



## Broadcasting Decision CRTC 2010-254

Route reference: 2009-793

Ottawa, 6 May 2010

**Rogers Broadcasting Limited**  
Kitchener, Ontario

*Application 2009-0825-4, received 28 May 2009*

### **CIKZ-FM Kitchener – Licence renewal**

*The Commission **renews** the broadcasting licence for CIKZ-FM Kitchener from 1 June 2010 to 31 August 2016. The Commission, however, **denies** the applicant's request to reduce the minimum percentage of Canadian musical selections in content category 2 broadcast between 6 a.m. and 6 p.m. Monday to Friday from 40% to 35%.*

### **Introduction**

1. The Commission received an application by Rogers Broadcasting Limited (Rogers) to renew the broadcasting licence for the English-language commercial radio programming undertaking CIKZ-FM Kitchener, which expires 31 May 2010.<sup>1</sup> The licensee further proposed to amend a condition of CIKZ-FM's licence to reduce the minimum level of Canadian selections in content category 2 that it must broadcast between 6 a.m. and 6 p.m. Monday to Friday from 40% to 35%. The licensee would, however, continue to broadcast a minimum level of 40% Canadian content from content category 2 over the broadcast week.<sup>2</sup> The Commission did not receive any interventions in connection with this application.
2. In support of its application, Rogers submitted that the level of competition in the Kitchener market is extremely high, with 45 stations from both within and outside the market available to listeners. Rogers further argued that CIKZ-FM's new country format is a niche format and that the station competes with CING-FM Hamilton, a country station with a format that is similar to that of CIKZ-FM. Rogers further noted that its competitors in the Kitchener market are required to devote only 35% of their category 2 musical selections to Canadian selections, so CIKZ-FM's 40% level makes it difficult to compete.

<sup>1</sup> In Broadcasting Decision 2009-506, the Commission administratively renewed CIKZ-FM's licence from 1 September 2009 to 31 December 2009. In Broadcasting Decision 2009-785, the Commission administratively renewed CIKZ-FM's licence from 1 January 2010 to 31 May 2010.

<sup>2</sup> In Broadcasting Notice of Consultation 2009-793, the Commission noted that the licensee may have failed to comply with its conditions of licence specifying its required contributions to Canadian content development (CCD). Since that time the applicant has provided evidence that it has, in fact, fulfilled all of its CCD commitments.

3. Rogers further noted that Canada is suffering an economic downturn and considered that a level of Canadian content that is higher than that of other stations makes it more difficult for CIKZ-FM to achieve profitability in challenging economic times.

## **Commission's analysis and determinations**

### **Reduction in the percentage of Canadian musical selections**

4. The Commission notes that the previous licensee, Larche Communications Inc. (Larche), made a commitment to broadcast a minimum 40% level of Canadian musical selections in category 2 as part of a competitive process that led to the licensing of CIKZ-FM in Broadcasting Decision 2003-153. In that decision the Commission cited the higher level of Canadian music as a factor that set the Larche application apart from other applications that were denied. Rogers assumed the higher Canadian content level when it acquired CIKZ-FM in 2007.<sup>3</sup>
5. The Commission has further examined the record of this proceeding as well as the station's financial data and listening levels and does not consider that Rogers has presented sufficient evidence to demonstrate that the CIKZ-FM has failed to attract sufficient revenues and listeners due to the level of Canadian music that it is required to play.
6. The Commission also notes that CING-FM, the Hamilton station that Rogers cited as a competitor in the country music format has since changed format and now offers classic hits, thus decreasing the level of direct competition that CIKZ-FM has to face.
7. Accordingly the Commission **denies** Rogers's application to reduce the minimum level of Canadian musical selections that CIKZ-FM must broadcast between 6 a.m. and 6 p.m. Monday to Friday from 40% to 35%.

## **Conclusion**

8. The Commission **renews** the broadcasting licence for CIKZ-FM Kitchener from 1 April 2010 to 31 August 2016. The terms and **conditions of licence** are set out in the appendix to this decision.

### **Canadian content development**

9. The Commission reminds Rogers that it must adhere to the requirements relating to Canadian content development (CCD) set out in section 15 of the *Radio Regulations, 1986* as amended from time to time. Any CCD 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.

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<sup>3</sup> See Broadcasting Decision 2007-434.

### **Employment equity**

10. Because this licensee is subject to the *Employment Equity Act* and files reports concerning employment equity with the department of Human Resources and Skills Development Canada, its employment equity practices are not examined by the Commission.

Secretary General

### **Related documents**

- *Notice of applications received*, Broadcasting Notice of Consultation CRTC 2009-793, 21 December 2009
- *Exchange of radio assets*, Broadcasting Decision CRTC 2007-434, 24 December 2007
- *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006
- *Country FM radio station in Kitchener-Waterloo*, Broadcasting Decision CRTC 2003-153, 14 May 2003

*This decision is to be appended to the licence. It 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 to Broadcasting Decision CRTC 2010-254**

### **Terms and conditions of licence**

#### **Terms**

The licence will expire 31 August 2016.

#### **Conditions of licence**

1. The licence will be subject 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.
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 devote, in that broadcast week, a minimum of 40% of its musical selections from content category 2 to Canadian selections broadcast in their entirety, and devote a minimum of 40% of its musical selections from content category 2 to Canadian selections broadcast in their entirety between 6 a.m. and 6 p.m. Monday to Friday.
3. Pursuant to *Exchange of radio assets*, Broadcasting Decision CRTC 2007-434, 24 December 2007, the licensee shall fulfill its remaining benefits relating to its acquisition of CIKZ-FM totally \$732,000.