



Broadcasting Decision CRTC 2007-334

Ottawa, 28 August 2007

Various applicants

Kingston, Ontario

Public Hearing in the National Capital Region

18 June 2007

Conversions to FM band and licensing of a new radio station to serve Kingston

*The Commission **approves** the applications by 591989 B.C. Ltd. and 1708479 Ontario Inc. for broadcasting licences to operate new English-language FM radio programming undertakings in Kingston to replace their respective AM stations, CFFX and CKLC Kingston. The Commission also **approves** the application by K-Rock 1057 Inc. for a broadcasting licence to operate a new FM radio programming undertaking to serve Kingston.*

Introduction

1. At a public hearing commencing 18 June 2007 in the National Capital Region, the Commission considered three applications to serve the radio market in Kingston, Ontario. Two of these applications were submitted by licensees of existing AM stations requesting to convert the stations to FM, and one application was for a new commercial FM radio station.
2. As part of this process, the Commission received and considered interventions with respect to each of these three applications. The public record for this proceeding is available on the Commission's web site at www.crtc.gc.ca under "Public Proceedings."
3. After reviewing the applications and interventions, the Commission is of the view that the two primary issues to be considered in its evaluation of these applications are the following:
 - Can the Kingston radio market support additional FM radio stations without an undue negative impact on that market?
 - If so, should the applications be approved in light of the factors relevant to the evaluation of applications for new radio stations, as first set out in Decision 99-480?

The Kingston radio market and its ability to sustain new stations

4. Financial Post Markets (FP Markets) estimate that the 2007 total population of the Kingston Census Metropolitan Area is 121,695 persons. It predicts that this number will increase by 0.5% over the next five years. According to the BBM Bureau of Measurement, the population of listeners 12 years and over in the Kingston Central Market Area in 2006 was 139,171 persons.
5. The Kingston radio market is served by five local commercial stations: two AM stations and three FM stations. Corus Radio Company, a wholly owned subsidiary of Corus Entertainment Inc., owns CFFX and CFMK-FM Kingston; CKLC and CFLY-FM Kingston are owned by 1708479 Ontario Inc., a wholly owned subsidiary of CHUM Limited;¹ and K-Rock 1057 Inc. (K-Rock) owns CIKR-FM Kingston.
6. In 2006, the Kingston market recorded an aggregate profit before interest and tax (PBIT) margin of 6%, which is significantly lower than the 20% 2006 average PBIT margin for all commercial radio stations in Canada. Traditionally a PBIT that is so much lower than the national average would lead to uncertainty as to the ability of a market to support additional commercial radio stations without becoming unprofitable. Furthermore, in Broadcasting Public Notice 2006-159, the Commission set out its general concern with the relatively lower profitability of radio markets with populations under 250,000 and signalled its intent to avoid over-licensing in such markets. Given the low 2006 PBIT margin and the uncertainty relating to the ability of this market to support a new commercial FM station, the Commission did not issue a call for radio applications to serve the Kingston market. Nevertheless, the Commission considers that the Kingston market presents some unusual circumstances that must be taken into account in evaluating the applications that are the subject of this decision.
7. The Kingston market is characterized by a relatively high proportion of out-of-market tuning at about 50%. United States stations alone account for 22% of the total tuning in the Kingston market. For this reason, the Commission considers that an opportunity does exist for stations already familiar with the Kingston radio market to repatriate some of this out-of-market tuning and increase advertising revenues for all local Kingston stations.
8. Furthermore, the Commission estimates that advertising revenues in the Kingston market are expected to increase at an average annual rate of 7.2% from 2007 to 2011. Future growth in the market would enhance the market's ability to absorb the entry of the three proposed stations. As a result, even with the entry of the three proposed stations, the Commission estimates that the total revenues of the existing Kingston stations will achieve positive growth in revenues annually from 2008 to 2011. Any declines in profitability experienced by the incumbents in their respective existing radio operations would be at least partially offset by the profitability of the three new FM stations.

