



## Broadcasting Decision CRTC 2007-359

Ottawa, 28 September 2007

**Astral Media Radio (Toronto) Inc. and 4382072 Canada Inc., partners in a general partnership, carrying on business as Astral Media Radio G.P.**  
Across Canada

*Application 2007-0769-8*

*Public Hearing in the National Capital Region*

*27 August 2007*

### Acquisition of assets

*The Commission **approves** an application by which Astral Media Radio (Toronto) Inc. and 4382072 Canada Inc., partners in a general partnership, carrying on business as Astral Media Radio G.P., will acquire the assets of the radio and television undertakings owned by Standard Radio Inc. The approval is subject to three **conditions of approval**, set out in Appendix 4 to this decision, which relate to the proposed tangible benefits package.*

### Introduction

1. The Commission received an application by Astral Media Radio Inc. (Astral), initially filed on its own behalf, and on behalf of a general partnership consisting of two of its wholly-owned subsidiaries, to acquire the assets of the radio and television programming undertakings across Canada owned by Standard Radio Inc. (Standard). A list of the undertakings to be acquired is set out in Appendix 1 to this decision. Astral also applied for licences to continue the operation of these undertakings under the same terms and conditions as those set out in the current licences.
2. In a letter to the Commission dated 17 August 2007, Astral clarified that the assets of Standard would be acquired by a general partnership consisting of Astral Media Radio (Toronto) Inc. and 4382072 Canada Inc., both wholly-owned subsidiaries of Astral, carrying on business as Astral Media Radio G.P. (Astral GP).
3. Astral currently owns and operates radio stations in Quebec. Astral Media Radio Atlantic Inc., a wholly-owned subsidiary of Astral, owns and operates radio stations in New Brunswick and Nova Scotia. Astral Broadcasting Group Inc., Astral's sister corporation, owns and operates specialty television, pay television and pay-per-view services.
4. Standard owns two television stations in British Columbia, numerous radio stations in Quebec, Ontario, Manitoba, Alberta, Saskatchewan and British Columbia, and three radio networks.

### **The proceeding**

5. The Commission received written interventions in connection with this application, and two parties made oral presentations at the hearing. The Commission has carefully reviewed and considered the submissions of all parties. The public record of this proceeding, which includes interventions in support of, in opposition to, and commenting on the application, is available on the CRTC Web site at [www.crtc.gc.ca](http://www.crtc.gc.ca) under “Public Proceedings.”
6. The Commission has identified the following five issues to be addressed in its determinations:
  - Does the proposed transaction meet the terms of the *Direction to the CRTC (Ineligibility of Non-Canadians)* P.C. 1997-486 as modified by P.C. 1998-1268 (the Direction) and the Commission’s common ownership policy?
  - Is the proposed value of the transaction reasonable and the value of the tangible benefits adequate?
  - Is the proposed allocation of the tangible benefits acceptable?
  - Should the Commission continue to licence Standard’s Fort St. John, Penticton and Princeton, and Sound Source radio networks?
  - Should the Commission consider the renewal of the licences to be issued together?

### **Does the proposed transaction comply with the terms of the Direction and the Commission’s common ownership policy?**

7. After examining the relevant documentation filed as part of the application, the Commission finds that both of the partners in Astral GP qualify as Canadian as defined by the Direction. The transaction therefore complies with the terms of the Direction.
8. The Commission further finds that the number of radio and television stations that the applicant would own in each of the concerned markets is within the limits established in Public Notice 1998-41 for radio, and in Public Notice 1999-97 for television.

### **Is the proposed value of the transaction reasonable and the value of the tangible benefits adequate?**

9. Because the Commission does not solicit competing applications for authority to transfer the ownership or control of radio, television and other programming undertakings, the onus is on the applicant to demonstrate that the tangible benefits proposed in the application are adequate and that the proposed value of the transaction is acceptable and reasonable. In this regard, the Commission generally expects applicants to make commitments to tangible benefits representing a financial contribution of 10% of the value of the transaction for television undertakings and 6% of the value of the transaction for radio undertakings.

10. The applicant submitted that the value of the transaction is \$1,082,369,866, which includes both regulated and non-regulated assets. Payment for the assets is comprised of two elements: \$879,882,800 in cash and \$202,487,066 in shares.
11. The value of the shares was determined using the five-day weighted average price of the shares traded between 10 April and 16 April 2007, and includes 12 April 2007, the date on which the purchase-sale agreement was signed and announced.
12. Astral submitted that the value of the regulated assets included in the transaction is \$1,043,079, 840, which includes a value of \$1,026,411,344 for the radio undertakings, and \$16,668,496 for the television undertakings. The applicant determined the value of its benefits packages for radio and television based on these amounts.
13. The Commission finds that the value of the transaction, the allocation of the value between the radio and television undertakings, and the total amounts of the radio and television benefits packages are reasonable in the circumstances.

