



## Broadcasting Decision CRTC 2006-171

Ottawa, 26 April 2006

### **CHUM Limited**

Victoria, British Columbia

*Application 2005-0662-8*

*Broadcasting Public Notice CRTC 2006-2*

*12 January 2006*

### **CHBE-FM Victoria – Licence renewal**

*The Commission renews the broadcasting licence for the radio programming undertaking CHBE-FM, from 1 September 2006 to 31 August 2013.*

### **The application**

1. The Commission received an application by CHUM Limited (CHUM) to renew the broadcasting licence for the English-language commercial radio programming undertaking CHBE-FM Victoria. The licence expires 31 August 2006.

### **Background**

2. In *CFOX and CHBE-FM Victoria – Acquisition of assets*, Broadcasting Decision CRTC 2004-402, 3 September 2004, the Commission approved an application by CHUM for authority to acquire from Seacoast Communications Group Inc. (Seacoast), the assets of CFOX and CHBE-FM Victoria, and for licences to continue the operation of these two stations. The approval was subject to the following two conditions precedent:
  - CHUM could only acquire ownership of CHBE-FM Victoria, provided it submitted, within 60 days of the date of that decision, a proposed package of tangible benefits acceptable to the Commission and having a minimum value of \$108,381; and
  - CHUM could only acquire ownership of CHBE-FM Victoria provided it submitted, within 60 days of the date of that decision, confirmation that Seacoast's total arrears for its Canadian talent development (CTD) expenditures totalling \$51,000 for the years 2000/2001, 2001/2002, 2002/2003 plus any arrears for the year 2003/2004 had been expensed or were being re-directed to initiatives acceptable to the Commission.

3. CHUM submitted the requested documentation and the required amounts have been or are being directed to eligible third parties for the purposes of CTD. For the purposes of CHBE-FM's licence renewal, CHUM requested that it be allowed to reduce its yearly CTD contributions from the \$22,000 agreed to by Seacoast, in its initial application for a broadcasting licence, to the yearly minimum of \$5,000 required for the Victoria radio market under the Canadian Association of Broadcasters' (CAB) plan, as set out in *Contributions by radio stations to Canadian talent development – A new approach*, Public Notice CRTC 1995-196, 17 November 1995 (Public Notice 1995-196). CHUM proposed to direct all its CTD contributions to the Foundation to Assist Canadian Talent on Records (FACTOR).

### **Interventions**

4. The Commission received interventions in connection with this application from three separate groups of individuals: Alex Edkins, Rosalee Gunraj, Christopher Jefferson, Neville McGuire and Tyler Plaunt; Ren Bostelaar, Joe Boucher, Rob MacDonald, John McGrath and Bijhan Shariff; and Katie MacKimmie, Kristal Gilmour, Nick Ezrin and Mark Vaisanen.
5. While the interveners did not oppose CHBE-FM's licence renewal, they did express concern about CHUM's plan to reduce its annual contributions to CTD. They were particularly concerned that the viability of Victoria's artistic community would be at risk as a result of CHUM's reluctance to provide financial support for locally based CTD initiatives, including Seacoast's original commitments to fund a local music festival and songwriters' seminar.

### **Licensee's reply**

6. In response, CHUM stated that, upon acquiring CFAX and CHBE-FM, it paid the \$51,000 in arrears arising out of Seacoast's unfulfilled CTD commitments to the implementation of a new music festival and a songwriters' seminar. CHUM explained that, given the relatively short delay it was given to make the contributions and its consequent inability to organize the proposed events, it made this payment to FACTOR.
7. CHUM maintained that, in accordance with *Introductory statement – Licensing new radio stations*, Decision CRTC 99-480, 28 October 1999, the Commission evaluates applications for new radio undertakings based, in part, on the CTD commitments proposed by applicants. CHUM further submitted that this level of CTD spending is generally not intended to carry forward beyond the first licence term.

### **Commission's analysis and determination**

8. In Public Notice 1995-196, the Commission stated that contributions made by radio stations to CTD are important in fostering the careers of new Canadian artists. The Commission remains convinced of the importance of CTD contributions in this regard.

9. In the present case, the Commission is cognisant of the payment by CHUM of Seacoast's CTD arrears as well as the benefits package to which CHUM committed upon the acquisition of CHBE-FM and its sister station, CFAX. The Commission also acknowledges that the commitments agreed to by Seacoast for CHBE-FM were for the station's first licence term.
10. As part of CHBE-FM's licence renewal application, CHUM requested that it be permitted to reduce its CTD commitments to the yearly minimum \$5,000 contribution required for the Victoria radio market under the CAB's plan. The Commission notes that the proposed amount is the minimum required under the CAB's plan and that CHUM will direct its contribution to FACTOR, an eligible third party organization. Furthermore, the Commission recognizes that some CTD commitments, such as those originally proposed by Seacoast, are designed to be maintained only during the initial term of licence. Accordingly, the Commission **approves** CHUM's request for a reduction in its required expenditures on CTD to a minimum of \$5,000 per year, which will be paid directly to FACTOR.
11. With respect to the concerns raised by the interveners, the Commission notes that issues related to CTD will be considered in the context of the radio policy review, which was announced in *Review of the Commercial Radio Policy*, Broadcasting Notice of Public Hearing CRTC 2006-1, 13 January 2006.
12. Based on its review of this licence renewal application and the licensee's past performance, the Commission **renews** the broadcasting licence for the English-language commercial radio programming undertaking CHBE-FM Victoria, from 1 September 2006 to 31 August 2013. The licence will be subject to the **conditions** set out in *New licence form for commercial radio stations*, Public Notice CRTC 1999-137, 24 August 1999, and to the following **condition**:

The contributions set out in condition of licence no. 5 of Public Notice 1999-137 shall be paid to FACTOR.

### **Employment equity**

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

Secretary General

*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>*