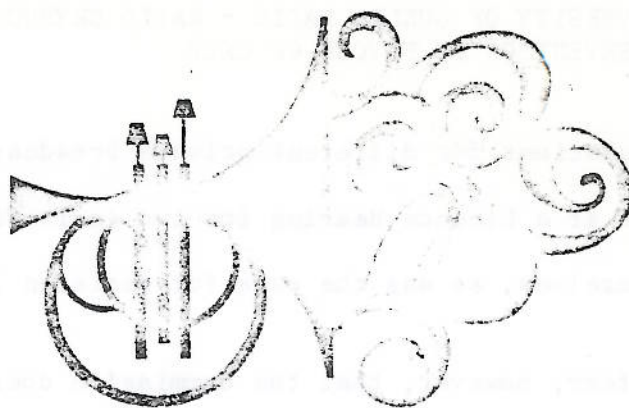


820 KHZ AM GUELPH CFRU RADIO GRYPHON



UNIVERSITY OF GUELPH RADIO - RADIO GRYPHON
INTERVENTION IN FAVOUR OF CKCU

21 OCT. 77,

I INTRODUCTION

University of Guelph Radio-Radio Gryphon supports the application to renew the licence of CKCU-FM. CKCU has been an inspiration to us. Indeed, their programming should be an inspiration to other radio groups. Based on their programming performance, we believe there cannot be any other conclusion to their application but that of renewal. We also know, however, that there is considerable controversy surrounding advertising on CKCU. We wish to address this controversy before the Commission.

Let us begin by stating we support CKCU's application for the removal of advertising restriction contained in decision 75-247. Further we feel that the Commission should immediately remove any Commission-imposed advertising restrictions, leaving only self-imposed restrictions, until such time the Commission has heard a Public Hearing on "private other than profit-commercial"¹ broadcasters to establish or refute homogeneity among them, and a Public Hearing on proposed advertising regulations to establish or refute different

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¹ includes private non-profit, non-commercial and private non-profit commercial.

regulations for different private broadcasters. Such decisions must not be made at a Licence Hearing for two individual applicants, representing only themselves, as was the case for decision 75-247.

We fear, however, that the Commission does not have the time for such Public Hearings and so, we must state our case at the occasion of the renewal of the FM licence of CKCU.

II DIVERSITY OF REVENUE

We are strong proponents of a diversity of revenue for a non-profit station. Diversity of revenue keeps the station responsible to the various elements in the community and provides, we believe, greater financial security. Political jurisdictions serve as an example in this instance. The trend is to attempt a diversified economy to reduce dependence on one source. A non-commercial station has, to its detriment, limited its revenue sources and has, by implication, become dependant on fewer sources. Commercial revenue, obtained when necessary, could finance expansion or be used to maintain a level of real income.

Consider the student union owned station, dependent primarily on student fees. Student fees are slow to change to match increased need and are often difficult to change at all, depending on the University. Students have been known to collectively reject a fee, or fee increase, simply out of frustration at their inability to control other prices, including tuition and residence fees. For these reasons, we consider student fees to be a fixed revenue. Grants from the student union, also dependent on student fees, are therefore fixed. Our concern follows that non-commercial student-union-owned stations will experience a reduction in real income, which will adversely affect their operation

in future years. Operating on the premises of fixed revenue, we fear non-commercial student-union-owned stations will experience an increasing demand on the part of students, the primary revenue source, to influence programming policy. The extreme but realistic demand could be to increase Gramophone music programs. Another extreme demand could be to reduce input from non-student sources. We remind the Commission that in four years an entire post-secondary student population will change. In four years a future student population may not feel bound to the ideals or promises made by students today. A diversity of revenue reduces dependence and demonstrates responsibility to more than one segment of the populace.

III ADVERTISING IN GENERAL

Advertising, as a cost of business, is passed onto the community through product pricing. Advertising is, therefore, community support for the station. We do not view this as business support. Advertising, therefore, promotes community responsibility. It is only fitting that the community as a whole should finance a community service.

We understand the Commission's reservations about Commercialism. Pressure exerted by advertisers is one such reservation. We feel this is valid only if the station were totally dependent on a few major advertisers. We cannot see that happening to any commercial station. That is not to say that pressure is not recognized or is not effective on some radio stations. However, if a radio station's attitude is such that it will be affected by pressure then the source of the pressure is immaterial. Again we stress a diversity of revenue for small stations. Indeed, we believe that for a small station, advertising may counteract pressure from another revenue source, just

as at a fully commercial station one advertiser may counteract the pressures of another. Further, the absence of advertising as a revenue source may inhibit programming through financial shortages.