### **Is the proposed allocation of the tangible benefits acceptable?**

#### **Radio**

The Commission's approach

14. The Commission reiterated its approach to tangible benefits for radio in Broadcasting Public Notice 2006-158 (the Commercial Radio Policy). In the Commercial Radio Policy, the Commission stated that, in the context of applications for the transfer of ownership or control of radio undertakings, it would continue to require a minimum direct financial contribution of 6% of the value of the transaction related to radio undertakings to Canadian content development (CCD). This amount is based on the value of the regulated assets included in the transaction and must be allocated as follows:
  - 3% to the Radio Starmaker Fund and Fonds Radiostar;
  - 2% to FACTOR or MUSICACTION; and
  - 1%, at the discretion of the purchaser, to any eligible CCD initiative.
15. In the Commercial Radio Policy, the Commission also indicated that CCD contributions should be dedicated to initiatives that will provide high quality audio content for broadcast. It further stated that all CCD initiatives must involve direct expenditures, and must be allocated to the support, promotion, training and development of Canadian musical and spoken word talent, including journalists.
16. In the Commercial Radio Policy, the Commission also stated that, in addition to FACTOR and MUSICACTION, the following organizations and initiatives are eligible for CCD funding:

- national, provincial, and territorial music industry associations (MIAs);
- schools and educational institutions that are accredited by provincial authorities. Such contributions must specifically benefit students of music and journalism, including scholarships and the purchase of musical instruments;
- initiatives, including talent contests, for the production and promotion of local music and local musical artists, particularly emerging artists;
- independent parties dedicated to producing new spoken word content that would otherwise not be produced for broadcast; and
- audio content initiatives that would further advance the fulfilment of specific objectives of the Canadian broadcasting system as outlined in the *Broadcasting Act* (the Act) such as a community radio fund, Native radio and other specialized audio broadcasting services dedicated to serving the particular needs and interests of children, Aboriginal peoples, and persons with disabilities.

#### Astral's proposal

17. Astral proposed a tangible benefits package of \$61,584,681, which amounts to 6% of the value of the transaction related to its acquisition of Standard's radio undertakings. However, for ease of calculation of the discretionary initiatives set out below, Astral rounded up the total radio benefits to \$61,585,568, to be allocated as follows:
- \$30,792,341 to the Radio Starmaker Fund (of which 20% would be distributed to the Fonds RadioStar);
  - \$20,528,227 to FACTOR (of which 10% would be distributed to MUSICACTION); and
  - \$10,265,000 to a number of discretionary initiatives as detailed in Appendix 2 to this decision.

#### The Commission's evaluation of the radio tangible benefits package

18. The Commission considers that the total amounts allocated to the Radio Starmaker Fund, FACTOR and discretionary initiatives conform to the Commercial Radio Policy. Individual initiatives are discussed below.

#### Radio Starmaker Fund and FACTOR

19. Astral's proposed contributions to the Radio Starmaker Fund and FACTOR, which amount to 3% and 2%, respectively, of the value of the radio assets to be acquired, comply with the Commission's tangible benefits policy as set out in the Commercial Radio Policy. The Commission therefore approves these initiatives as presented by Astral. In so doing, the Commission acknowledges that certain funds will be redirected to the Fonds RadioStar and MUSICACTION, as detailed in the record of this proceeding.

#### Discretionary Initiatives

20. Astral proposed a number of discretionary initiatives to support new and emerging artists, songwriters, music students, other educational opportunities, native broadcasting, spoken word initiatives, and initiatives dedicated to serving the particular needs and interests of children. The value of these initiatives amount to 1% of the value of the radio assets to be acquired in this transaction, which complies with the Commercial Radio Policy.
21. The Commission has carefully reviewed Astral's proposals for discretionary initiatives. The Commission is satisfied that the initiatives related to the *Canadian Radio Star Competition*, the *Indie Awards* and the *Television production of the Canadian Radio Music Awards* will aid in the promotion of new and emerging musical artists. The Commission notes that the administration of these funds will be at arm's length from Astral in that they will be administered by Canadian Music Week, which stated in the record that all funding will be applied to costs considered eligible by the Commission according to the Commercial Radio Policy. Similarly, Astral's funding of its proposed *Buzz Band Tip Sheet* will be administered by the North By Northeast music festival.
22. The Commission is further satisfied that funding directed to the *Songwriters Association of Canada*, the *Canadian Songwriters' Hall of Fame*, the *Canadian Academy of Recording Arts and Sciences* and the *Dixon Hall Music School* will benefit music-related programs, offer support for the potential creation of audio content and provide direct support for music students. The Commission notes that funding for these initiatives will be administered at arm's length from Astral.
23. A similar educational benefit will be realized from Astral's proposed funding directed to the *National Aboriginal Achievement Foundation*, which will emphasize the training of Aboriginal post secondary students. Support directed to the *ImagineNATIVE festival* will aid in the creation and promotion of audio content reflective of Aboriginal peoples and culture. As well, funding to *Radio Enfant* will assist in the creation of audio content reflective of the needs and interests of children. In all cases, funding will be administered at arm's length from Astral.

#### Astral's self-directed initiatives

24. While the Commission is of the view that the proposed *Astral Media Radio Artist Development Assistance Program* (AMRADAP) and the *Astral Media Small Market Internship Program* (AMSMIP) will support the creation of spoken word programming, it is concerned that the initiatives, as presently structured, could ultimately benefit Astral owned or controlled stations to some degree. The Commission notes that its long-standing radio tangible benefits policy has emphasized that payments should be made to third parties, should not be self serving and should be incremental, that is, over and above the normal cost of doing business.

