



Canadian
Association of
Broadcasters

L'Association
canadienne des
radiodiffuseurs

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Via e-mail

Ms. Diane Rhéaume
Secretary General
Canadian Radio-television and
Telecommunications Commission
Ottawa, Ontario
K1A 0N2

**Re: Notice of Public Hearing CRTC 2006-1 – *Review of the
Commercial Radio Policy* – CAB Reply Phase Comments**

The Canadian Association of Broadcasters (CAB) – the national voice of Canada's private broadcasters, representing the vast majority of Canadian programming services, including private television and radio stations, networks and specialty, pay and pay-per-view televisions services – is pleased to provide its reply phase comments in this proceeding.

The CAB's reply comments will focus primarily on two key elements of its original submission

- 1) its incentive-based proposal for Canadian content and French Vocal Music (FVM); and
- 2) its proposal to consolidate Canadian talent development (CTD) funding into commercial funds Radio Starmaker Fund and Fonds Radiostar.

Incentive-Based Approach to Canadian Content and French Vocal Music

One of the key decisions the Commission made in its last review of the *Commercial Radio Policy* was to increase Canadian content exhibition quotas from 30% to 35%. During this review the CAB has argued that this increase did not have its intended effect and in fact may have contributed to an increasing uniformity of formats, artist burn and a decline in tuning. Moreover, the increase in Canadian content quotas had little to no impact on Canadian music sales.

While the merits of the increase from 30-35% are at best questionable, notwithstanding the private commercial radio sector has committed to both maintaining current exhibition levels for Canadian content and FVM at 35% and

65% respectively and its annual contributions to Canadian talent development during this present review despite growing competition from the unregulated sector that has no similar obligations of this nature. However, the CAB cautions that an increase in Canadian content or FVM quotas in today's environment would be extremely inequitable given the changing media landscape in which radio is now operating. Moreover, the CAB submits that an increase in radio's regulatory obligations would put the regulated sector at a severe disadvantage vis-à-vis new unregulated players thereby undermining its ability to serve its listeners and contribute to the cultural and social objectives of the *Broadcasting Act*.

In its March 15, 2006 submission, the CAB proposed a complementary approach to Canadian content and FVM exhibition and the funding of Canadian talent development initiatives focused on emerging artists. This proposal was developed with the intention of creating and supporting a cycle of success in Canadian music that will see more airplay of emerging Canadian artists supported by funding that will create opportunity for artists and more successful hits for radio.

The CAB believes its integrated proposal is a more effective approach to the creation of Canadian content and support for Canadian talent that will result in additional diversity to the broadcasting system pursuant to the objectives of the *Broadcasting Act*.

As described in detail in its March 15th submission, the CAB supports an incentive-based approach to Canadian content and FVM exhibition based on current levels that would provide radio programmers with a 1.25 Cancon credit for playing Canadian emerging artists (English-language market) and a 1.5 FVM credit for playing new music by an emerging artist (French-language market). The CAB submits that its proposal will increase the effectiveness of exhibition quotas by focusing on quality – who is getting played – over quantity.

Specifically, in the English-language market, stations that play an emerging artist, as defined and clarified in the CAB's May 29th, 2006 filing, between 6:00am and 6:00pm will be permitted to apply a 1.25 credit towards their 35% Canadian content requirement for that day part. Moreover, a 1.25 credit for emerging artists played outside 6:00am - 6:00pm will be applied to stations' weekly 35% Cancon requirement.

In the French-language market, radio stations playing new music by an emerging artist, as defined in the CAB's March 15th, 2006 submission, between 6:00 am and 6:00 pm will be allowed to apply a 1.5 credit towards their 55% FVM quota for that day part. Similarly, stations playing new music by an emerging artist outside 6:00 am to 6:00 pm will only be allowed to apply the 1.5 credit to their weekly 65% FVM requirement.

English-language Market

The CAB believes its incentive-based system will be of considerable value to the Canadian music industry as it will increase the exposure of Canadian emerging artists to Canadian radio listeners by encouraging music programmers to take risks by playing more emerging artists and moving off gold or recurrent tracks sooner thereby reducing artist burn.

For example, an average radio station in the English market plays approximately 1600 spins per week. If a station were to maximize its use of the bonus system it would result in 80 spins of emerging artists in that week which is the equivalent of 6 hours of programming. In other words, a radio station would be offering an additional 6 hours of untried programming in a media environment where consumers have access to high levels of unregulated content from a plethora of competitive platforms.