¹ In Broadcasting Decision 2007-100, the Commission approved a corporate reorganization for the transfer of the assets of certain broadcasting undertakings owned by CHUM Limited (CHUM) and its wholly owned subsidiary Learning and Skills Television of Alberta to CHUM's newly created wholly owned subsidiaries, including 1708479 Ontario Inc.

9. For the reasons set out above, the Commission is of the view that the Kingston radio market could support all three of the proposed FM radio services.

Assessment of the applications

Criteria for assessment

10. Having determined that there is room in the Kingston market for the three proposed radio services, the Commission considered the three applications to serve Kingston in light of the factors relevant to the evaluation of applications, which are set out in Decision 99-480.
11. Although the Commission has considered all of the factors in Decision 99-480 in assessing the proposed services, it considers that market impact, the quality of the applications, especially with respect to the applicants' business plans (which includes proposed music formats), and the competitive state of the market were particularly relevant to its determinations for the Kingston market.

The applications

591989 B.C. Ltd. (Corus)

12. 591989 B.C. Ltd. (Corus) proposed to establish an English-language commercial FM radio programming undertaking to replace its AM station CFFX Kingston. The proposed station would operate at 104.3 MHz (channel 282B) with an average effective radiated power (ERP) of 4,000 watts. The proposed FM station would maintain CFFX's Oldies music format. In any broadcast week where a minimum of 90% of musical selections from content category 2 (Popular Music) that it broadcasts are selections released before 1 January 1981, the station would devote a minimum of 30% of its musical selections from content category 2 to Canadian selections. It would continue to target the 45 years and over audience. The applicant stated that the station would maintain a hit level of 49.9%. The proposed station would increase the amount of news and surveillance spoken word programming to 4 hours and 23 minutes per broadcast week from the current 76 minutes and would hire an additional full-time news person to meet this commitment. Newscasts would feature an average of 75% local, 15% regional and 10% national news stories in each broadcast week. With respect to local programming, the applicant committed to broadcast no less than 48 hours per week, including Monday to Friday, 6:00 a.m. to 10:00 a.m. and 2:00 p.m. to 6:00 p.m.; and Saturday and Sunday, noon to 4:00 p.m. The proposed station would also broadcast some seasonal live sports such as Junior A hockey.
13. Corus proposed to devote \$10,000 per year to Canadian content development (CCD) over and above the basic annual amount required. Of this amount, \$2,000 per year would be allocated to FACTOR and the remaining \$8,000 would underwrite two music concerts per year in the Kingston area to support emerging Canadian talent.

1708479 Ontario Inc. (CHUM)

14. 1708479 Ontario Inc. (CHUM) proposed to establish an English-language commercial FM radio programming undertaking to replace its AM station CKLC Kingston.² The proposed station would operate at 98.9 MHz (channel 255B) with an average ERP of 8,700 watts. The proposed station would continue to offer an Adult standard/middle-of-the-road music format and target adults over 45 years of age. It would devote a minimum of 30% of its musical selections from content category 2 to Canadian selections in any broadcast week where a minimum of 90% of musical selections from content category 2 that it broadcasts are selections released before 1 January 1981. CHUM stated that the station would maintain its current level of news as well as the weekly financial advice program *Financially Speaking* and the weekly health program *Get Well, Stay Well*.
15. CHUM proposed to devote, upon commencement of operations, \$16,786 in each of the first two years of operation and \$16,286 in years three to seven, for a total of \$115,002 over seven consecutive broadcast years, to CCD. A minimum of \$3,786 in each of years one and two and of \$3,286 in each of years three to seven would be allocated to FACTOR, and \$13,000 per year would be allocated to various high school music programs in the Kingston area.

K-Rock 1057 Inc.