25. Regarding funding to AMRADAP, the Commission is concerned that, should Astral choose to broadcast a spoken word program funded by this initiative, it may not be truly incremental to the programming being offered by its stations and that its broadcast may, in effect, be self-serving. The Commission reminds Astral that all funding from this initiative should be directed to third parties.
26. Similarly, the Commission is concerned that the AMSMIP initiative, as it is currently structured, would be of benefit to Astral itself, given that internship programs can be seen as ordinary costs of doing business for broadcast licensees. The Commission is also of the view that Astral must be able to demonstrate that all spoken word programming produced through this initiative is incremental to that already produced by Astral stations.

#### Canadian Communications Foundation

27. Regarding Astral's proposed \$140,000 funding to the *Canadian Communications Foundation* (CCF), the Commission is of the view that the CCF provides a valuable service to broadcasters, students and the general public. As currently structured, the CCF is an archive of Canadian broadcasting for both radio and television, providing station-by-station histories, biographies of certain radio and television personalities and information on other aspects of Canada's broadcasting history. However, given its present structure, the Commission does not consider that the proposed support for the CCF should be deemed eligible as a tangible radio benefit given that it does not contribute to the support, promotion, training and development of Canadian musical and spoken word talent, including journalists, as established by the Commercial Radio Policy. While the Commission recognizes the value of the activities of the CCF, it considers its activities to be more akin to a social benefit acceptable in the context of the acquisition of Standard's television assets.
28. The Commission therefore considers that Astral should redirect the funds earmarked for the CCF from the tangible benefits package proposed for the acquisition of Standard's radio assets to the tangible benefits package proposed for the acquisition of Standard's television assets. In this regard, \$140,000 will be expended as a portion of the \$1,666,850 in tangible benefits associated with Standard's television assets, leaving a total of \$140,000 to be redirected to Astral's proposed radio sector tangible benefits.

#### Conclusions

29. In light of the concerns identified above, the Commission directs Astral, as a **condition of approval**, to file within 30 days of the date of this decision, a set of guidelines for Commission approval to determine whether spoken word programming produced through the AMRADAP and AMSMIP initiatives is incremental to such programming already produced by Astral radio stations. The Commission also directs Astral to ensure that the recipients of AMRADAP and AMSMIP grants are not and have not been in any

way associated with the activities of Astral, Standard or their affiliates. Moreover, for the AMSMIP initiative in particular, Astral shall ensure that that all funding for this initiative is provided to interns who will not work at any Astral controlled, owned or operated station. Accordingly, no funding may be used to supply an intern or any other related benefit to an Astral controlled station or any Astral affiliate.

30. The Commission also directs Astral, **as a condition of approval**, to file, within 30 days of the date of this decision, a revised tangible benefits plan wherein the \$140,000 originally directed to the CCF as a part of Astral's proposed radio tangible benefits is redirected to its tangible benefits expenditures associated with the acquisition of Standard's television assets. Astral shall also file a plan for the allocation of the now remaining \$140,000 to radio-associated tangible benefits to be adopted subject to Commission approval, as well as revised amounts to be allocated to each of its proposed television-related benefit initiatives, as identified in Appendix 2 to this decision.
31. In developing a plan for the redirection of the remaining \$140,000, and in considering recipients of the AMSMIP initiative, the Commission encourages Astral to consider directing this funding to the campus and community radio sector. Should Astral decide to redirect this funding to the campus and community radio sector, the Commission encourages Astral to do so in consultation with the National Campus and Community Radio Association, l'Association des radiodiffuseurs communautaires and l'Association des radiodiffuseurs communautaires du Québec.

#### **Television**

32. In Broadcasting Public Notice 2007-53 (the Television Policy), the Commission affirmed its policy, originally set out in Public Notice 1993-68, that requires applicants applying to transfer the ownership or control of television undertakings to make commitments to clear and unequivocal tangible benefits that represent a financial contribution of 10% of the value of the transaction, as accepted by the Commission. In Public Notice 1993-68, the Commission set out a list of the types of tangible benefits that it generally accepts, as well as those it normally does not accept.
33. As noted above, Astral proposed \$1,666,850 in television benefits, details of which can be found in Appendix 2 to this decision. Approximately 70% would be allocated to local initiatives, including a new 30-minute original local program produced by an independent producer, as well as local Aboriginal training programs. The remaining 30% would be used for social initiatives targeting industry training programs.
34. The Commission is satisfied that the amount and nature of tangible benefits proposed conform to the Commission's Television Policy and Public Notice 1993-68. However, in order to determine the base level amount for measuring incrementality, (i.e., that the initiatives are in addition to those already being undertaken) Astral shall, **as a condition of approval** file, within 30 days of the date of this decision, a report setting out the

amount of original local programming and expenditures on original local programming for the past three years for CFTK-TV Terrace and CJDC-TV Dawson, respectively. The Commission notes that this approach to incrementality is typical of transactions involving television.