As another example, if a station was currently playing four emerging Canadian artists their playlist would look something like the following:

<i>Overall International + Can-Con spins (Su-Sa 6a-Mid)</i>	<i>974</i>
<i>Overall Can-Con songs Played (Su-Sa 6a-Mid)</i>	<i>355</i>
<i>Overall International + Can-Con spins (Mo-Fr 6a-6p)</i>	<i>469</i>
<i>Overall Can-Con songs Played (Mo-Fr 6a-6p)</i>	<i>171</i>
<i>Cancon spins from Emerging Artists (Su-Sa 6a-Mid)</i>	<i>40</i>
<i>Cancon spins from Emerging Artists (Mo-Fr 6a-6p)</i>	<i>27</i>
<i>Cancon spins from Non- Emerging Artists (Su-Sa 6a-Mid)</i>	<i>315</i>
<i>Cancon spins from Non- Emerging Artists (Mo-Fr 6a-6p)</i>	<i>144</i>

If an *additional* four emerging artists were added into regular rotation on this playlist it would generate the following results:

- An increase of 42 spins (6a-Mid) or 32 spins (6a-6p) for emerging artists
- A decrease of 63 spins (6a-Mid) or 49 spins (6a-6p) for non emerging artists
- A decrease of 13 spins (6a-Mid) or 27 spins (6a-6p) for non emerging gold
- Cancon level of 34% or an effective 36% (6a-Mid)
- Cancon level of 33% or an effective 36% (6a-6p)

These examples serve to demonstrate the significant increase in exposure of Canadian emerging artists by only a modest application of the CAB's proposed incentive system.

While the CAB acknowledges the concerns voiced by the music industry during this proceeding that its proposal, if applied, will ultimately reduce the level of Canadian content being offered by commercial radio stations, the CAB believes

this concern is largely unfounded. As noted above, the CAB's proposal focuses on who is getting played as opposed to the traditional focus on the "tonnage" of Canadian content that is being offered by any one station. Moreover, as stated in its March 15th, 2006 proposal, the CAB has proposed a floor for the English market that will ensure stations accessing the bonus system will still devote a minimum of 30% of musical selections from content category 2 to Canadian selections.

With respect to stations that have committed in the context of a competitive licensing process to airing 40% Canadian content as a condition of licence, the CAB submits, after further discussions with its membership, that these stations should only be able to access the bonus system to achieve a maximum 5% reduction in their Canadian content levels. For example, stations required to offer 40% would only be able to reduce their Canadian content levels to 35%.

Irrespective of the proposed floor of 30% Cancon, the CAB submits that it will be extremely difficult for a station operating at 35% to actually achieve a reduction of 5% and remain true to its format.

For example, if station XYZ plays 100 songs a day, 35 of those songs must be Canadian. If all 35 Canadian songs are emerging artists, then the credit is 35×1.25 for a total of 43.75% Cancon. Absent a floor, that would allow station XYZ to reduce its Cancon by up to 8.75%.

However, the floor of 30% would be reached when already 57% of station XYZ's Cancon is emerging artists. In other words, in order to maximize the bonus incentive, station XYZ would have to dedicate a minimum of 20% of its full play list to Canadian emerging artists.

Contrary to opinions expressed at the hearing, the CAB's proposed bonus system does not invite abuse simply because it really does not provide the requisite incentive to do so. In fact, it is very unlikely that radio programmers will abuse the incentive system just to simply reduce Cancon levels since this would ultimately jeopardize the sound of their station. At the end of the day, the first consideration for a programmer is always "What is the right mix of music to attract listeners?". The CAB submits that the commercial radio sector is not backing away from Canadian music; it is simply proposing a small "risk-reward" incentive to increase the promotion and play of artists that do not have established track records.

The CAB strongly submits that forcing radio stations to move from the current 35% Canadian content exhibition level to 40% would seriously erode radio's ability to support new music-based formats and maintain and grow audiences to their stations. This in turn will ultimately have a negative impact on the music industry's ability to promote and market artists on terrestrial radio creating a lose-lose situation for the system.