16. K-Rock proposed to establish an English-language commercial FM radio programming undertaking that would operate at 93.5 MHz (channel 228B) with an ERP of 3,230 watts. The proposed station would offer a Country music format with a focus on country hits as well as more popular selections of bluegrass, western swing and other traditional country music. K-Rock stated that less than 1% of the station's overall playlist would be devoted to content category 3 (Special Interest Music) selections sprinkled throughout the proposed format. The station would target an audience aged 35-64 years. K-Rock submitted that it would broadcast a minimum of 10 hours and 6 minutes each broadcast week of locally produced and oriented programming, targeting the Kingston market directly. This programming would include community event updates, public service announcements and other information packages as well as approximately 4 hours and 47 minutes per broadcast week of regularly scheduled newscasts, 75% of which would be local content. K-Rock also proposed to provide 120 hours of local programming. By the end of the third year of its operations, the proposed station would devote a minimum of 37% of its musical selections from content category 2 to Canadian selections, in any broadcast week from 6:00 a.m. to 6:00 p.m., Monday to Friday. The 2% over and above the regulatory requirement would be devoted to emerging Canadian artists. K-Rock stated that it would devote approximately 5% of its music selections to the broadcast of emerging artists in each broadcast week, increasing to 7% in the third broadcast year, with the production of a one hour weekly emerging country artists showcase and a regular rotation of emerging country artists' songs.

² In Broadcasting Decision 2005-174, the Commission renewed the broadcasting licence for CKLC for a short term, to 31 August 2009, based on the licensee's non-compliance with the provisions of the *Radio Regulations, 1986*.

17. K-Rock committed to devote, upon commencement of its operations, a total of \$136,500 over seven consecutive broadcasting years to CCD. A minimum of \$3,900 per broadcast year would be allocated to FACTOR, \$8,000 per broadcast year would be allocated to a country music talent search, and \$7,600 per broadcast year would be allocated to a country and bluegrass music festival.

Commission's analysis

18. The Commission notes that Corus, CHUM and K-Rock currently operate radio stations in the Kingston market: CFFX, CKLC and CIKR-FM, respectively. K-Rock's CIKR-FM, a rock/classic rock music station, attracts 23% of the tuning in the market.
19. The Commission is of the view that all three applicants presented viable business plans and considers that a conversion to FM would help CFFX and CKLC become more competitive in the Kingston market and therefore improve their chances at increasing their advertising revenues.
20. Moreover, the Commission notes that 14% of the out-of-market tuning by Kingston listeners is to U.S. station WBDR-FM Cape Vincent, which offers a Country format. While recognizing that musical formats are not regulated, the Commission is of the view that the Country music format proposed by K-Rock would compete most directly for listeners with WBDR-FM and therefore has the greatest potential to repatriate Kingston area listeners and advertising revenues. The repatriation of out-of-market tuning by K-Rock's proposed station would also reduce the impact that this station might otherwise have on the advertising revenues of other local Kingston stations.
21. The Commission further notes that if all three applications are approved, Corus, CHUM and K-Rock would each own two commercial FM radio stations in the Kingston market. The Commission is therefore of the view that licensing all three proposed stations would improve the competitive balance among the incumbents.
22. In its *Commercial Radio Policy 2006* announced in Broadcasting Public Notice 2006-158, the Commission set out a new approach to the development and promotion of Canadian artists. In order to reflect a new emphasis on development initiatives that lead to the creation of audio content for broadcast using Canadian resources, the Commission replaced the expression "Canadian talent development" (CTD) with "Canadian content development" (CCD). Under the new policy, each radio station holding a commercial radio licence is required to make a basic annual CCD contribution based on its total broadcast revenues in the previous broadcast year. This requirement will be reflected in the *Radio Regulations, 1986* (the Regulations). Until such time, it will be implemented by a transitional condition of licence, as set out in the appendix to this decision. This condition of licence will expire upon the coming into force of the amendments to the Regulations.
23. All three applicants committed to make contributions to CCD in addition to the required basic annual amounts.