35. Given the magnitude and the complexity of the tangible benefits involved, the Commission directs Astral to file a report, in each of the next seven years with its annual reports, setting out the incremental spending on original local programming tangible benefits for CFTK-TV and CJDC-TV, as well as details concerning incrementality of spoken word programming for radio as needed. In addition, the Commission directs Astral to report on the manner in which all other remaining tangible benefits for both radio and television have been expended.

**Should the Commission continue to licence Standard's Fort St. John, Penticton and Princeton, and Sound Source radio networks?**

36. In Broadcasting Public Notice 2006-143, the Commission exempted from licensing those network undertakings that provide programming originating from licensed radio or television programming undertakings and broadcast simultaneously by one or more licensed or exempted radio or television programming undertakings. Pursuant to the definition of “network” in the Act, a network includes any operation where control over all or any part of the programs or program schedules of one or more broadcasting undertakings is delegated to another undertaking or person. The Commission, as stated in Public Notice 1989-3, uses three primary criteria to determine if a delegation of control exists:
  - the presence of formal reserved time;
  - the presence of *de facto* reserved time; and
  - the simultaneous distribution of live programs.
37. Standard currently operates three networks including the Fort St. John radio network, the Penticton and Princeton radio network, and the Sound Source radio network. With respect to the Fort St. John and Penticton and Princeton radio networks, the Commission has determined that these undertakings fall under the terms of the exemption order set out in Broadcasting Public Notice 2006-143 and do not require licences from the Commission.
38. Regarding the Sound Source radio network, the Commission explored the issue of delegation of control with Astral. Astral confirmed that radio programming undertakings that rebroadcast the programming provided by the Sound Source network have complete control over the time of broadcast and the insertion of commercials, and can choose to not to broadcast the programming simultaneously with all other stations which have entered into a contract to broadcast the programming in question.

39. The Commission therefore considers that radio stations broadcasting Sound Source programming have not delegated any control over the scheduling and distribution of their programming to Sound Source. Given that Sound Source does not exercise any control over the undertakings which rebroadcast its programming, Sound Source cannot be considered a network. The Commission therefore considers that Sound Source does not require a network licence in order to carry on its operations.

**Should the Commission consider the renewals of the licences to be issued together?**

40. The Commission sometimes examines the licence renewal applications of undertakings owned by larger broadcasting groups together in order to allow for a comprehensive review of the licensees' performance.
41. In Broadcasting Decision 2005-15, the Commission approved applications by Astral and Corus Entertainment Inc. to exchange certain assets in the province of Quebec. In that decision, the Commission indicated its intention to review the performance of the stations acquired by Astral in conjunction with its other broadcasting assets in Quebec in order to comprehensively assess the impact of the decision.
42. In this case, the Commission has decided to maintain, for the time being, the current expiry dates for all of the licences of the stations to be acquired in this transaction. However, the Commission may consider, at some future date, the administrative renewal of certain of these licences from their current expiry dates until 2011 so that the majority of the licences of the stations to be acquired may be examined at the same time. Such an approach would permit a comprehensive review of Astral's performance in terms of compliance with various regulations, conditions of licence, policies and expectations to which its stations are subject.

**Other matters**

43. The Commission's analysis has shown that Standard's stations, with the exception of CIBK-FM Calgary, have complied with their various conditions of licence as well as with the *Radio Regulations, 1986*. In Broadcasting Decision 2007-342, the Commission renewed the licence for CIBK-FM Calgary for a short term for failure to comply with its conditions of licence pertaining to contributions to the development of Canadian talent.
44. With respect to Canadian content development, Astral agreed at hearing to adhere to the Commission's new approach to funding as noted in the Commercial Radio Policy, for all of the radio stations to be acquired save that of its new FM undertaking in Regina. **Conditions of licence** to this effect will be added to the affected licences and are set out in Appendix 3 to this decision.

45. Astral was also questioned regarding the provision of local programming by the Standard stations that it proposed to acquire. The Commission notes that, further to the hearing, Astral has provided a station by station list of current levels of local programming for each of Standard's undertakings. The Commission expects that Astral will continue to provide these levels of local programming, thereby maintaining programming diversity across the country and market by market. In this regard, the Commission notes that Astral repeatedly stated its approval of the manner in which Standard's stations are currently operated, both from a programming and human resources perspective.
46. During the hearing, the Commission also questioned Astral about its approach to the definition, support and promotion of emerging Canadian artists. The Commission encourages Astral to continue the support that it and Standard have provided to emerging artists, both through airplay and other means. The Commission also encourages Astral to work with music industry representatives such as the Canadian Independent Record Production Association and the Canadian Recording Industry Association, as well as with other broadcasters and associations, to reach a consensus on acceptable definitions of the term "emerging artists" for the French-language and English-language markets.

### **Conclusion**

47. The Commission **approves** the application by Astral Media Radio Inc. on behalf of Astral Media Radio (Toronto) Inc. and 4382072 Canada Inc., partners in a general partnership, carrying on business as Astral Media Radio G.P., to acquire the assets of the broadcasting undertakings of Standard Radio Inc. listed in Appendix 1 to this decision. Approval is subject to the **conditions of approval** indicated in Appendix 4 to this decision.
48. Upon surrender of the current licences, the Commission will issue licences to Astral Media Radio (Toronto) Inc. and 4382072 Canada Inc., partners in a general as that of partnership carrying on business as Astral Media Radio G.P., expiring on the same date as that of the current licences. The licences will be subject to the **conditions** set out in Appendix 3 to this decision.

