



Broadcasting Decision CRTC 2019-305

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Reference: Part 1 application posted on 29 July 2019

Ottawa, 29 August 2019

Intercity Broadcasting Network Inc.
Toronto, Ontario

Public record for this application: 2019-0574-6

CKFG-FM Toronto – Licence amendments

*The Commission **approves in part** an application by Intercity Broadcasting Network Inc., in regard to its English-language commercial (specialty) radio station CKFG-FM Toronto, by extending until 29 February 2020 the deadlines to fulfill the requirements relating to additional Canadian content development contributions set out in conditions of licence 6, 7 and 9 in the appendix to Broadcasting Decision 2018-325.*

Background

1. In *CKFG-FM Toronto – Licence renewal and amendment*, Broadcasting Decision CRTC 2018-325, 28 August 2018 (Broadcasting Decision 2018-325), the Commission renewed the broadcasting licence for the English-language commercial (specialty) radio station CKFG-FM Toronto for a short-term period of three years in light of non-compliance by the licensee, Intercity Broadcasting Network Inc. (Intercity), with regulatory requirements relating to Canadian content development (CCD) contributions¹ and the broadcast of Canadian musical selections.² In addition, the Commission imposed conditions of licence requiring Intercity to make additional CCD contributions by no later than 31 August 2019, and to provide, by 30 November 2019, supporting documentation (including sufficient proof of payment and eligibility) to the Commission.³

¹ The licensee was found in non-compliance with sections 15(2) and 15(5) of the *Radio Regulations, 1986* and with its condition of licence relating to over-and-above CCD contributions for the 2011-2012 through 2015-2016 broadcast years.

² The licensee was found in non-compliance with sections 2.2(3)(b), 2.2(8) and 2.2(9) of the *Radio Regulations, 1986* for the 15 to 21 November 2015 broadcast week.

³ These conditions of licence are set out in the appendix to Broadcasting Decision 2018-325. Condition of licence 6 relates to CCD contribution shortfalls incurred through non-compliance with CCD contribution requirements; condition of licence 7 relates to the harm caused to the broadcasting system through the licensee's non-compliance with CCD contribution requirements; and condition of licence 9 relates to the harm caused to the broadcasting system through the licensee's non-compliance with requirements relating to the broadcast of Canadian musical selections.

Application

2. Intercity filed an application to amend the above-noted conditions of licence in order to extend until 31 August 2020 the specified deadlines to make the required additional CCD contributions. Noting the death of Mr. Fitzroy Gordon, the company's Chief Executive Officer (CEO), on 30 April 2019, the licensee indicated that all matters relating to the settlement of Mr. Gordon's estate will be resolved by the requested deadline date, and that all required CCD payments will have been made.
3. The Commission received an intervention from Mr. Delford Blythe, a shareholder in Intercity, commenting on the application. Mr. Blythe raised concerns about alleged financial transactions and whether CCD payments had been made in a timely manner. In its reply, Intercity reiterated its request, the rationale for its request, and that all required CCD payments will be made by the requested deadline extension date, following the settlement of Mr. Gordon's estate. The licensee added that since the last licence renewal for the service, CKFG-FM has been operating in compliance with all regulatory requirements.

Commission's analysis and decision

4. To ensure the integrity of its licensing process, the Commission expects licensees of radio stations that file applications to amend conditions of licence to present evidence supporting any proposed amendments. The Commission examines such applications on a case-by-case basis, and may also give consideration to the particulars of an application and any relevant issues raised in interventions.
5. The Commission is mindful of the licensee's rationale for requesting the deadline extensions, specifically, the death of its CEO, Mr. Gordon, and matters relating to the settlement of Mr. Gordon's estate. In this regard, Mr. Gordon controlled Intercity through his ownership and control of Maja Media Group Inc., Intercity's majority shareholder (81%). However, the Commission is also mindful of the reasons set out in Broadcasting Decision 2018-325 for imposing the above-noted conditions of licence along with the 31 August 2019 deadlines to fulfill the additional CCD contribution requirements set out in those conditions of licence (i.e., to rectify shortfalls in complying with CCD contribution requirements, and to remedy the harm caused to the Canadian broadcasting system through the licensee's non-compliance with CCD contribution requirements and with the broadcast of Canadian musical selections). In light of the above, the Commission finds that it would be appropriate to grant a six-month extension to the original deadlines, i.e., until 29 February 2020, for Intercity to fulfill the additional CCD contribution requirements.

Conclusion

6. In light of the above, the Commission **approves in part** the application by Intercity Broadcasting Network Inc. by extending until 29 February 2020 the deadlines for the licensee to fulfill the requirements relating to additional CCD contributions set out in conditions of licence 6, 7 and 9 in the appendix to Broadcasting Decision 2018-325.

7. In light of the deadline extensions granted in this decision, the Commission also extends until **30 November 2020** the deadline for Intercity to provide the required supporting documentation (including sufficient proof of payment and eligibility) for the additional CCD contributions. This date coincides with the deadline for the submission of annual returns for the 2019-2020 broadcast year.

Reminder

8. For CKFG-FM, Intercity continues to be subject to the basic annual CCD contribution requirement set out in section 15 of the *Radio Regulations, 1986*, as amended from time to time.

Secretary General

This decision is to be appended to the licence.