24. Specifically, Corus indicated that in addition to the required basic annual contributions, it would, by condition of licence, allocate an annual contribution of \$10,000 in each of the first seven years of operation. Corus proposed to direct \$2,000 per year of this over and above amount to FACTOR. The remainder, \$8,000, would be directed to underwrite two music concerts per year in the Kingston area to support emerging Canadian talent.
25. For its part, CHUM indicated that in addition to the required basic annual contributions, it would, by condition of licence, allocate an annual contribution of \$16,786 in each of the first two years of operation and \$16,286 in years three through seven. CHUM proposed to direct \$3,786 per year in years 1 and 2 and \$3,286 in years 3 through 7 of this over and above amount to FACTOR. The remainder, \$13,000, would be directed to various high school music programs in the Kingston area.
26. K-Rock indicated that in addition to the required basic annual contributions, it would, by condition of licence, allocate an annual contribution of \$19,500 in each of the first seven years of operation. K-Rock proposed to direct \$3,900 per year of this over and above amount to FACTOR. The remainder, \$15,600, would be directed to eligible initiatives as follows: \$8,000 per year to a country music talent search and \$7,600 per broadcast year to a country and bluegrass music festival.

Determinations

27. Based on all of the foregoing, the Commission **approves** the applications for broadcasting licences to operate new English-language commercial FM radio programming undertakings in Kingston by the three parties listed below:

591989 B.C. Ltd.

Application 2007-0004-8, received 3 January 2007

1708479 Ontario Inc.

Application 2006-1094-0, received 30 August 2006

K-Rock 1057 Inc.

Application 2007-0211-9, received 12 February 2007

28. The terms and **conditions of licence** for the new stations are set out in the appendices to this decision.
29. With respect to CCD, the Commission reminds the applicant that any development initiatives that have not been allocated to specific parties by condition of licence must be allocated to the support, promotion, training and development of Canadian musical and spoken word talent, including journalists. Parties and initiatives eligible for CCD funding are identified in paragraph 108 of Broadcasting Public Notice 2006-158.

30. The Commission notes that Amherst Island Radio Broadcasting Inc. (Amherst) submitted interventions opposing the three applications. Amherst is the licensee of CJAI-FM Stella, a low-power, unprotected developmental community station located approximately 10 km west of Kingston. Amherst stated that it plans to upgrade to a protected Class B licence when its current licence term expires in August 2008. It expressed concern that it would have to change frequencies and, more importantly, concern about the availability of frequencies if all three applications are approved.
31. The Commission notes that each of the three applicants committed to assist Amherst should their applications be approved. Specifically, Corus offered to meet with Amherst to explore what support it can offer to assist it in securing a new frequency suitable for its proposed Type B community station. For its part, K-Rock submitted that it would make financial accommodations for Amherst, including a \$5,000 commitment to fund its technical brief, to ensure that Amherst continues to broadcast, albeit on an alternate frequency. CHUM offered to meet with Amherst to discuss the possible options for its developmental community station. The Commission encourages all three licensees to fulfil the commitments set out in their applications regarding assisting Amherst in securing a new frequency suitable for its proposed Type B community station.
32. As set out in Appendices 1 and 2 to this decision, Corus and CHUM are authorized to simulcast the programming of their respective new FM stations on CFFX and CKLC respectively, for a transition period of three months following the commencement of operations of the FM stations. Pursuant to sections 9(1)(e) and 24(1) of the *Broadcasting Act*, and consistent with the licensees' request, the Commission **revokes** the licences for CFFX and CKLC effective at the end of the simulcast period.

Employment equity

33. Because Corus and CHUM are subject to the *Employment Equity Act* and file reports concerning employment equity with the Department of Human Resources and Skills Development, their employment equity practices are not examined by the Commission.