### **Employment equity**

49. 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, its employment equity practices are not examined by the Commission.

Secretary General

## Related documents

- *CIBK-FM Calgary – Licence renewal*, Broadcasting Decision CRTC 2007-342, 30 August 2007
- *Determinations regarding certain aspects of the regulatory framework for over-the-air television*, Broadcasting Public Notice CRTC 2007-53, 17 May 2007
- *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006
- *Exemption order respecting certain network operations*, Broadcasting Public Notice CRTC 2006-143, 10 November 2006
- *Astral Media Radio inc. and 591991 B.C. Ltd., a wholly-owned subsidiary of Corus Entertainment Inc.*, Broadcasting Decision CRTC 2005-15, 21 January 2005
- *New licence form for commercial radio stations*, Public Notice CRTC 1999-137, 24 August 1999
- *Building on success – A policy framework for Canadian television*, Public Notice CRTC 1999-97, 11 June 1999
- *Commercial Radio Policy 1998*, Public Notice CRTC 1998-41, 30 April 1998
- *Direction to the CRTC (Ineligibility of Non-Canadians)* P.C. 1997-486, 8 April 1997, as modified by P.C. 1998-1268, 15 July 1998
- *Application of the Benefits Test at the Time of Transfers of Ownership or Control of Broadcasting Undertakings*, Public Notice CRTC 1993-68, 26 May 1993
- *Radio networks and syndication policy*, Public Notice CRTC 1989-3, 10 January 1989

*This decision shall be appended to each 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 1 to Broadcasting Decision CRTC 2007-359  
Undertakings to be acquired as part of this transaction**

<b>Location</b>	<b>Call sign (rebroadcasting transmitter)</b>
<b>Quebec</b>	
Montréal	CJFM-FM CHOM-FM CHOM-DR-1 CJAD
<b>Ontario</b>	
Toronto	CJEZ-FM CJEZ-DR-1 CFMX-FM, formerly CKFM-FM CFMX-DR-1, formerly CKFM-DR-1 CFRB (CFRX) CFRB-DR-2
Ottawa	CKQB-FM (CKQB-FM-1 Pembroke)
Hamilton	CKLH-FM CKOC CHAM
London	CIQM-FM CJBX-FM CJBK CKSL
St. Catharines	CHRE-FM CHTZ-FM CKTB
Pembroke	CHVR-FM
<b>Manitoba</b>	
Winnipeg	CKMM-FM
Selkirk	CFQX-FM
Brandon	CKX-FM CKXA-FM

**Saskatchewan**

Regina New FM (Broadcasting Decision CRTC 2007-156)

**Alberta**

Calgary CJAY-FM (CJAY-FM-1 Banff; CJAY-FM-3 Invermere, B.C.)  
CIBK-FM  
CKMX (CFVP)

St. Albert CFMG-FM

Edmonton CFBR-FM  
CFRN

**British Columbia**

Vancouver CKZZ-FM  
CKZZ-DR-1

Richmond CISL  
CISL-DR-1

Kelowna CHSU-FM (CHSU-FM-1 Big White Mountain)  
CILK-FM (CILC-FM Magna Bay; VF 2329, Big White Mountain)  
CKFR

Vernon CICF-FM (CICF-FM-4 Armstrong/Enderby)

Summerland CHOR

Penticton CJMG-FM (CJMG-FM-2 Oliver)  
CKOR

Princeton CIOR

Osoyoos CJOR (CJOR-FM Oliver)

Salmon Arm CKXR  
CKXR-FM (CKXR-FM-1 Sorrento)

Golden CKGR (CKIR Invermere)

Revelstoke CKCR

Trail	CJAT-FM (CFKC Creston; NCS <sup>1</sup> -FM-1 Castlegar; NCS-FM-2 Grand Forks)
Nelson	CKKC-FM (CKKC-FM-1 Crawford Bay; CKBS-FM Nakusp; CKZX-FM-1 Kaslo; CKZX-FM New Denver)
Dawson Creek	CJDC (CJDC-FM-1 Tumbler Ridge) CJDC-TV (CJDC-TV-1 Hudson's Hope; CJDC-TV-2 Bullhead Mountain)
Fort Nelson	CKRX-FM
Fort St. John	CKNL-FM CHRX-FM (CHRX-FM-1 Dawson Creek)
Terrace	CFTK CFTK-TV (CFTK-TV-1 Prince Rupert) CJFW-FM (CJFW-FM-1 Kitimat; CJFW-FM-2 Prince Rupert; CJFW-FM-3 Sandspit; CJFW-FM-4 Masset; CJFW-FM-5 Burns Lake, CJFW-FM-6 Smithers, CJFW-FM-7 Houston, CJFW-FM-8 Hazelton)
Kitimat	CKTK-FM
Prince Rupert	CHTK