We also understand the Commission's reaction against advertising as an irritating and disruptive element of programming. Once again we suggest that the attitude of the station is at fault. Advertising, if not abused, is as valuable to the community as consumer news and community announcements. We do not find it coincidental that these three program items are mentioned specifically in the definition of Rolling and Gramophone formats on FM. That means to us that the Commission realizes that "surveillance material and Station Production" can be as disruptive as advertising. But isolating one program item to bear responsibility for disruption is treating the symptom, not the cause. Only the attitude of the station causes disruption, not the material.

We feel that decision 75-247 has attacked the symptom, not the cause. Further, we feel that the decision has some serious negative implications for the Canadian Broadcasting System. As we have discussed previously, the decision has forced stations like CKMS to reduce their diversity of revenue.

Secondly, the decision suggests that non-campus, commercial, profit-oriented radio stations are the best for the Canadian Broadcasting System when, in fact, these stations had to be forced into promises of responsible programming. In its attempt to reduce advertising generally, the Commission is actually promoting profit commercialism by restricting limited commercial, non-profit stations.

Thirdly, the decision turns the Commission's back to a group who were avid and vocal supporters of the CRTC and its FM policy. Many members of this group have non-profit, commercial, carrier current licences and are using those licences

to prepare programming and financial sources for a low-power FM station.

We suggest the Commission must more closely examine the program attitudes of FM Applicants in order to accomplish desired ends with respect to advertising, and in order to avoid negative aspects of decision 75-247. We propose three initial criteria to examine program attitudes. These are: Diversity of Revenue; Level of Community Access; and Profit Status. We have presented our views on Diversity of Revenue. Level of Community Access suggests a willingness to respond to community needs. A minimal or zero community-access suggests a desire to choose which needs will be dealt with, and when. A station's Profit Status is the most important criterion; the other two are greatly affected by it. Radio stations created to earn a profit eventually resort to radio's traditional success formula, which the Commission and ourselves dislike. Tightly controlled programming earns a profit. Tightly controlled programming has little room for experimentation and learning opportunities. Tightly controlled programming therefore, has little room for community access. We suggest the opposite is true of non-profit stations.

By suggesting the Commission may gain an insight into programming attitudes using the three criteria mentioned above means the Commission may gain an insight into a station's attitude toward one particular program item, advertising. A non-profit station, for example, may place voluntary advertising restrictions on itself that the Commission would not ask. For example, a non-profit station may never sell its maximum allotted time, by choice.

IV ADVERTISING AND THE PROGRAM CONCEPT

We sincerely believe that advertising, if not abused, is a valuable community service that can and should be integrated into a total program concept. Such

a concept is self-defined by each individual station.

We are deeply concerned that this attitude has thus far been ignored by the Commission, but perhaps, the Commission does not understand the objective of this attitude which is:

"the creation of commercial programming which is special, alternative, and integrated with the other elements of the programming service."

The CRTC has endorsed both that objective and the attitudes which make it possible on pages 30 and 31 of FM RADIO IN CANADA - a policy to ensure a varied and comprehensive radio service:

"...The Commission expects, however, that a new approach to the production, time sales, and placement will be developed on FM, reducing the annoyance and improving the commercial usefulness of the band. Commercials should have a new, positive role on FM. ..."FM can and should provide a less cluttered, and 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."

However, the Commission has responded to CKCU's commercial declarations as follows:

"The Commission will permit simple statements which identify the sponsors of a program or the station. Such statements may incorporate the name of the sponsor, the business address, hours of business, and a brief general description of the types of services or products which the sponsor provides, without

reference to brand names. Such statements must not contain language which attempts to promote particular services or products; for example, such statements may not refer to price, quality, convenience, durability or desirability, or contain other comparative or competitive references."

We find that it is impossible to reconcile the latter statement with the former as congruent expressions of a new developmental policy for commercial activity on FM radio: where the former seeks co-operation from broadcasters, the latter coerces; where the former respects the rights of broadcasters and the public, the latter censors the broadcast of basic consumer information such as brand names, and price, without which effective economic decisions cannot be made.

Further, CKCU currently must present the community and the advertiser with a programming idea of their own design and a separate commercial policy of the Commission's making. The Commission has denied CKCU the opportunity to meld these two into one total concept. The Commission has prevented the "re-examination of the relationship between programming and advertising functions so as to improve the value of advertising on FM." Instead the Commission has ensured the opposite. If the Commission continues to apply decision 75-247 the Commission may place some "private, other than profit-commercial" stations in the position of having enough revenue to try and survive yet not enough revenue to provide creative programming. Such a station, just to stay financially solvent, may placate advertisers or fall below their Promise of Performance, the Canadian public will not gain by this.