Secretary General

Related documents

- *Acquisition of assets – Corporate reorganization*, Broadcasting Decision CRTC 2007-100, 23 March 2007
- *Revised policy concerning the issuance of calls for radio applications and a new process for applications to serve small markets*, Broadcasting Public Notice CRTC 2006-159, 15 December 2006
- *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006

- *CKLC Kingston – Licence renewal*, Broadcasting Decision CRTC 2005-174, 21 April 2005
- *Introductory statement – Licensing new radio stations*, Decision CRTC 99-480, 28 October 1999

This decision and the appropriate appendix shall be attached to each licence. This document is available in alternative format upon request and may also be examined in PDF format or in HTML at the following Internet site: <http://www.crtc.gc.ca>

Appendix 1 to Broadcasting Decision CRTC 2007-334

591989 B.C. Ltd.

Application 2007-0004-8, received 3 January 2007

Terms, conditions of licence, and encouragement

Terms

Issuance of the broadcasting licence to operate an English-language commercial FM radio programming undertaking in Kingston, Ontario

The licence will expire 31 August 2013.

The station will operate at 104.3 MHz (channel 282B) with an average effective radiated power of 4,000 watts.

The Department of Industry (the Department) has advised the Commission that, while this application is conditionally technically acceptable, it will only issue a broadcasting certificate when it has determined that the proposed technical parameters will not create any unacceptable interference with aeronautical NAV/COM services.

The Commission reminds the applicant that, pursuant to section 22(1) of the *Broadcasting Act*, no licence may be issued until the Department notifies the Commission that its technical requirements have been met, and that a broadcasting certificate will be issued.

Furthermore, the licence for this undertaking will be issued once the applicant has informed the Commission in writing that it is prepared to commence operations. The undertaking must be operational at the earliest possible date and in any event no later than 24 months from the date of this decision, unless a request for an extension of time is approved by the Commission before 28 August 2009. In order to ensure that such a request is processed in a timely manner, it should be submitted at least 60 days before this date.

Conditions of licence

1. The licence shall be subject to the conditions set out in *New licence form for commercial radio stations*, Public Notice CRTC 1999-137, 24 August 1999 with the exception of condition of licence number 5.
2. The licensee shall, as an exception to the percentage of Canadian musical selections set out in sections 2.2(8) and 2.2(9) of the *Radio Regulations, 1986*, in any broadcast week where at least 90% of musical selections from content category 2 (Popular Music) that it broadcasts are selections released before 1 January 1981:

- a) devote, in that broadcast week, a minimum of 30% of its musical selections from content category 2 to Canadian selections broadcast in their entirety; and
- b) devote, between 6:00 a.m. and 6:00 p.m., in the period from Monday to Friday of the same broadcast week, a minimum of 30% of its musical selections from content category 2 to Canadian selections broadcast in their entirety.

The licensee will also be responsible for specifying, on the music lists it provides to the Commission, the year of release for all musical selections it broadcasts.

For the purposes of this condition, the terms “broadcast week,” “Canadian selection,” “content category” and “musical selection” shall have the same meaning as that set out in the *Radio Regulations, 1986*.

3. The licensee shall, upon commencement of operations, make a basic annual contribution to Canadian content development (CCD). The amount of the contribution shall be determined in accordance with the policy set out in *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006 (Public Notice 2006-158), as amended from time to time.

The licensee shall allocate 60% of this basic annual CCD contribution to FACTOR or MUSICACTION.

The remainder of the annual basic contribution to CCD shall be allocated to parties and initiatives fulfilling the definition of eligible initiatives in Public Notice 2006-158.

This condition of licence shall expire upon the coming into force of the amendments to the *Radio Regulations, 1986* relating to CCD.

4. In addition to the basic annual contribution, the licensee shall, upon commencement of operations, contribute a minimum of \$10,000 annually to the promotion and development of Canadian content. This amount is over and above the licensee’s required basic annual CCD contribution. Of this amount, \$2,000 per year shall be devoted to FACTOR. The remainder, \$8,000, shall be allocated to parties and initiatives fulfilling the definition of eligible initiatives in Public Notice 2006-158.
5. The licensee is authorized to simulcast the programming of the new FM station on CFFX for a transition period of three months following the commencement of operations of the FM station.