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<sup>1</sup> No call sign

## Appendix 2 to Broadcasting Decision CRTC 2007-359

### Radio tangible benefits – discretionary initiatives

Total value -- \$10,265,000 to be paid over seven consecutive broadcast years

Initiative	Amount	Description
<b>Canadian Music Week – Canadian Radio Star Competition</b>	\$225,000 per year for seven years	Funding will support an expanded songwriter’s seminar and the production of a promotional Radio Star CD.
<b>Canadian Music Week – Indie Awards</b>	\$150,000 per year for seven years	Funding will expand this awards gala through increased travel support for artists, creation of a half-hour radio special, and production and distribution of audio and video podcasts.
<b>Canadian Music Week – TV production of the Canadian Radio Music Awards</b>	\$115,000 per year for seven years	Funding for this award show will support the production of video and audio podcasts, and a TV documentary featuring live performances, videos and background. The TV production will be made available for licensing.
<b>North by Northeast Buzz Band Tip Sheet</b>	\$125,000 per year for seven years	Funding will be used to develop a dedicated Web site to provide music programmers with information on artists showcased at the North by Northeast festival.
<b>Songwriters Association of Canada</b>	\$150,000 per year for seven years	Funding will support: “Pro Demo Submissions,” a Web site where songwriters can upload demonstration recordings; “Song Works,” a songwriting workshop; “Songwriting Workshops – On Demand,” on-line streaming of workshops; and “Songwriting in the Schools,” to develop songwriters in elementary and secondary schools.

<b>Canadian Songwriters' Hall of Fame</b>	\$75,000 per year for seven years	Funding will expand the Hall of Fame's mandate to in-school education, underwrite a national songwriting heritage project, create a database and develop research initiatives.
<b>Canadian Association of Recording Arts and Sciences (CARAS)</b>	\$100,000 per year for seven years	Funding will support the MusiCan initiative, which funds school music programs.
<b>Dixon Hall Music School</b>	\$50,000 per year for seven years	Funding for music programs for underprivileged children.
<b>ImagineNATIVE – The Beat</b>	\$35,000 per year for seven years	Sponsorship of a special radio program based on lived performances at "The Beat," a concert at the ImagineNATIVE festival.
<b>Astral Media Radio Artist Development Assistance Program</b>	100,000 per year for seven years	Grants to individuals to develop spoken word programming. Applicants will require a recommendation from a professor or the program director of a campus or community radio station.
<b>Astral Media Small Market Internship Program</b>	\$100,000 per year for seven years	Funding for internships for young talent to work on-air in small market stations to broadcast spoken word programming.
<b>National Aboriginal Achievement Foundation</b>	\$300,000 for the first year, and \$50,000 per years for the six subsequent years	Contributions will fund the creation of a new classroom module on radio broadcasting to train Aboriginal post-secondary students.
<b>Radio Infant</b>	\$50,000 per year for seven years	Funding will be used to create two mobile production facilities, train producers to work with children, support research and create new radio programming.
<b>To be determined</b>	\$140,000 over seven years	To be determined

**Television tangible benefits – discretionary initiatives**  
**Total value -- \$1,666,580 to be paid over seven consecutive broadcast years**

<b>Initiative</b>	<b>Amount</b>	<b>Description</b>
<b>Local documentary programming for Dawson Creek and Terrace, BC</b>	to be determined	Incremental local programming to better serve the communities in which the stations CJDC-TV and CFTK-TV are located. Programming could include daily interview programs and half-hour documentaries.
<b>Astral Media Aboriginal Broadcast/Journalism Studies Scholarship and Internship Program</b>	to be determined	Creation of a scholarship program for Aboriginal students from Northern BC and the Peace Regions to attend the BC Institute of Technology. The program would include funds to support tuition payments, accommodation and an internship within Astral Media's operations.
<b>Astral Media Emerging Documentary Filmmakers Scholarship Program (with Hot Docs)</b>	to be determined	Expansion of Hot Docs' existing professional and creative development programming aimed at emerging documentary filmmakers (with a focus on the Quebec and BC Regions).
<b>Astral Media/WIFT-T &amp; Banff World Television Festival Mentorship Award</b>	to be determined	This initiative, offered in conjunction with Women in Film and Television and the Banff World Television Festival, would provide two Canadian visible minority or Aboriginal producers with the opportunity prepare for the Banff Festival, through a bursary and mentorships.
<b>Astral Media and National Theatre School of Canada – BC artist-in-residence program</b>	to be determined	Funding to hire artists-in-residence to help train students.

<b>Canadian Communications Foundation</b>	\$20,000 per year for seven years	Funding to chronicle the history of broadcasting in Canada, including station-by-station histories for both radio and television.
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## Appendix 3 to Broadcasting Decision CRTC 2007-359

### Conditions of licence

#### Radio

##### General

1. The licensee shall, for seven consecutive broadcast years beginning with the 2007-2008 broadcast year, contribute:

- \$30,792,341 to the Radio Starmaker Fund, of which 20% will be distributed to Fonds RadioStar;
- \$20,528,227 to FACTOR, of which 10% will be distributed to MUSICACTION; and
- \$10,265,000 to Canadian content development initiatives according to the amendments to be proposed by the licensee and approved by the Commission.

All contributions made under this condition of licence shall be allocated to eligible parties and activities as defined in *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006.