The Supply of new Canadian Albums

It is also important to take into consideration the level of Canadian music supply. According to the last available Statistics Canada figures, the number of Canadian artists' new releases in English has decreased by 5% between 1998 (452) and 2003 (429). Statistics Canada figures also indicate that Canadian new English-language releases represented only 10% of the total new English-language new releases in 2003, the same level as in 1998. Finally, when we compare the number of new Canadian English-language music releases reported by Statistics Canada to the level of new Canadian English-language releases provided by the Canadian Music Industry Database (CMID) which is housed and maintained by the Canadian Independent Record Production Association (CIRPA), the figures from CMID are at least 400% higher (2,164) than the information provided by Statistics Canada (429). One explanation for this significant discrepancy could be that Statistics Canada only reports new releases that have commercial distribution and CMID may be reporting all new releases that have been produced regardless of whether they are commercially available.

Marché francophone

Dans leurs mémoires de même que lors de leur comparution à l'audience publique sur l'examen de la politique sur la radio commerciale, les partenaires de la composante francophone de l'industrie, notamment l'ADISQ, l'UdA et la SPACQ ont affirmé que les radiodiffuseurs de langue française n'accordaient pas une place suffisante à la diversité musicale canadienne en français à l'antenne. Selon les « estimations » de l'ADISQ, 299 albums d'artistes francophones québécois auraient été mis en marché en 2005. De ce nombre, l'ADISQ a recensé qu'au cours de la période comprise entre le 1^{er} mars 2005 et le 31 décembre 2005, 137 pièces auraient été diffusées par quatre stations de radio privée de langue française (CKOI-FM, CKMF-FM, CFGL-FM et CITE-FM), soit seulement 13,9 % des pièces mises en marché en 2005 sur une disponibilité de trois titres par album (total 897). Il y aurait donc selon l'ADISQ une grande abondance de nouveautés francophones canadiennes et québécoises mises en marché et disponibles pour fins de diffusion à la radio privée de langue française.

L'ACR n'a jamais été en mesure de confirmer ou d'infirmer les affirmations de l'ADISQ et reprises également par l'UdA et la SPACQ, quant au nombre de nouveaux enregistrements lancés par des artistes canadiens en français. Comme nous l'avons mentionné au paragraphe 541 du mémoire que nous avons déposé le 15 mars dernier, en dépit de nos demandes répétées à cet effet, l'ADISQ n'a jamais été en mesure de nous fournir des données précises sur le nombre d'albums de musique vocale de langue française de catégorie 2 produits et (ou) commercialisés au Québec. De fait, l'industrie de la musique ne semble jamais disposée à fournir des données détaillées et précises sur le nombre d'albums de musique vocale de langue française, ventilé par catégories et par genres musicaux,

produits ou commercialisés chaque année. L'absence de ces données compilées sur une base historique font en sorte qu'il est virtuellement impossible, pour les radiodiffuseurs et pour le Conseil, de mesurer les progrès réalisés quant à l'accroissement de la diversité musicale en langue française à l'antenne de la radio privée francophone. C'est pourquoi, nous avons émis le souhait que le Conseil tente de corriger cette lacune, en termes d'information disponible, lors de l'audience publique du 15 mai.

Or, l'ACR constate que malgré une série de questions précises à cet effet de la part du vice-président Arpin lors de la comparution de l'ADISQ à l'audience, l'organisme qui dit pourtant représenter 95 % de l'ensemble des producteurs francophones québécois a refusé de s'engager à fournir des données historiques, mises à jour, précises et ventilées par genre musical sur le volume de production de musique vocale de langue française commercialisée au Québec et au Canada à l'intérieur des délais prescrits par le Conseil.

L'ACR constate par ailleurs que les plus récentes données qui seront publiées sous peu par le ministère du Patrimoine canadien sur l'état de la production canadienne en langue française semblent indiquer un fléchissement marqué du nombre d'enregistrements lancés par des artistes canadiens en français au cours des dernières années comme l'indique le tableau ci-dessous :

Nouveaux albums lancés par des artistes canadiens

	1999	2000	2001	2002	2003	2004
En français	218	205	237	240	224	165

Source : SOPROQ

En effet, selon les informations colligées par le ministère en provenance de la SOPROQ (dont les données sont également transmises à la Bibliothèque nationale du Québec), il appert que seulement 165 nouveaux enregistrements lancés par des artistes canadiens en français auraient été commercialisés en 2004, ce qui représente une baisse de plus du quart (26,3 %) par rapport au volume de production de 2003 et une diminution de plus de trente pourcent (31,2 %) comparée au nombre d'albums canadiens de langue française lancés en 2002.