Encouragement

Assistance to Amherst Island Radio Broadcasting Inc.

The Commission encourages the licensee to meet with Amherst Island Radio Broadcasting Inc. (Amherst) to explore what support it can offer to assist Amherst in securing a new frequency suitable for its proposed Type B community station.

Appendix 2 to Broadcasting Decision CRTC 2007-334

1708479 Ontario Inc.

Application 2006-1094-0, received 30 August 2006

Terms, conditions of licence, and encouragement

Terms

Issuance of the broadcasting licence to operate an English-language commercial FM radio programming undertaking in Kingston, Ontario

The licence will expire 31 August 2009.

The station will operate at 98.9 MHz (channel 255B) with an average effective radiated power of 8,700 watts.

The Department of Industry (the Department) has advised the Commission that, while this application is conditionally technically acceptable, it will only issue a broadcasting certificate when it has determined that the proposed technical parameters will not create any unacceptable interference with aeronautical NAV/COM services.

The Commission reminds the applicant that, pursuant to section 22(1) of the *Broadcasting Act*, no licence may be issued until the Department notifies the Commission that its technical requirements have been met, and that a broadcasting certificate will be issued.

Furthermore, the licence for this undertaking will be issued once the applicant has informed the Commission in writing that it is prepared to commence operations. The undertaking must be operational at the earliest possible date and in any event no later than 24 months from the date of this decision, unless a request for an extension of time is approved by the Commission before 28 August 2009. In order to ensure that such a request is processed in a timely manner, it should be submitted at least 60 days before this date.

Conditions of licence

1. The licence shall be subject to the conditions set out in *New licence form for commercial radio stations*, Public Notice CRTC 1999-137, 24 August 1999 with the exception of condition of licence number 5.
2. The licensee shall, as an exception to the percentage of Canadian musical selections set out in sections 2.2(8) and 2.2(9) of the *Radio Regulations, 1986*, in any broadcast week where at least 90% of musical selections from content category 2 (Popular Music) that it broadcasts are selections released before 1 January 1981:

- a) devote, in that broadcast week, 30% of its musical selections from content category 2 to Canadian selections broadcast in their entirety; and
- b) devote, between 6:00 a.m. and 6:00 p.m., in the period from Monday to Friday of the same broadcast week, 30% of its musical selections from content category 2 to Canadian selections broadcast in their entirety.

The licensee will also be responsible for specifying, on the music lists it provides to the Commission, the year of release for all musical selections it broadcasts.

For the purposes of this condition, the terms “broadcast week,” “Canadian selection,” “content category” and “musical selection” shall have the same meaning as that set out in the *Radio Regulations, 1986*.

3. The licensee shall, upon commencement of operations, make a basic annual contribution to Canadian content development (CCD). The amount of the contribution shall be determined in accordance with the policy set out in *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006 (Public Notice 2006-158), as amended from time to time.

The licensee shall allocate 60% of this basic annual CCD contribution to FACTOR or MUSICACTION.

The remainder of the annual basic contribution to CCD shall be allocated to parties and initiatives fulfilling the definition of eligible initiatives in Public Notice 2006-158.

This condition of licence shall expire upon the coming into force of the amendments to the *Radio Regulations, 1986* relating to CCD.

4. In addition to the basic annual contribution, commencing in the first year of operations, the licensee shall contribute \$16,786 per year to the promotion and development of Canadian content. This amount shall vary in subsequent years of the licence term in accordance with the terms set out in the application as approved.

Commencing in the first year of operation, the licensee shall contribute \$3,786 of this additional amount to FACTOR. This amount shall vary in subsequent years of the licence term in accordance with the terms set out in the application as approved. The remainder of this additional amount in each year shall be allocated to parties and initiatives fulfilling the definition of eligible initiatives in Public Notice 2006-158.

5. The licensee is authorized to simulcast the programming of the new FM station on CKLC for a transition period of three months following the commencement of operations of the FM station.

