



Broadcasting Decision CRTC 2016-276

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Reference: Part 1 licence renewal applications posted on 28 April 2016

Ottawa, 20 July 2016

Northern Lights Entertainment Inc.
Iqaluit, Nunavut

Applications 2016-0275-6 and 2016-0276-4

CKGC-FM and CKIQ-FM Iqaluit – Licence renewals

*The Commission **renews** the broadcasting licences for the commercial radio stations CKGC-FM and CKIQ-FM Iqaluit from 1 September 2016 to 31 August 2020. These short-term renewals will allow for an earlier review of the licensee's compliance with regulatory requirements.*

Applications

1. Northern Lights Entertainment Inc. (Northern Lights) filed applications to renew the broadcasting licences for the predominantly English-language¹ commercial radio stations CKGC-FM and CKIQ-FM Iqaluit, Nunavut, which expire 31 August 2016. The Commission did not receive any interventions regarding these applications.

Background

2. In Broadcasting Decision 2009-103, the Commission approved an application by Northern Lights to acquire the assets of CKIQ-FM. As part of that decision, the Commission required Northern Lights to pay clear and unequivocal tangible benefits representing a minimum direct financial contribution of \$29,491.56, to be spread out equally over a seven-year period.
3. In Broadcasting Decision 2010-48, the Commission approved an application by Northern Lights for a new broadcasting licence to operate a commercial FM radio station in Iqaluit. The station (CKGC-FM) began operating on 1 July 2010.
4. The licence for CKIQ-FM was set to expire on 31 August 2015, but was administratively renewed to 31 August 2016 in Broadcasting Decision 2015-349. In that decision, the Commission noted that no licence renewal application had been received for the undertaking and stated that if it did not receive a renewal application by 30 November 2015, it might no longer renew CKIQ-FM's broadcasting licence.

¹ CKGC-FM also provides approximately seven hours of programming in the Inuktitut language per broadcast week.

5. Given that the Commission had not received licence renewal applications for either of the above-noted radio stations despite communications with the licensee dating back to August 2014, Commission staff sent a letter on 8 February 2016 informing the licensee that if the renewal applications for the stations were not received by 8 April 2016, it would not be possible to process the licence renewals. The letter indicated that if either of the broadcasting licences expired, the licensee would be required to cease operating the stations as of the licence expiry date of 31 August 2016.
6. The licensee subsequently filed both renewal applications in March 2016.

Non-compliance

7. Section 9(2) of the *Radio Regulations, 1986* (the Regulations) requires each licensee to file a complete annual return by 30 November of each year for the broadcast year ending the previous 31 August. The specific filing requirements, including the requirement to file financial statements, are set out in Broadcasting Information Bulletin 2011-795.
8. Analysis of the renewal applications for CKGC-FM and CKIQ-FM revealed that both stations were in apparent non-compliance with section 9(2) of the Regulations. Specifically, the annual returns relating to both stations for the 2010-2011 through 2014-2015 broadcast years were not filed. In addition, the 2008-2009 and 2009-2010 annual returns for CKIQ-FM were submitted on 22 July 2011, after the applicable deadlines of 30 November 2009 and 15 December 2010 respectively. Moreover, both the annual returns for the 2008-2009 and 2009-2010 broadcast years were incomplete as the required financial statements, Canadian content development (CCD) forms and CCD supporting documentation were missing.
9. When questioned regarding the circumstances surrounding the apparent non-compliances for both CKGC-FM and CKIQ-FM and the actions taken to remedy the situation, Northern Lights indicated that the stations operate with limited resources and that it had found it challenging to learn and apply the Commission's rules and regulations. The licensee confirmed that it now understood that the annual returns must be filed annually and be based on the previous broadcast year ending on 31 August.
10. In light of all of the above, the Commission finds the licensee in non-compliance with section 9(2) of the Regulations for both stations over their licence terms.
11. Northern Lights also confirmed that it had not made any of the required tangible benefit contributions resulting from the acquisition of CKIQ-FM, but stated that it had followed up with the involved parties and made arrangements to have all outstanding balances paid in full by 31 August 2016, the original deadline to fulfill this requirement. It added that it had requested help from an accountant to develop a plan to pay these outstanding tangible benefits and provide supporting documentation to the Commission.

Regulatory measures

12. The Commission's approach to non-compliance by radio stations is set out in Broadcasting Information Bulletin 2014-608. Under that approach, each instance of non-compliance is evaluated in its context and in light of factors such as the quantity, recurrence and seriousness of the non-compliance. The circumstances, the arguments provided by the licensee and the actions taken to rectify the situation are also be considered.
13. Compliance with deadlines for the filing of complete annual returns is important because it enables the Commission to monitor a licensee's performance and compliance with regulations. Accordingly, the Commission considers the late or incomplete filing of annual returns a serious matter.
14. Northern Lights stated that it would ensure that it remained in compliance over the next licence term and demonstrated its willingness to do so by engaging in conversations with Commission staff to better understand the information required in the annual returns and how they are to be filed.
15. The Commission has examined the public record for these applications and notes the licensee's willingness to ensure the station's compliance with its regulatory requirements. However, given the seriousness of the non-compliance, the Commission finds it appropriate to renew the licences for CKGC-FM and CKIQ-FM for a short term of four years.
16. Further, the Commission considers it appropriate to require the licensee to file the stations' annual returns for the 2010-2011 through 2015-2016 broadcast years and the missing information for CKIQ-FM's 2008-2009 and 2009-2010 annual returns by **30 November 2016**. A **condition of licence** to this effect is set out in the appendix to this decision.