"Private, other than profit-commercial" stations have consistently shown a desire to compete with private profit stations as a concept. Private non-profit commercial stations limit their own maximum commercial time, consistent with their own total program concept. Private non-profit commercial

stations desire to broadcast only their own produced commercial messages, thus preventing foreign elements in their program concept. When given the freedom to determine their own commercial policy, private non-profit commercial stations do not reduce their programming to the lowest common denominator to attract a majority audience a majority of the time. Such programming is used to highlight advertising and also makes advertising an element separate from programming.

V ADVERTISING, CKCU, AND "STUDENT" RADIO

In Decision 75-247, the Commission suggested that CKCU was a representative station of all stations designated "student" by the Commission. The Commission has defined "student" radio as follows:

"Student Radio refers to broadcasting undertakings whose structure provides for membership, direction, management, operation and programming by students as members of a post-secondary academic community. It is broadcasting with a four-fold purpose: to communicate with students beyond the reach of any student carrier current or closed circuit systems in operation at the particular institution, to reach students who do not belong to the particular campus community, to communicate the concerns, interests, and activities of the campus as well as of the academic environment to the public, and to offer to the public innovative and alternative programming fare which makes use of the many resources available at the academic institution. Student Radio may also provide a basic training for students interested in broadcasting careers."

This definition contains statements that we do not consider valid. Since students will always outnumber any other occupation at a post-secondary institution, the Commission's definition could apply to any station at a post-secondary institution. Since students are within the age market of most profit stations, those profit stations will try to communicate to students, particularly those who live off-campus as those students are more likely to frequent city businesses.

In Guelph the Ontario Ministry of Agriculture and Food radio service and the local profit FM station, CKLA, make use of the many resources available at the Guelph academic institution. The offering of innovative and alternative programming fare to the public is the responsibility of all radio stations as regulated by the Commission and its FM Policy. There is nothing uniquely student in those phrases. Further, if the Commission desires full-time management for "student" stations then that eliminates management by students.

Within the group we have designated "private, other than profit-commercial", are student-union-owned stations (such as CKCU and CKMS), University-community stations (such as CFRU), and geographical-community stations (such as CKWR). This group is not homogeneous in terms of ownership, who can participate ("access"), monetary sources, and monetary resources. CKCU, therefore, cannot represent any radio stations but itself. The Decision rendered by the Commission for CKCU's FM renewal must apply to CKCU only.

VI ADVERTISING AND CFRU

CFRU, a carrier-current operation, with FM aspirations dating from 1968, is owned and operated by U of G R-RG. U of G R-RG is a University community organization. Radio Gryphon, as it is known, is not owned by the student union at Guelph, or by the University. The student union contributes no money other than advertising and is not a guarantor. Students contribute directly to Radio Gryphon at registration. This self imposed fee has a condition, however, that the student money not be used for salaries. The University contributes an annual grant, most of which is used to purchase University Audio Visual Services for equipment maintenance. Both the student union and the University feel they cannot contribute more than they currently do. The only source of funds which can expand to support a CFRU FM station is advertising.

Even in 1970, it was recognized that an FM station organization at the University of Guelph would have to be commercial. A commercial carrier-current licence was a step in the process. The carrier-current licence was and continues to be CFRU's means of developing programming - advertising programming, developing an effective staff structure, the ability to train and absorb members of the community, and financial resources. Decision 75-247 shocked us greatly. Our advertising programming and advertising resources were to be pulled out from under us by the same Commission that allowed us to begin that development.

CFRU will have difficulty in accepting an advertising policy separate from our own programming, and blending the two, and difficulty in presenting two ideas to the community and local advertisers. We are concerned that we will have difficulty in raising sufficient funds to run a CFRU-FM station, in the spirit and letter of the FM policy, in the Guelph area.

We believe, however, that with one program concept of our own design, with a maximum of four commercial minutes per hour, that our concept will be viable.

VII ...AND IN CONCLUSION

We, along with CKCU, want to enter the market place of ideas. We believe that we embody the spirit of the FM Policy. If the ideas of diversity and responsible programming contained in the FM Policy are desired by Canadians, then the marketplace will uphold it. We believe that the programming concepts held by ourselves and CKCU will be sustained in our respective areas. The Commission should welcome the opportunity to test the total program concept. We, for ourselves and CKCU, are asking for that opportunity.

Respectfully submitted, 