Étonnamment, cette diminution significative du nombre des nouveaux albums canadiens en langue française s'est produite au cours d'une période où les contributions de l'industrie de la radio au développement des talents canadiens ont littéralement explosées. En effet, les contributions de l'industrie de la radio à MusicAction et Fonds RadioStar sont passées de 466 000\$ en 2001 à 2 435 000\$ en 2002, à 3 236 000\$ en 2003, pour atteindre 4 498 000\$ en 2004. Il faut noter également qu'au cours de la même période, le montant de l'aide financière accordée par les gouvernements, provincial et fédéral, au soutien de l'industrie de

la musique canadienne de langue française ou québécoise a doublé passant de 14,2 millions de dollars en 2001 à 28 millions de dollars en 2004.

Ainsi, alors qu'en 2001 l'aide financière combinée publique et privée à l'enregistrement sonore au Québec représentait un peu moins de 15 millions de dollars, cette aide s'établissait à 30,6 millions de dollars en 2003 et à 32,5 millions de dollars en 2004, deux années où on observe une baisse du nombre de nouveaux enregistrements en langue française lancés par des artistes canadiens. Il semble donc que, contrairement à ce que nous aurions pu nous attendre, les contributions significatives des radiodiffuseurs en développement de talents canadiens à MusicAction et de Fonds RadioStar, combinés à l'aide financière des gouvernements québécois et canadien n'ont pas entraîné d'effet de levier sur le volume total de production canadienne en langue française.

Par ailleurs, pour faire une analyse sérieuse du degré de diversité musicale à l'antenne de la radio privée de langue française, il faut mesurer la diffusion de nouvelles œuvres distinctes par rapport au nombre de nouveaux enregistrements en langue française correspondant aux formats musicaux des stations faisant l'objet de l'analyse plutôt que sur le nombre total d'albums de langue française lancés au cours de l'année de référence.

Or, une ventilation sommaire par genre musical, provenant des données fournies au ministère du Patrimoine canadien par la SOPROQ semble indiquer qu'en 2004, sur les 165 nouveaux enregistrements lancés par des artistes canadiens en français, 62 albums étaient issus des genres musicaux *Musique populaire* (58) et *Rock* (4), soit à peine 37,6 % de l'ensemble de la production francophone canadienne. Rappelons que la musique provenant de ces deux catégories musicales compose l'essentiel du répertoire de la programmation musicale des principales stations et réseaux radiophoniques de langue française comme CKOI-FM ou les stations des réseaux Énergie, Rythme FM et Rock Détente. C'est donc dire que le nombre total de nouveaux enregistrements canadiens en langue française correspondant aux formats musicaux Pop rock et pop adulte est très limité.

Admettons que certains titres appartenant à des albums non répertoriés dans les catégories « musique populaire » et « rock » peuvent convenir au son musical des stations de format Pop-Rock et Pop Adulte, les deux formats musicaux dominant à la radio privée de langue française. Cependant, même en prenant l'hypothèse que la moitié (83) des nouveaux albums canadiens de langue française parus en 2004 aurait pu constituer l'univers de référence des nouveaux enregistrements auxquels les stations des formats Pop Rock et Pop Adulte auraient pu s'approvisionner, le bassin d'œuvres demeure limité. En tenant compte que les maisons de disques mettent en marché en moyenne trois extraits par albums, cela veut dire que l'univers des nouveautés francophones pour les deux formats musicaux dominant dans le marché francophone s'établirait en 2004 à moins de 250 titres distincts (247.5 titres).

Malgré cela, la radio privée de langue française a fait une large place à la diffusion des nouveautés francophones, dont la presque totalité étaient des chansons de langue française produites au Québec.

Ainsi, à titre indicatif, selon les données rendues publiques par Astral Radio dans son rapport annuel sur la diversité musicale portant sur la période du 1^{er} janvier au 31 décembre 2004, les stations du réseau Énergie et Rock Détente ont diffusé 134 nouveautés francophones distinctes au cours de l'année 2004. En conséquence, ces stations auraient diffusé plus de 50 % (54 %) de l'ensemble des nouveautés francophones québécoises appartenant à leur genre musical mises en marché au Québec. Si on ajoute à cela la contribution des stations comme CKOI-FM, CHOI-FM et les stations du réseau Rythme FM qui ont elles aussi diffusées des nouveautés francophones distinctes, on en arrive à la conclusion que la radio privée de langue française a présenté à ses auditeurs une proportion très élevée de nouveautés francophones québécoises distinctes en 2004. Et tout indique que le niveau de diffusion de pièces musicales francophones distinctes s'est maintenu en 2005 correspondant à un seuil nettement plus élevé que ne le prétend l'analyse incomplète et arbitraire déposée par l'ADISQ dans le cadre du processus public portant sur l'examen de la politique sur la radio commerciale.

