



Broadcasting Decision CRTC 2005-196

Ottawa, 16 May 2005

Kesitah Inc.

Winnipeg, Manitoba

Application 2004-0672-9

Broadcasting Public Notice CRTC 2004-95

10 December 2004

CFEQ-FM Winnipeg – Licence amendment

*The Commission **denies** the application by Kesitah Inc. to amend the broadcasting licence for the radio programming undertaking CFEQ-FM Winnipeg by changing its condition of licence relating to expenditures on Canadian talent development.*

The application

1. The Commission received an application by Kesitah Inc. (Kesitah) to amend the broadcasting licence for the radio programming undertaking CFEQ-FM Winnipeg, a specialty FM station presenting youth-oriented contemporary Christian music. The applicant proposed to modify condition of licence number 5, which reads as follows:

The licensee shall devote a minimum of \$10,000 per year to support Canadian talent development. The \$10,000 shall be allocated as follows: \$2,000 to underwrite local Canadian Christian music concerts; \$6,000 for a two-song CD recording awarded to five recipients, and \$2,000 for music scholarships.
2. While the applicant intends to continue to devote a minimum of \$10,000 per year to support Canadian talent development (CTD), it proposed to amend the condition by changing the initiatives to which the funding is allocated. The applicant proposed to allocate \$1,900 during the 2004-2005 broadcast year and a final payment of \$1,933 during the 2005-2006 broadcast year to music scholarships, as well as a final payment of \$3,000 during the 2004-2005 broadcast year to two-song CD recordings awarded to five recipients, thereby terminating two of the three required components of its approved CTD plan. The applicant further proposed to increase, in stages, annual expenditures on local music concerts or on concerts involving local artists and to add a CTD initiative entailing annual expenditures on audio recordings, video productions, and/or talent contests. Finally, the applicant proposed to spend, during each of the 2007-2008 and 2008-2009 broadcast years, the last two years of its licence term, a minimum of \$8,000 on the concerts and a talent contest, and up to \$2,000 on the audio recordings and/or video productions.

3. The applicant stated that its proposed plan would more directly encourage performance and other ways of marketing local artists and would have a greater impact on the careers of Canadian artists than any other methods it has considered.
4. The Commission did not receive any interventions in connection with this application.

Commission's analysis and determination

5. The Commission notes that, in the two years since Kesitah began operations, it has been in non-compliance with condition of licence number 5. In that time, it has only met one component of the condition: the funding of local Canadian Christian music concerts in the 2003-2004 broadcast year. It did not fulfil this element in the 2002-2003 broadcast year and has not met the requirements with respect to the funding of the two-song CD recordings and the music scholarships in either broadcast year. It also failed to fulfil the overall \$10,000 per year requirement, having expended only \$3,350 during the 2002-2003 broadcast year and \$5,800 during the 2003-2004 broadcast year.
6. The Commission notes Kesitah's submission that it has expended \$4,400 on other types of CTD initiatives that are not specified in its condition of licence. The Commission notes, however, that the licensee was required, by condition of licence, to comply with the CTD initiatives set out in condition of licence number 5 and was not free to fulfil this condition by making other types of CTD expenditures.
7. The Commission considers that non-compliance with the individual components of condition of licence number 5 is a serious matter. In addition, the licensee had the responsibility to expend at least the minimum amounts required by this condition, \$9,167 for the partial 2002-2003 broadcast year and \$10,000 for the 2003-2004 broadcast year. In this case, the Commission notes that Kesitah has expended far less than the minimum amounts set out in its condition of licence.
8. Given that CTD commitments are one of the standard criteria against which applications for new licences are assessed and that they form the basis for conditions of licence, the Commission expects applicants to seriously reflect on the worth and practicality of the various types of CTD plans before finalizing their applications. The Commission considers that changes to such conditions of licence should only be requested in the most exceptional cases.

9. In light of the above, the Commission **denies** the application by Kesitah Inc. to amend condition of licence number 5 of the broadcasting licence for the radio programming undertaking CFEQ-FM Winnipeg. The Commission further expects the licensee to make up all shortfalls with respect to CTD expenditures set out in that condition of licence at the earliest possible date, and in any event, no later than 31 August 2007, the end of the fifth year of the licence term.

Secretary General

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