Encouragement

Assistance to Amherst Island Radio Broadcasting Inc.

The Commission encourages the licensee to meet with Amherst Island Radio Broadcasting Inc. to discuss the possible options for its developmental community station.

Appendix 3 to Broadcasting Decision CRTC 2007-334

K-Rock 1057 Inc.

Application 2007-0211-9, received 12 February 2007

Terms, conditions of licence, and encouragements

Terms

Issuance of the broadcasting licence to operate an English-language commercial FM radio programming undertaking in Kingston, Ontario

The licence will expire 31 August 2013.

The station will operate at 93.5 MHz (channel 228B) with an effective radiated power of 3,230 watts.

The Department of Industry (the Department) has advised the Commission that, while this application is conditionally technically acceptable, it will only issue a broadcasting certificate when it has determined that the proposed technical parameters will not create any unacceptable interference with aeronautical NAV/COM services.

The Commission reminds the applicant that, pursuant to section 22(1) of the *Broadcasting Act*, no licence may be issued until the Department notifies the Commission that its technical requirements have been met, and that a broadcasting certificate will be issued.

Furthermore, the licence for this undertaking will be issued once the applicant has informed the Commission in writing that it is prepared to commence operations. The undertaking must be operational at the earliest possible date and in any event no later than 24 months from the date of this decision, unless a request for an extension of time is approved by the Commission before 28 August 2009. In order to ensure that such a request is processed in a timely manner, it should be submitted at least 60 days before this date.

Conditions of licence

1. The licence shall be subject to the conditions set out in *New licence form for commercial radio stations*, Public Notice CRTC 1999-137, 24 August 1999 with the exception of condition of licence number 5.
2. By the end of the third year of operations, the licensee shall, as an exception to the percentage of Canadian musical selections set out in sections 2.2(8) and 2.2(9) of the *Radio Regulations, 1986*, in any broadcast week:

- a) devote, in that broadcast week, a minimum of 37% of its musical selections from content category 2 (Popular Music) to Canadian selections broadcast in their entirety; and
- b) devote, between 6:00 a.m. and 6:00 p.m., in the period from Monday to Friday of the same broadcast week, a minimum of 37% of its musical selections from content category 2 to Canadian selections broadcast in their entirety.

For the purposes of this condition, the terms “broadcast week,” “Canadian selection,” “content category” and “musical selection” shall have the same meaning as that set out in the *Radio Regulations, 1986*.

3. The licensee shall, upon commencement of operations, make a basic annual contribution to Canadian content development (CCD). The amount of the contribution shall be determined in accordance with the policy set out in *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006 (Public Notice 2006-158), as amended from time to time.

The licensee shall allocate 60% of this basic annual CCD contribution to FACTOR or MUSICACTION.

The remainder of the annual basic contribution to CCD shall be allocated to parties and initiatives fulfilling the definition of eligible initiatives in Public Notice 2006-158.

This condition of licence shall expire upon the coming into force of the amendments to the *Radio Regulations, 1986* relating to CCD.

4. In addition to the basic annual contribution, the licensee shall, upon commencement of operations, contribute \$19,500 annually to the promotion and development of Canadian content. This amount is over and above the licensee’s required basic annual CCD contribution. Of this amount, \$3,900 per year shall be devoted to FACTOR. The remainder, \$15,600, shall be allocated to parties and initiatives fulfilling the definition of eligible initiatives in Public Notice 2006-158.

Encouragements

Employment equity

In accordance with *Implementation of an employment equity policy*, Public Notice CRTC 1992-59, 1 September 1992, the Commission encourages the licensee to consider employment equity issues in its hiring practices and in all other aspects of its management of human resources.

Assistance to Amherst Island Radio Broadcasting Inc.

The Commission encourages the licensee to meet its commitment to make financial accommodations for Amherst Island Radio Broadcasting Inc. (Amherst), including a \$5,000 commitment to fund its technical brief, to ensure that Amherst continues to broadcast, albeit on an alternate frequency.