#### Conditions of licence for individual stations

##### Common conditions of licence applicable to the following AM and FM stations

CHOM-FM Montréal, CJFM-FM Montréal, CJAD Montréal, CJEZ-FM Toronto, CFMX-FM (previously CKFM-FM) Toronto, CFRB Toronto, CKQB-FM Ottawa, CHAM Hamilton, CKOC Hamilton, CKLH-FM Hamilton, CIQM-FM London, CJBX-FM London, CKSL London, CJBK London, CHRE-FM St. Catharines, CHTZ-FM St. Catharines, CKTB St. Catharines, CHVR-FM Pembroke, CKMM-FM Winnipeg, CFQX-FM Selkirk, CKX-FM Brandon, CKXA-FM Brandon, CIBK-FM Calgary, CJAY-FM Calgary, CKMX Calgary, CFMG-FM St. Albert, CFBR-FM Edmonton, CFRN Edmonton, CKZZ-FM Vancouver, CISL Richmond, CHSU-FM Kelowna, CIKL-FM Kelowna, CICF-FM Vernon, CKFR Kelowna, CKGR Golden, CHOR Summerland, CJMG-FM Penticton, CKOR Penticton, CJOR Osoyoos, CKCR Revelstoke, CJAT-FM Trail, CKKC-FM Nelson, CJDC Dawson Creek, CKRX-FM Fort Nelson, CKNL-FM Fort St. John, CHRX-FM Fort St. John, CKXR-FM Salmon Arm,<sup>2</sup> CKXR Salmon Arm, CFTK Terrace, CJFW-FM Terrace, CHTK Prince Rupert, CIOR Princeton and CKTK-FM Kitimat

1. 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, with the exception of condition of licence number 5.

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<sup>2</sup> The Commission notes that, for the purpose of condition of licence number 9 set out in Public Notice 1999-137, CKXR-FM Salmon Arm operates in a single-station market.

2. The licensee shall make a basic annual contribution to Canadian content development (CCD). The amount of the contribution shall be determined in accordance with the policy set out in *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006 (Public Notice 2006-158), as amended from time to time.

The licensee shall allocate 60% of this basic annual CCD contribution to FACTOR or to MUSICACTION.

The remainder of the annual basic contribution to CCD shall be allocated to parties and initiatives fulfilling the definition of eligible initiatives in Public Notice 2006-158.

This condition of licence shall expire upon the coming into force of the amendments to the *Radio Regulations, 1986* relating to CCD.

**Additional condition of licence for CJFM-FM Montréal and CJAD Montréal**

- The licensee shall remit \$8,000 to MUSICACTION in each broadcast year as direct expenditures for Canadian content development.

**Additional condition of licence for CFMX-FM Toronto (previously CKFM-FM)**

- The licensee is authorized to use Subsidiary Communications Multiplex Operation (SCMO) channels to distribute ethnic programming in the Chinese and Greek languages.

**Additional condition of licence for CKLH-FM Hamilton**

- The licensee is authorized to use a Subsidiary Communications Multiplex Operation (SCMO) channel to distribute ethnic programming in the German language.

**Additional condition of licence for CKOC Hamilton, CKMX Calgary, CFRN Edmonton, and CISL Richmond**

- 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* (the Regulations), in any broadcast week where at least 90% of musical selections from content category 2 that it broadcasts are selections released before 1 January 1981:
  - in that broadcast week, devote 30% or more of its musical selections from content category 2 to Canadian selections broadcast in their entirety; and

- between 6 a.m. and 6 p.m., in the period beginning on Monday of that week and ending on Friday of the same broadcast week, devote 30% or more of its musical selections from content category 2 to Canadian selections broadcast in their entirety.

The licensee shall specify, on the music lists it provides to the Commission, the year of release for all musical selections it broadcasts.

For purposes of this condition, the terms “broadcast week,” “content category” and “musical selection” shall have the meaning set out in section 2 of the Regulations.

**Additional condition of licence for CKTB St. Catharines**

- 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* (the Regulations):
  - a) in those periods of category 2 music consisting exclusively of music composed before 1956, devote a weekly average of 2% or more of its musical selections from content category 2 broadcast during those periods to Canadian selections broadcast in their entirety. The licensee shall identify those programming periods and the dates of composition of the music selections broadcast during those periods when requested by the Commission.
  - b) in those periods of category 2 music consisting of 90% or more but not exclusively, of music composed before 1956, devote a weekly average of 10% or more of its musical selections from content category 2 broadcast during those periods to Canadian selections broadcast in their entirety. The licensee shall identify those programming periods and the dates of composition of the music selections broadcast during those periods when requested by the Commission.

For purposes of this condition, the terms “broadcast week,” “content category” and “musical selection” shall have the meaning set out in section 2 of the Regulations.

**Additional conditions of licence for CIBK-FM Calgary**

- The licensee shall, in any broadcast week, devote 40% or more of its musical selections from content category 2 to Canadian selections broadcast in their entirety.
- In the 2007/2008 and 2008/2009 broadcast years, the licensee shall make direct expenditures of at least \$660,000 per broadcast year on the following Canadian talent development (CTD) initiatives: Developing Urban Stars – \$390,000, Urbanet.com Web site – \$25,000, Carifest Festival – \$25,000, Prairie Music

Week – \$25,000, FACTOR – \$100,000, Designated Group Fund – \$50,000, CTD coordinator \$45,000.

