, 1978. The Commission will issue a Notice of Public Hearing calling for applications for new or renewal licences. It will specify a hearing date for each regional area. It will also indicate the cut-off dates for applications, the FM channels which are open for new applications and a list of stations whose licences expire on March 31, 1976, March 31, 1977 and March 31, 1978.

Licensees whose licences expire in 1978 may apply for permission to amend their programming in accordance with the FM policy and regulations in order to protect their programming during Phase One. All FM licences which expire on or before March 31, 1975 are now being renewed by the Commission until March 31, 1976 in order that all licensees will be in a position to prepare for the Phase One hearings in the same context.

During the Phase One hearings, which are expected to take place during the Fall of 1975, the Commission will consider applications for new FM stations at the same time as applications for amendment and renewal are considered.

The purpose of this procedure is to enable the Commission to consider, at regional hearings, all the proposals for FM service in that region and to assess all such applications in relation to the distinct service each applicant proposes to offer to the market it desires to serve.

In considering applications for new stations during the Phase One hearings, the Commission will not, unless it is persuaded that there are special circumstances, approve more than one new FM station for a market.

The Commission also expects the CBC to submit applications during the Phase One hearings in accordance with the Corporation's plans for the provision of the national service. The Corporation may also wish to submit a schedule of the communities it plans to serve including a list of the FM channels it proposes to use and the time within which it proposes to file the appropriate applications therefor.

Since the purpose of the public hearing process is to provide for a public examination of applications in the light of the needs of each community, it follows that maximum public input into the public hearing process is necessary in order to ensure that the Commission is fully informed of the needs of each community.

The Commission does not intend to permit one part of the FM programming service spectrum in a market to be overserved at the expense of other portions which may serve a smaller audience and thereby appear to be less profitable. *If, during Phase One, two or more of the renewal applications, for example, propose the same or similar types of programming in a particular market, the Commission may approve the proposal it considers to be the best but require that the other applicant or applicants revise their programming plans before applying again in Phase Two.*

In any event, all licences granted during Phase One will have the same expiry date, that is, March 31, 1978, so that the promises and the performance of all FM stations in any particular market may again be evaluated at a hearing in Phase Two. During Phase One, the Commission will follow closely the progress of implementation in all areas.

Phase Two - Final Implementation Stage. The final stage in the implementation of this policy will occur in Phase Two, which covers the two-year period from April 1, 1978 to March 31, 1980.

As in Phase One, the Commission will issue a Notice of Public Hearing calling for applications for new or renewal licences and specifying hearing dates for each region. The procedure will be similar to that adopted for Phase One except that the remaining available FM channels will be open for applications to establish new stations. It is anticipated these hearings would commence in the Fall of 1977.

Phase Two is intended to be the final adjustment stage and the Commission does not foresee any circumstances in which it would renew the licence of any station beyond March 31, 1980 where the FM policy and regulations have not been fully implemented by that date. Thereafter, the Commission will resume granting normal terms of licence in accordance with its regular regional scheduling plan.



For most of the stations licensed at the beginning of Phase Two, the general programming patterns will have been established during Phase One and only minor revisions will be necessary during Phase Two to complete the implementation of the FM policy, guidelines. In the case of Montreal, Ottawa, Toronto and Vancouver, somewhat greater revisions of programming may be necessary during Phase Two than would be necessary in smaller centres due to the larger number of FM stations and the more complex make-up of the communities. However, even in these centres, the Commission would expect the basic programming plans or patterns to have been established during Phase One.

The Commission recognizes that the complexities of preparing an application will increase in proportion to the number of FM stations serving the same market. However these difficulties will not be accepted by the Commission as a reason for a failure by licensees to file appropriate applications in accordance with this schedule for the implementation of the FM policy.