L'Ajout de nouveaux formats musicaux et le modèle français

Les données sur le volume de production francophone ventilées par genre musical dont nous disposons sont encore fragmentaires et ne portent que sur une seule année de production, soit 2004. Ceci dit, ces données semblent indiquer un très faible nombre de nouveaux enregistrements lancés par des artistes canadiens en français dans des genres musicaux plus marginaux. Ainsi, l'analyse ne recense qu'un seul nouvel enregistrement francophone de musique country, six nouveaux enregistrements appartenant à la catégorie « Nouveaux courants » et, comme nous l'avons mentionné plus haut, seulement quatre nouveaux albums issus de la catégorie « Rock ».

Compte tenu de ce qui précède et en l'absence de données historiques précises, il est très difficile d'émettre une position éclairée sur la possibilité d'adapter le modèle réglementaire français en vue de favoriser l'émergence d'une plus grande diversité de formats musicaux dans le marché de langue française. De l'avis de l'ACR, la mise en place de mesures incitatives demeure encore la meilleure avenue pour assurer une plus grande diversité musicale dans le marché francophone.

Ceci dit, si le Conseil devait opter pour un modèle réglementaire à géométrie variable, inspiré de l'expérience française, l'ACR est d'avis que le seul moyen de favoriser une plus grande diversité de formats musicaux serait d'établir un niveau de quota de musique vocale de langue française nettement moins élevé que l'exigence actuelle. Le Conseil pourrait en ce sens s'inspirer du précédent qu'il a

créer lors de l'attribution de la licence de service de musique vidéo de MusiquePlus et plus tard Musimax où il avait exigé par condition de licence un niveau de diffusion de vidéoclips musicaux de langue française substantiellement moins élevé que le quota applicable aux stations de radio francophones.

Library Based Formats

In its March 15th, 2006 submission the CAB proposed that Canadian content levels for English and French-language markets be reduced to 25 percent for musical selections released prior to 1985 in order to ensure an adequate selection of music is available to stations that are programming oldies as all or part of their format.

As noted in the CAB's submission, post 1985 Canadian content is often needed to help library stations meet their 35% Canadian content obligations. Given the limited supply of Canadian music released before 1985 these stations are often forced to play music outside their format era in order to comply with their regulatory obligations. This ultimately puts library based stations at a competitive disadvantage because they are not able to focus as heavily on their core music offering compared to station formats that offer music from more current eras thereby limiting the diversity of formats that can be offered to Canadian listeners.

For these reasons, the CAB urges the Commission to resist applying a singular approach to music exhibition quotas for all popular music formats and adopt the CAB's proposal for a 25% Cancon level for music released before 1985.

Canadian Talent Development

The CAB believes its integrated approach to Cancon/FVM and CTD will maximize the impact of its exhibition quotas and funding requirements by providing increased exposure to emerging artists on air while at the same time focusing funding on artists promoting their first or second albums. It is the CAB's view that when harmonized, radio's commitment to Canadian content, French Vocal music and CTD will foster more music that fits radio formats and allow radio to leverage its promotional strength in support of Canadian artists.

For these reasons, the CAB has proposed to consolidate radio's annual voluntary CTD contributions and significant benefit funds flowing from ownership transactions into commercial funds Radio Starmaker Fund and Fonds Radiostar. These funds focus primarily on marketing, touring and promotion activities which have proven to be of direct benefit to Canadian artists in establishing and furthering their careers. As detailed in the additional information filed with the Commission on May 29th, 2006 this would result in approximately \$11.5M flowing to the Radio Starmaker Fund and approximately \$6.6M to Fonds Radiostar for the 2007-2008 and 2008-2009 broadcast years.