With respect to “Developing Urban Stars,” the Commission expects the licensee to adhere to its commitment to file an annual report containing detailed financial statements regarding its expenditures on each of the sub-initiatives it proposed to contribute to this larger CTD project.

**Additional condition of licence for CILK-FM Kelowna**

- Where the licensee broadcasts religious programming as defined in *Religious Broadcasting Policy*, Public Notice CRTC 1993-78, 3 June 1993, the licensee shall adhere to the guidelines set out in sections III B.2.a) and IV of that public notice with respect to the provision of balance and ethics in religious programming, as amended from time to time.

**Additional condition of licence for CKXR Salmon Arm**

- The licensee is authorized to simulcast the programming of CKXR-FM Salmon Arm on the AM station CKXR Salmon Arm until 27 February 2008.

**Conditions of licence for the FM station in Regina awarded to Standard Radio Inc.** in *Licensing of new radio stations to serve Regina, Saskatchewan, and technical change for CJLR-FM La Ronge, Saskatchewan*, Broadcasting Decision CRTC 2007-156, 28 May 2007

1. 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, with the exception of condition of licence number 5.
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:
  - a) devote, in that broadcast week, a minimum of 40% of its musical selections from content category 2 (Popular Music) to Canadian selections broadcast in their entirety; and
  - b) devote, between 6:00 a.m. and 6:00 p.m., in the period from Monday to Friday of the same broadcast week, 40% or more of its musical selections from content category 2 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 meaning as that set out in the *Radio Regulations, 1986*.

3. Upon commencement of operations, the licensee shall make direct expenditures of at least \$100,000 in each broadcast year for the development of Canadian content to eligible initiatives as defined in *Commercial Radio Policy 2006*, Broadcasting Public Notice CRTC 2006-158, 15 December 2006.

**Conditions of licence for CHOM-DR-1 Montréal, CJEZ-DR-1 Toronto, CFMX-DR-1 Toronto, CFRB-DR-2 Toronto, CKZZ-DR-1 Vancouver, and CISL-DR-1 Richmond.**

1. The licensee shall adhere to the conditions in effect under the licence issued to the AM or FM station to which the digital radio undertaking (DRU) is associated.
2. The licensee shall adhere to Parts 1 and 1.1 of the *Radio Regulations, 1986*.
3. The licensee is relieved of the requirement set out in section 10.1 of the *Radio Regulations, 1986* to own and operate its transmitter.
4. The licensee shall not use the ancillary capacity of the digital radio signal to provide services that constitute programming under the *Broadcasting Act*, unless otherwise authorized by the Commission.
5. The licensee shall use no more than 20% of the digital capacity of the 1.5 MHz channel specified for use by the geographic grouping of broadcasters to which the undertaking belongs.
6. The digital radio signal broadcast by the transitional DRU associated with the AM undertaking shall be broadcast from a single primary digital radio transmitter. The transmitter shall be located so as to ensure that the resulting digital radio coverage area does not exceed the lesser of:
  - a) the licensee's corresponding daytime AM coverage area; that is, the 0.5 millivolt per metre coverage area, or
  - b) the digital service area allotted to the licensee under the Department of Industry's spectrum allocation plan.
7. The licensee shall have full control over the transmission of its programming, regardless of the ownership of the transmission facilities that it uses.

## **Television**

### **General**

1. The licensee shall adhere to the revised tangible benefits plan to be proposed by Astral and approved by the Commission. This revised plan shall include funding for incremental priority documentary and local programming, local Aboriginal training, as well as grants for social initiatives targeting training programs.

**Conditions of licence for CJDC-TV Dawson Creek and CFTK-TV Terrace**

1. The licensee shall operate this broadcasting undertaking as an affiliate of the English-language television network operated by the Canadian Broadcasting Corporation.
2. The licensee shall provide closed captioning for all news programs and not less than 90% of all programs aired during the broadcast day, beginning not later than 1 September 2009.

## **Appendix 4 to Broadcasting Decision CRTC 2007-359**

### **Conditions of approval**

1. The applicant shall file, within 30 days of the date of this decision, a set of guidelines for Commission approval to determine whether spoken word programming produced through the Astral Media Radio Artist Development Program and the Astral Media Small Market Internship Program initiatives is incremental to such programming already produced by Astral radio stations.
2. The applicant shall file, within 30 days of the date of this decision, a revised tangible benefits plan wherein the \$140,000 originally directed to the Canadian Communications Foundation as a part of Astral's proposed radio tangible benefits is redirected to its tangible benefits expenditures associated with the acquisition of Standard's television assets. Astral shall also file a plan for the allocation of the now remaining \$140,000 to radio-associated tangible benefits to be adopted subject to Commission approval, as well as revised amounts to be allocated to each of its proposed television-related benefits initiatives, as identified in Appendix 2 of this decision.
3. The applicant shall file, within 30 days of the date of this decision, the amount of original local programming and the expenditures on original local programming for the past three years for CFTK-TV Terrace and CJDC-TV Dawson, respectively.