Conclusion

17. In light of all of the above, the Commission **renews** the broadcasting licences for the predominantly English-language commercial radio programming undertakings CKGC-FM and CKIQ-FM Iqaluit from 1 September 2016 to 31 August 2020. The **conditions of licence** are set out in the appendix to this decision.
18. The Commission emphasizes the importance it places on a licensee's fulfillment of its regulatory obligations. The shortened licence term granted in this decision will allow for an earlier review of the licensee's compliance with the Regulations.

Reminders

19. Licensees are responsible for filing complete annual returns by 30 November of each year for the broadcast year ending the previous 31 August. The annual return must cover the broadcast year (the period beginning on 1 September of a given year and ending on 31 August of the following year), regardless of the end date of the

licensee's fiscal or taxation year. In accordance with the requirements set out in Broadcasting Information Bulletin 2011-795, the financial statements must be included with the annual return. As set out in that information bulletin, licensees are responsible for ensuring that all appropriate forms and documentation are included with their annual returns and contacting the Commission if further clarification is required.

20. Pursuant to section 22 of the *Broadcasting Act*, the broadcasting licences renewed in this decision will cease to have any force or effect if the broadcasting certificates issued by the Department of Industry lapse.
21. Pursuant to section 16 of the Regulations, all licensees of radio stations must participate in the National Public Alerting System (NPAS). The Commission reminds Northern Lights that it must submit all required information regarding the implementation of an emergency alerting system for CKGC-FM and CKIQ-FM as part of the annual returns for the 2014-2015 broadcast year to be filed by **30 November 2016**, in accordance with the condition of licence relating to the missing annual returns set out in the appendix to this decision.
22. Northern Lights Entertainment Inc. must fulfill all of the tangible benefits commitments set out in Broadcasting Decision 2009-103 by **31 August 2016**.

Secretary General

Related documents

- *CKIQ-FM Iqaluit – Administrative renewal*, Broadcasting Decision CRTC 2015-349, 30 July 2015
- *Update on the Commission's approach to non-compliance by radio stations*, Broadcasting Information Bulletin CRTC 2014-608, 21 November 2014
- *Filing annual returns for radio programming undertakings*, Broadcasting Information Bulletin CRTC 2011-795, 20 December 2011
- *English-language FM radio station in Iqaluit*, Broadcasting Decision CRTC 2010-48, 1 February 2010
- *CKIQ-FM – Acquisition of assets*, Broadcasting Decision CRTC 2009-103, 2 March 2009

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

Appendix to Broadcasting Decision CRTC 2016-276

Conditions of licence, expectation and encouragement for the predominantly English-language commercial radio programming undertakings CKGC-FM and CKIQ-FM Iqaluit

Conditions of licence for CKGC-FM and CKIQ-FM

1. The licensee shall adhere to the conditions set out in *Conditions of licence for commercial AM and FM radio stations*, Broadcasting Regulatory Policy CRTC 2009-62, 11 February 2009, as well as to the conditions set out in the broadcasting licences for these undertakings.
2. The licensee shall file the missing information for CKIQ-FM's 2008-2009 and 2009-2010 annual returns, as well as complete annual returns for the 2010-2011 through 2015-2016 broadcast years for both stations by **30 November 2016**. The 2014-2015 annual returns must include information regarding the implementation of an emergency alerting system for CKGC-FM and CKIQ-FM.

Additional conditions of licence for CKGC-FM

3. As an exception to sections 2.2(8) and 2.2(9) of the *Radio Regulations, 1986* (the Regulations), the licensee shall devote at least 40% of its musical selections from content category 2 (Popular Music) in each broadcast week and between 6 a.m. and 6 p.m. from Monday to Friday 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 meanings as set out in the Regulations.

4. The licensee shall adhere to *Policy regarding open-line programming*, Public Notice CRTC 1988-213, 23 December 1988.
5. The licensee shall make at least 50% of the contribution referred to in section 15(2) of the *Radio Regulations, 1986* to FACTOR or MUSICATION, with the remainder to be allocated to the Iqaluit Music Society and/or other eligible initiative(s), as per the meaning ascribed to this term by section 15(1) of the same regulations, for the development of local talent.

Expectation

The Commission expects the licensee to reflect the cultural diversity of Canada in its programming and employment practices.

Encouragement

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.