In recognition of the importance of stable grassroots funding to the music “ecosystem” in Canada, and after a number of discussions with its FACTOR and MusicAction funding partner, the Department of Canadian Heritage, the CAB’s private radio members have committed to directing approximately \$1,671,516 per year to FACTOR and approximately \$417,879 per year to MusicAction for the first two years of the new Commercial Radio Policy (2007/2008 and 2008/2009). These contributions will be taken from the proposed consolidated funding in Radio Starmaker Fund and Fonds Radiostar. As a result, both Radio Starmaker and Fonds Radiostar will still have stabilized funding with annual budgets of approximately \$4.15M and \$2.9M respectively.

Specifically, private radio broadcasters’ CTD contributions will be used to support the following programs within FACTOR and MusicAction:

- New Musical Works programs excluding initiatives that support video production;
- Touring and showcasing grants for artists not eligible for Radio Starmaker Fund or Fonds Radiostar funding; and
- Songwriter Workshop grants under the Collective Initiatives programs in the case of FACTOR and support to lyricists and composers in the case of MusicAction.

These programs are in keeping with private radio’s desire to support initiatives that have a direct relationship with the content that is played by its stations as opposed to programs that are more “infrastructure” oriented such as marketing support for independent music labels, business development grants and video production.

This commitment, which amounts to a total of \$2,089,395 per year, represents approximately 20% of the government's contributions to FACTOR and MusicAction's New Musical Works programs. The CAB notes that this commitment not only formalizes radio’s relationship with FACTOR and MusicAction which to date has only been voluntary, but also far exceeds radio broadcasters' historic average annual voluntary contributions to these agencies which between 1998 and 2004 amounted to approximately \$870,000 to FACTOR and \$311,000 to MusicAction.

Moreover, both FACTOR and MusicAction will continue to receive funding through additional CTD contribution (over and above the statutory requirement) flowing from new commercial radio services already approved by the Commission. Based on the analysis of the decisions related to the new English-language radio stations approved by the CRTC, FACTOR will receive \$1,671,174 in additional CTD funding over the period of 2008 and 2009. As for MusicAction, over the same period of time it will receive \$266,000 in additional

CTD funding from new French-language commercial radio licenses already approved by the Commission.

As stated in the CAB's March 15th submission and during the hearing, radio's annual contributions to FACTOR and MusicAction will be directed through the commercial funds Radio Starmaker Fund and Fonds Radiostar which will be responsible for the measurement and reporting of private radio broadcasters' contributions to these agencies. Radio Starmaker Fund and Fonds Radiostar will determine measures of success and reporting requirements in consultation with FACTOR and MusicAction prior to September 1st, 2007. Furthermore, the annual reports of Radio Starmaker Fund and Fonds Radiostar will provide detailed breakdowns of funding and annual measures of success on a project by project basis to ensure full transparency and accountability.

The CAB believes that in order to foster better communication between private radio and FACTOR and MusicAction with respect to the evolution of CTD funding, the broadcaster Directors of these two agencies should be appointed by the CAB's Radio Board.

Furthermore, the CAB encourages the Board of Directors of FACTOR and MusicAction to revise their current governance structures by requiring the Chair of their respective agencies to be fully independent i.e. an individual who is not a direct recipient or beneficiary of funding.

In addition, given that both FACTOR and MusicAction are administering public contributions and private funds derived from public policy, and given the rapid growth of funding contributed to these agencies, the CAB believes it is of critical importance to institute a Chief Financial Officer within these two agencies.

Finally, while the CAB believes the national music funding agencies have provided critical support to both the Canadian independent music industry and Canadian artists, the CAB encourages the Board of Directors of FACTOR to continue to evaluate its programs and reporting mechanisms to ensure better transparency with respect to the use and allocation of funding.

To this end, the CAB and the Department of Canadian Heritage have formally agreed to strike a working group to examine these administrative and governance issues. This working group is scheduled to conclude its work by December 2006.

Other Issues

Market Entry Test

In its March 15th submission, the CAB urged the Commission to introduce a new Market Entry Test to address concerns regarding over-licensing, particularly in small markets.

Accordingly, in order to help small market stations compete more effectively against unregulated platforms, and maintain their strong contributions to local reflection, the CAB recommends that the Commission refrain from issuing calls for new radio applications in markets of 250,000 or less when the average PBIT of stations in that market over the last three years is lower than the average PBIT of stations operating in similar sized markets during the same timeframe.

The CAB thanks the Commission for the opportunity to provide these reply comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Glenn O'Farrell", written over a light gray rectangular background.

Glenn O'Farrell
President and CEO